

Community Engagement – Wellbeing Fees & Charges 2011/12

14th February 2012

Report of Head of Community Engagement

PURPOSE OF REPORT

This report sets out options for increasing the level of fees and charges at Salt Ayre Sports Centre, Community Pools, Recreation Grounds, Williamson Park and Platform.

Key Decision

X

Non-Key Decision

Referral from Cabinet
Member

Date Included in Forward Plan

20/01/2012

This report is public.

RECOMMENDATIONS OF COUNCILLOR SANDS

- (1) That the charges for Salt Ayre Sports Centre, Community Pools, Williamson Park, Parks and Recreation Grounds and the Platform are increased in line with the proposed percentages (rounded to nearest £0.10) and arrangements as set out in Appendix 1 with effect from 1st April 2012, generating potential additional income of £11,300 over and above the minimum budgetary requirement to cover inflationary increases.

1.0 Introduction

Figures for income generation are set each year as part of the budget process. This report sets out to demonstrate possible increases to revenue across Salt Ayre Sports Centre, Community Swimming Pools, Williamson Park, Parks and Recreation Grounds and the Platform from 1st April 2012.

2.0 Proposal Details

- 2.1 Appendix 1 details the current charges and the options for increases. The charges are rounded to the nearest 10p.

2.2 Increasing Charges

The setting of charges within each facility is very much led by customer demand and as such is not always easily addressed by simply applying one percentage increase across the board. Some competitors within the industry apply different strategies and in some cases opt not to

increase charges on the basis that customer resistance would result in dramatic reduction in throughput and therefore a decrease in income.

2.3 This report sets out increases to key charges (activities which generate majority of total income) with varying percentage increases based on officers knowledge of market demand and supply, factors such as inflation and VAT and the need for the Council to operate services which provide value for money.

2.4 **Monitoring**

Officers within Wellbeing and Finance will closely monitor impact of any price adjustments and as such will be able to respond to market demand from trend analysis as required by making adjustments or reviewing whether an activity remains viable in order to address under performance in any given area of activity.

Formal monitoring of financial performance will continue to be reported via the Performance Review Team (PRT) process on a quarterly basis.

Salt Ayre Sports Centre

Salt Ayre Sports Centre is the main revenue earning facility and as such the potential impact of increasing charges as proposed within appendix 1 is £9,800 above anticipated budget. This is the significant proportion of the overall figure of £11,300 above anticipated budget with Williamson Park providing the balance of £1,500. The opportunity to increase prices slightly above inflation for certain activities enables officers to maximise the potential for income generation on certain activities which may withstand customer resistance. This strategy is supported by close links to the Council's marketing and promotion team which seeks to implement approaches that predict and react to market forces or Council priorities.

Based on a 2010/11 throughput figure of 357,582 (the last full years figures available) the subsidy per user for Salt Ayre Sports Centre was £3.58 based on a total net revenue expenditure of £1,279,697. Removing the non controllable support recharges and capital charges totalling £668,673 reduces the total net revenue expenditure and net subsidy per user to £611,024 and £1.71 respectively.

Salt Ayre sports centre is integral to the Health and Fitness Referral programme offered by the Active Health Team which provides all surgeries within the district the opportunity to 'refer' patients for sport and physical activity exercise as part of a health improvement scheme. Similarly, the sports centre accommodates the successful Lancaster and Carnforth swimming clubs (early morning access) and a range of other sports and community clubs in the district for which the facilities prove essential in enabling active participation for people of all ages and abilities.

Access to facilities at Salt Ayre and the Community Pools continues to provide opportunities for people to participate in sport and physical activities at reduced rates without requiring a membership fee. The swimming sessions for £1 at all facilities will continue as part of the Council's approach to encourage high participation levels in physical exercise. All facilities are integral to work with partner agencies such as the Police and County Council when offering diversionary activities particularly for children and young people. Various schemes are in place (often externally funded) which are aimed at encouraging people who may not normally access opportunities to sport and physical exercise to take part in activities in a safe and controlled manner.

