

Item No.	Classification Open	Date: 19 February 2010	Decision Taker: Executive Member for Culture, Leisure and Sports
Report title:		Fees and charges increases within the Film Service for 2010-11	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Housing	

RECOMMENDATIONS

1. That the proposed non-statutory fees and charges for 2010/11 be agreed with an implementation date of April 1, 2010.
2. That the Executive Member agrees the indicative non-statutory fees and charges for 2011/12 and 2012/13.
3. That the Executive Member notes the information contained within this report on the agreed 2009/10 non-statutory fees and charges and the projected out turn position.

BACKGROUND INFORMATION

4. This report sets out proposals for the fees and charges to be set for the outsourced Film service for 2010/11 and indicative charges for 2011/12 and 2012/13.
5. The Medium Term Resources Strategy (MTRS) 2009/10 – 2011/12 and the corporate income policy require that:
 - Fees and Charge are increased to a level at a minimum that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with Council policy would lead to adverse revenue implications or would impact adversely on vulnerable clients
 - Income generation is maximised by seeking income streams in line with Council policies and priorities
 - All fees and charges capped by statute are increased to the maximum level the cap allows.
6. Only where it can be demonstrated that adverse financial implications might arise or where increases are not considered realistic due to demand and local circumstances can fees or charges increases be set at a lower level than that set by the MTRS.
7. The Council's constitution requires that all fees and charges increases are agreed by the relevant Executive Member through an IDM report. An IDM report is also required where no increase or a reduction in fees and charges is proposed.

KEY ISSUES FOR CONSIDERATION

8. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types namely mandatory and discretionary i.e. where the Authority must charge or where there is a choice of charging or not. Whether mandatory or discretionary the charges will be either:
 - Fixed – where the level of charges is set by statute and the Authority has no discretion
 - Capped - where a maximum level is set, generally by statute and so charges cannot be set above this level or
 - Flexible – where there is full discretion on the level of charges to be set.
9. Where the Authority has a choice about charging, any decision not to charge must be agreed by the relevant Executive Member. This will be reviewed annually and will be considered within the context of the overall budget position.
10. This report only seeks approval for fees and charges for which there is discretion or where fees are capped although all fees and charges are included in the Appendices for information.
11. In arriving at the proposed fees and charge levels consideration has been given to a number of factors including volume assumptions, benchmarking data, market forces and sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. Another factor taken into account is that whilst Southwark may have discretion over the level of fees set in many cases this is on a cost recovery basis or must have due regard to the cost of service and be reasonable. The cost of service provision has therefore also been a consideration in arriving at the proposed fees.
12. Table 1 (see paragraph 19) details the total income expected to be generated from non-statutory fees and charges. A full list of non-statutory fees and charges to be approved are shown in Appendix 1. There are no statutory fees and charges within the Film service.
13. It is proposed that fees remain unchanged from those of 2009/10 with the exception of four fees which are to be increased by either 16.7% or 50%.

PROPOSED FEES FOR 2010/11

14. Southwark is an important location for the film industry. The borough currently attracts over 1,300 filming days per annum and is the second most filmed borough in London after Westminster.
15. Southwark Council has signed up to Film London's 'London Partnership Agreement' and has agreed to abide by its protocols which include the following points:
 - A borough's film service shall be a one stop shop service
 - All charges, deadline and protocols should be set out clearly on the authority's website
 - The borough film officer should collect data about film activity in the borough to be shared with Film London

- The charges for the service 'Film Service Charge' should not exceed the cost of running the service
 - Fees for the letting of Council owned properties are not included in this Film Service Charge
 - Low budget, student or charity films should not be charged and
 - Charges cannot be levied for filming on the street but can be levied for issuing licences for 'temporary structures' such as camera track.
16. Southwark Film Service has relied on input from our film contractor Muso Ltd for determining proposed fees for 2010/11. Muso Ltd has been overseeing filming in the borough since 2005, works closely with Film London on film issues, and is the film contractor for London Borough of Lewisham as well. Muso is therefore extremely well placed to advise on the setting of competitive fees for filming in Southwark.
17. In arriving at the fee proposed for 2010/11 a number of factors had to be considered. These factors include the Film London protocols (see paragraph 15) which include that fees should not exceed the cost of running the service that low budget student or charity films should not be charged and that charges can not be levied for filming on the street. In addition fees have to be seen as fair by film makers in order to keep on attracting new business and maintaining the borough's position as one of the most popular filming locations in London.
18. As a result of the factors described in paragraph 17 it is proposed that seven of the eleven different fees for filming remain unchanged, whilst four are increased. Parking fees (bay suspensions) are being increased from £30 to £35 in line with increases by the Council's Parking Services. High impact unit base fees and the two fees (half day and full day) for large crews are being increased by 50% as it is believed that the higher end of the market can absorb these increases and to make these charges more consistent relative to the fees for smaller shoots.
19. Indicative fees for 2011/12 have not been increased whilst those for 2012/13 have been increased by an average of over 3% mainly because rounded figures are preferred.

