

Item No.	Classification: Open	Date: 23 February 2010	Decision Taker: Executive Member for Culture, Leisure and Sports
Report title:		Fees and charges increases within the Culture 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 Culture 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 Charges 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 is 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 ie. 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. 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.
11. Table 1 (see Appendix 2) 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.
12. It is proposed to increase fees and charges within the Culture service by an average of 2% (with a few exceptions e.g. photocopy charges). In cases where certain individual fees are proposed to be increased by more (or less) than 2%, this is mainly driven by the desire to arrive at rounded figures.

Culture Service

Events

13. Events are unique in each Borough and comparing charges with those in neighbouring Authorities is not useful. There are over 180 events per annum and many events are grant funded and therefore subsidised. It is proposed to increase all 2010/11 charges bar one by between 1.8% and 2.2%. The exception is the basic administration fee that has been increased by 10% as it was not increased in 2008/09 and 2009/10. The indicative increases for 2011/12 and 2012/13 are between 1.7% and 2.6% (once again with the exception of the basic administration fee), also averaging about 2%. Currently there is a discretionary discount of 50% to 100% for Community Events. It is proposed not to apply this discount if the Community Event is generating income.

Heritage Facilities – Kingswood House

14. The main income stream is from hire of rooms. It is proposed to increase all Kingswood House fees by 2%, with the exception of photocopy charges. The proposal is therefore to not increase them in 2010/11, which will keep them in line with photocopy charges in the Council's Library Service. Given the unique nature of Kingswood House, it is difficult to compare fees with neighbouring Authorities and other organisations. The increases for 2011/12 and 2012/13 have been kept at 2% on average, once again with the exception of photocopies.

Heritage Facilities – Local History Library

15. The Local History Library publishes a range of books and postcards covering many areas of local history. The library also has a large photographic collection, covering all aspects of life in Southwark. Charges are made for publications and reproduction fees. It is proposed that various percentage increases are applied, ranging from 0% to 10%, but roughly averaging 2%. The large variation in percentage increases proposed is due to the low value of the charges applied, which means that rounding the figures slightly has a large impact on the percentage increase. Photocopying fees have been kept in line with those charged by Libraries ie. not increased in 2010/11 due to their nature. A similar average 2% indicative increase has been applied to 2011/12 and 2012/13.

Resource implications

16. Table 1 (see Appendix 2) shows 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.

Budget assumptions and implications

17. It has been decided to increase fees by 2% across the units within Culture as there has been no negative feedback from customers regarding previous price increases. Although Kingswood House is projected to generate income more than budget in 2009/10, it cannot be used as a base to project future year's budget since income from this site, tends to fluctuate between years. Therefore the budget for 2010/11 has been left unchanged. Local History Library income is negligible.
18. The overall increase of 2% is unlikely to have a significant impact on the overall budget of the Culture Services.

COMMUNITY IMPACT STATEMENT

19. One of the key considerations in arriving at the proposed levels was the price sensitivity ie. the impact that increases will have on customers' ability to pay and the take-up of services. However, this flexibility is limited to only where Southwark has discretion over the level of fees set. In addition in certain services such as events, concessions and discounts are made available for community groups, the young, the elderly and for those on means tested benefits. Obviously all this needs to be balanced with the Council's MTRS as outlined in paragraph 5 and the requirement to increase fees and charges year on year

Consultation / Notification of fee increases

20. 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 (SB122009)

21. The Executive Member for Culture, Leisure and Sports is recommended to approve the 2010/11 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 April 2010 if approved.
22. 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 3 of the Council's constitution.
23. The proposed increases are intended to be consistent with the MTRS and will apply to the existing non-statutory fees and charges.

Finance Director (CD122009)

24. This report seeks authority for approving the fees to be charged by Culture, Libraries, Learning & Leisure (CLLL) Division for events and heritage facilities in 2010/2011. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
25. Currently the MTRS is to generally increase discretionary fees and charges 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. CLLL are proposing to increase the majority of fees and charges by an average of 2% in order to achieve current budgetary income levels. As outlined in the report the proposed changes to fees and charges seek to avoid any adverse revenue implications and is therefore in line with the MTRS.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Culture, Libraries, Learning & Leisure Division Budget working papers	CLLL Finance 3rd Floor Hub 2 160 Tooley St PO Box 64529 London SE1 5LX	Deon Kritzinger, CLLL Divisional Accountant Tel: 0207 525 3754

APPENDICES

No.	Title
1	Detail of proposed Culture Service fees 2010/11 to 2012/13
2	Budgets and projected out turn for 2009/2010

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director Environment & Housing	
Report Author	Adrian Whittle, Head of Culture Libraries Learning and Leisure	
Version	Final	
Dated	23 February 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance and Resources Director	Yes	Yes
Executive Member	Yes	Yes
Date final report sent to Constitutional Officer	23 February 2010	