3.0 Options and Options Analysis

	Option 1 To approve the increase in fees as recommended in the report	Option 2 To approve a different increase (either in percentage or £ income terms).	Option 3 To do nothing and retain the existing fees and charges.
Advantages	This option makes a small additional contribution to the 2012/13 budget process, whilst retaining fees at competitive levels.	This option potentially allows for a greater increase in revenue, therefore making a greater contribution to the 2012/13 budget process.	<p>This option would mean no price increases for customers (and so the 'subsidy' of associated services by all council tax payers would increase, irrespective of whether they use those services or not).</p> <p>This option could, potentially, have a positive effect on income generation should throughput increase significantly as a result of no increases, but there is no strong evidence to support this.</p>
Disadvantages	Any increase in fees is likely to be unpopular with customers.	<p>Alternatively, if an increase less than the 2.6% general inflation assumption is approved, it would not meet the current budget requirements, and revenue raising opportunities would be lost.</p> <p>An increase in fees above the recommended amount is likely to meet with customer resistance.</p> <p>This could result in reduction in income generation and as such customer dissatisfaction that may be difficult to respond to.</p>	<p>Lost opportunity to raise additional revenue through fees and charges in areas that may stand an increase.</p> <p>This option will not meet the current budget requirements, requiring additional income or savings to be generated from other activities / services undertaken by the council.</p>

Risks	There is always a risk that customers will choose not to access services especially with any increase in charges.	<p>There is always a risk that customers will choose not to access services if fees are too high or move to one of the key competitors in the district.</p> <p>There is a risk that even current income levels will fail to be achieved if fees are perceived to be too high.</p>	<p>This option increases the difficulties of securing a viable budget at a time when additional income and savings are required.</p> <p>There is no compensating increase in throughput and the Council suffers loss of income.</p> <p>Perceived greater unfairness by tax payers generally.</p>
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4.0 Officer Preferred Options

- 4.1 The officer preferred option is Option 1. This option allows for increased revenue whilst retaining fees at affordable and competitive levels. The flexibility for the Head of Community Engagement to reduce charges from their maximum figure in line with particular promotions for activities would help to respond to changes in market demand throughout the year and this is noted on the Appendix.

RELATIONSHIP TO POLICY FRAMEWORK

Fees and charges form an integral part of the budget setting process, which in turn relates to the Council's priorities. Under the Medium Term Financial Strategy (MTFS), income generation is a specific initiative for helping to balance the budget.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The proposed increases are considered to be fair and reasonable.

FINANCIAL IMPLICATIONS

The 2012/13 draft budget assumes that throughput for all areas will continue at similar levels as has been projected for 2011/12. An inflationary increase of 2.6% in respect of fees and charges totalling £34,800 for all areas included within this report has been added in line with the council's policy on fees and charges. All fees may be increased by more than this amount, as long as any impact on usage is taken into account.

For Salt Ayre Sports Centre, Community Pools and Williamson Park, in terms of fees and charges these are classed as subsidised as they do not recover the cost of the service provision and are intended to make the service widely accessible.

For the Platform and Parks and Open Spaces, their charges seek to minimise losses / maximise revenue and ideally should be based on a commercial rate.

The report sets out a number of options for Members' consideration, one of which not only meets the draft budget but also gives the flexibility to consider setting fees and charges over and above those currently projected.

Option 1 as set out in the table below is expected to provide an additional £11,300 income over and above that currently included within the draft budget. This option has an inherent risk associated with it as any increases could potentially impact on usage, although is mitigated to some extent as is based on managers' current experience of their respective areas.

	2.6% Inflation included in 2012/13 Draft Budget	Proposed Additional Income
Budgetary Requirement (Inflation Increase)	(34,800)	--
SASC	20,600	(9,800)
Community Pools	8,700	0
The Platform	800	0
Williamson Park	4,200	(1,500)
Recreation Grounds/Parks	500	0
Total Budget Shortfall/(Surplus)	34,800	(11,300)

Should Members seek to approve a different general increase under option 2, the exact impact on the draft budget cannot be properly quantified at this stage until the financial implications are further analysed based on what is proposed. The Head of Community Engagement would need the flexibility to apply a range of fee increases where appropriate that would not only meet the current budget requirement of £34,800, but also allow an additional contribution to be made to the 2012/13 draft budget in line with any general increase as agreed by Members. Depending on the increase chosen, this option could have significantly increased risks (assuming a higher increase is chosen), i.e. associated with increased customer resistance and any differing trends in activities undertaken which will inevitably impact on the actual income raised. There could be a need to report back on this option, prior to it being finally approved. Alternatively, if the increase chosen by Members is below 2.6%, then the financial implications would be similar to those in option 3.

Under option 3 there is no strong evidence to suggest that throughput would increase, therefore there is a high risk that income would be very similar to 2011/12 and not meet the budget requirement currently included in the 2012/13 draft budget. This could result in a potential shortfall of up to £34,800.

Members are reminded that, if option 3 is taken forward, then as it falls outside of the current budget framework and it will impact on the need to make more savings in other areas of activity, then it would need to be referred onto Full Council as part of Cabinet's overall budget proposals. This may also apply to option 2.