Resource Implications

20. Table 1 show the budgets and projected out turn for 2009/2010 and the anticipated income levels for 2010/2011 arising from the proposed fees and charges increases.

Table 1 – Film service budget and actual income figures

Income area	2009/2010 Budget	2009/2010 Projected outturn	2010/2011 Proposed budget	Average increase in income	Comments
	£	£	£	%	
-Film service	(154,965)	(147,110)	(154,965)	2.0%	

21. As can be seen in Table 1 actual income for 2009/10 is forecasted to fall about 5% short of the budget target. The intention of the proposed fee increases in 2010/11 is to go some way towards narrowing this 5% gap between budget target and actual income achieved.

22. There are no staffing implications to be considered.

Community Impact Statement

23. One of the key considerations in arriving at the proposed levels was the price sensitivity i.e. the impact that increases will have on customers' ability to pay and the take-up of services. In addition no fees are charged for students, charities and low budget films. Obviously all this needs to be balanced with the Council's MTRS as outlined in paragraph five and the requirement to increase fees and charges year on year.

Consultation / Notification of fee increases

24. Consultation is not required on the above fees and charges. However formal notification of price increases is, once approved notification of fee increases will be published through the appropriate channels.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (SB022010)

25. The Executive Member for Culture, Leisure and Sports is asked to approve the proposed and indicative non-statutory fees and charges as outlined in this report.
26. Section 93(1) of The Local Government Act 2003 enables the Council to charge for providing discretionary services. The power in the Act is subject to the requirement that the authorities are not prevented from charging for the services elsewhere in legislation. The Strategic Director of Communities, Law & Governance is not aware of any specific legislative provision which would prevent the Council relying on these powers to charge.
27. The power to charge for a service under the Act is also subject to the duty to make sure that taking one financial year with another the income from charges made from a service does not exceed the cost of the provision of the service.
28. The Council is therefore allowed to set the level of the charge for each discretionary service that it thinks fit subject to those charges not exceeding the costs of the provision.
29. The approval of the fees and charges sought in this report is a matter reserved to the Executive Member for individual decision making in accordance with Part 3D paragraph three of the Council's constitution.
30. The proposed increases are intended to be consistent with the MTRS and will apply to the existing non-statutory fees and charges.

Finance and Resources Director (Env/ET/050210)

25. This report seeks authority for approving the fees to be charged by Culture, Libraries, Learning and Leisure Division for film services in 2010/2011. It is only concerned with fees and charges where the Council has discretion about the level to be charged.

26. The current MTRS states that discretionary fees and charges are to be increased to a level that is equal to the most appropriate London average except where this conflicts with Council policy or would lead to adverse revenue implications.
27. The Film Service is proposing to increase current fees and charges by varying percentages in order to improve consistency between the various fee types. These increases in fees are intended to close the current slight gap between target income and forecasted actual income within the Service. Given that the proposals seek to maximise income generation, they can therefore be considered in line with the MTRS.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Film services contract between Southwark Council and Muso Ltd	160 Tooley Street, SE1 2TZ	Paul Cowell, Events, Film and 2012 Manager, Tel: 020 7525 0857

APPENDICES

No.	Title
Appendix 1	Detail of proposed Film service fees 2010/11 to 2012/13

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director Environment & Housing	
Report Author	Adrian Whittle, Head of Culture Libraries Learning and Leisure	
Version	Final	
Dated	19 February 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic director for Communities, Law & Governance	Yes	Yes
Finance and Resource Director	Yes	Yes
Executive Member	Yes	Yes
Date final report sent to Constitutional Support Officer	19 February 2010	