

TO: THE EXECUTIVE
20 JANUARY 2009

REVIEW OF FEES AND CHARGES 2009/10
Borough Treasurer/Director of Environment Culture and Communities

1 PURPOSE OF DECISION

- 1.1 The Council currently generates around 25% of its gross expenditure from fees and charges. This is an important source of funding and it is essential, therefore, that the Council ensures this source of income makes a fair and sustainable contribution to the Council's finances.
- 1.2 In accordance with the Council's Financial Regulations charges must be reviewed annually, taking into consideration the cost of the service, its value to users and current legislation. This report seeks approval for the proposed fees and charges for 2009/10.
- 1.3 The report also seeks approval for the introduction of free swimming at Bracknell Leisure Centre for Bracknell Forest residents that have not reached their 16th birthday or have reached their 60th birthday.

2 RECOMMENDATIONS

- 2.1 **That the fees and charges set out in Appendix A be recommended to Council for approval, subject to the comments of the Overview and Scrutiny Commission.**
- 2.2 **That the Free Swimming Scheme as outlined in paragraph 5.8 be implemented from 1 April 2009.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 Financial Regulations require fees and charges to be reviewed annually and this report fulfils that requirement.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Executive agreed, on 16 December 2008, a guideline increase of 5% to cover increases in costs from inflation and other pressures. The proposals within this report have been developed within that overall framework.

5 SUPPORTING INFORMATION

Fees and Charges

- 5.1 In addition to the requirements of Financial Regulations the Council established a policy for the review of fees and charges when setting the 2001/02 budget. This

requires each Department to consider the level of charges against the following criteria:

- Fees and charges should aim, as a minimum, to cover the costs of delivering the service;
- Where a service operates in free market conditions, fees and charges should at least be set at the market rate;
- Fees and charges should not be levied where this is an ineffective use of resources, i.e. the cost of collection exceeds any income generated.

5.2 The General Fund Revenue Budget 2009/10 report to the Executive on 16 December 2008 suggests that most prices, where the Council charges users of services a fee for that service, will need to increase by around 5% to cover increases in costs from inflation and other pressures. The proposals are attached at Appendix A. Included in Appendix A are proposals for a free swimming scheme the details of which are set out in the following paragraphs.

Free Swimming Scheme

5.3 At the end of July 2008 the Government released details of a free swimming scheme for local authorities across the UK and a grant programme associated with the scheme. The grant was divided into three pots:

- Pot One – An allocation for providing free swimming for those aged 60 and over. Bracknell Forest Council was allocated £24,900
- Pot Two – An allocation for providing free swimming for those aged 16 and under. The amount allocated was based on the number of local authorities indicating their participation in free swimming for both age groups. It is estimated that Bracknell Forest Council might have received an additional £60,000 - £80,000
- Pot Three – Local authorities participating in both schemes would also be entitled to a one off capital grant. It is estimated that Bracknell Forest Council might have received approximately £35,000 - £40,000

There were a number of key features relating to the government scheme namely:

- Councils could choose to participate in only the 60 and over scheme but not just the 16 and under scheme. To access the one-off capital payment Councils had to participate in both schemes.
- The scheme could not be restricted to Bracknell Forest residents only
- The scheme had to be implemented at all local authority swimming facilities
- The scheme only lasted for two years

5.4 Officers carefully considered the grant offer, the terms and conditions of the grant offer, the current level of participation and the financial implications of accepting the grant. Estimated income for casual swimming at Bracknell Forest managed pools for 2007/08 was approximately £550,000 for these two age groups and with an estimated grant offer of about £100,000 a year there could have been a substantial shortfall of an estimated £450,000 per annum.

- 5.5 Although implementing the government scheme could have had serious financial implications for the Council, there were obviously potential benefits of a free swimming programme to the residents of Bracknell Forest
- 5.6 A number of alternative Bracknell Forest Council schemes were therefore considered. Officers felt that a scheme benefiting residents only and taking place at Bracknell Leisure Centre during casual public opening times would be the most economical way forward. (A list of public opening hours is attached as Appendix B)
- 5.7 Appendix C gives a breakdown of the various options considered and the financial implications, with option 3 the preferred choice.
- 5.8 Based on levels of usage during 2007/08 and levels of income, the preferred scheme would cost approximately £45,000 (option 3 Appendix C) based on the following criteria:
- The scheme is available to Borough residents only
 - Participants must not have reached their 16th birthday or must have reached their 60th birthday
 - The scheme will be accessed through the e+ card
 - The scheme will be available at Bracknell Leisure Centre during programmed public swimming sessions (including Early Birds)
 - The Borough Council reserve the right to alter the terms and conditions of the scheme at any time, including withdrawal of the scheme. The Director of Environment, Culture and Communities be given delegated authority to make any future such changes.
 - Existing admission requirements to the pools will apply such as the Under 8s policy and adults only for Early Birds

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Nothing to add to the report.

Borough Treasurer

- 6.2 Fees and charges are an important source of funding and the proposals contained within this report will ensure that this source of income continues to make a fair and sustainable contribution to the Council's finances.
- 6.3 The draft budget proposals agreed by the Executive on 16 December 2008, as the basis for consultation, contained a service pressure of up to £50,000 for the introduction of a Free Swimming Scheme. The proposals contained within this report are within that funding envelope.

Equalities Impact Assessment

- 6.4 The free swimming proposal seeks to positively discriminate in favour of young people under 16 and older people over 60. For young people it is particularly important to try and encourage them to participate in sport in order to develop a positive attitude to exercise which hopefully will continue into later life. This has distinct advantages with regard to maintaining a healthy lifestyle and undertaking positive activities. There are similar advantages in supporting older people in maintaining an exercise regime although the emphasis is slightly different. In both age groups it is felt that removing the barrier of cost has the potential to increase the number of users and also increase the number of times people go swimming. The Leisure Centres also offer concessionary rates for other individuals in the community that have financial need.

Strategic Risk Management Issues

- 6.5 The most significant strategic risk is that the Council will not achieve the budgets that have been established for income from fees and charges. This risk will increase whilst the economic recession continues, with income budgets for leisure activities likely to be the most vulnerable.
- 6.6 The Council has a sound track record of financial management and to mitigate this risk has established a robust budget monitoring process. This approach has previously identified potential overspends (or income shortfalls) early enough in the financial year to ensure that the Council has the opportunity to take corrective action and keep overall spending within budget. The same approach will be adopted in 2009/10, but with additional emphasis on those budgets likely to be at risk as a result of the continuing recession.
- 6.7 The funding that will be made available to support the free swimming scheme should be sufficient to cover lost income although there is a small risk that the estimates where used may prove inaccurate. Some of our current users in these groups are likely not to be residents who will not be able to take advantage of the scheme. If their local Council does offer free swimming, this may lead to a loss of income both in admission fees and secondary spend but this is most likely dependent on location and quality of the alternative facilities. In operational terms, there is the potential for a short period of customer dissatisfaction from those non residents who may feel aggrieved at not being able to get free swimming.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Overview and Scrutiny Commission will be consulted on 22 January 2009 prior to the fees and charges being presented to Council for approval.

Method of Consultation

- 7.2 Circulation of this report.

Representations Received

- 7.3 None to date.

Background Papers

General Fund Revenue Budget 2009/10 report to the Executive on 16 December 2008

Government consultation papers and circulars on free swimming

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