SECTION 151 OFFICER'S COMMENTS

Members are advised to consider the proposals in context of draft priorities and financial prospects, as well as service objectives and value for money.

LEGAL IMPLICATIONS

There are no legal implications arising as a result of this report

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comment to add.

BACKGROUND PAPERS

Fees & Charges 2011/12 report to Cabinet

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Appendix 1

Platform	Current Gross Price (rounded) 2011/12	Proposed Gross Price (rounded to nearest 10p) 2012/13	Total Proposed % Increase (including 2.6% inflation)
Hire Charges - Community Rate (Hall Only)			
Daytime 9.30am to 12.30pm			
Mon, Tues & Weds	40.00	41.00	2.5%
Thurs	45.00	46.20	2.7%
Fri	55.00	56.40	2.5%
Sat, Sun & Bank Holidays	130.00	133.40	2.6%
Coffee Morning rate available Mon - Thurs only	25.00	25.70	2.8%
Morning Christmas Fair	50.00	51.30	2.6%
Daytime 1.00pm to 5.00pm			
Mon, Tues & Weds	45.00	46.20	2.7%
Thurs	60.00	61.60	2.7%
Fri	70.00	71.80	2.6%
Sat, Sun & Bank Holidays	140.00	143.60	2.6%
Evening 6pm to 10.30pm (meetings) etc			
min charge (upto 3 hours) under 100 persons	95.00	97.50	2.6%
up to 150	180.00	184.70	2.6%
Festival Use - Platform Forecourt			
Additional Charge for Fri, Sat, Sun Afternoon +PA & Tech Incorporating wet weather indoor availability	new price	55.00	N/A
Concerts/Events open to General Public			
Hall Only	365.00	374.50	2.6%
Technician to operate inhouse PA/Lights	95.00	97.50	2.6%
Hire Charges - Commercial Hire (Hall Only)			
Daytime 9.30am to 12.30pm			
Mon to Fri	85.00	87.20	2.6%
Sat, Sun	195.00	200.10	2.6%
Daytime 1.00pm to 5.00pm			
Mon to Fri	95.00	97.50	2.6%
Sat & Sun	210.00	215.50	2.6%
Bank Holidays	280.00	287.30	2.6%
Evening 6pm to 11.00pm			
Mon to Wed	365.00	374.50	2.6%
Thurs, Fri, Sat, Sun	455.00	466.80	2.6%
Bank Holidays	525.00	538.70	2.6%
plus extra security costs if necessary			
Evening after 11pm			
Mon to Thurs per hour	65.00	66.70	2.6%

Fri, Sat, Sun & Bank Holidays per hour	90.00	92.30	2.6%
Bank Holidays per hour	110.00	112.90	2.6%

Festival Use - Platform Forecourt

Additional Charge for Fri, Sat, Sun Afternoon +PA & Tech Incorporating wet weather indoor availability	new price	95.00	N/A
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Additional Charges

Hire of house PA/Lights inc Technician 5 hrs	100.00	100.00	0.0%
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Salt Ayre Sports Centre	Current Gross Price (rounded) 2011/12	Proposed Gross Price (rounded to nearest 10p) 2012/13	Total Proposed % Increase (including 2.6% inflation)
Main Hall			
Court Hire per hour			
Adult Peak	9.00	9.50	5.6%
Adult Off Peak	8.00	8.50	6.3%
Junior Peak	7.50	7.50	0.0%
Junior Off Peak	6.50	6.50	0.0%
Early Bird per person (2 Hrs)	4.00	4.50	12.5%
Main Hall Sports Hire per hour			
1/2 Hall Sport	48.00	48.00	0.0%
1/2 Hall Events	37.00	37.00	0.0%
Gymnastics (per lesson)	4.50	4.60	2.2%
Fitness Classes Peak	4.50	5.00	11.1%
Fitness Classes Off Peak	4.00	5.00	25.0%
Cycle Racing Circuit	28.00	30.00	7.1%
Swimming			
Adult	3.50	3.60	2.9%
Junior	2.00	2.00	0.0%
Senior Citizen	2.40	2.60	8.3%
Senior Citizen with Card	2.20	2.30	4.5%
Family Swim	9.00	9.50	5.6%
Parent & Toddler	3.40	3.40	0.0%
Spectators (all)	1.50	1.50	0.0%
Shower	3.50	3.75	7.1%
PTL	2.40	2.40	0.0%
Pool Classes Peak	4.50	5.00	11.1%
Pool Classes Off Peak	4.00	5.00	25.0%
Swim Tuition per lesson	4.25	4.40	3.5%
Swim Passes			
Early Bird 6 Month	75.00	80.00	6.7%
Adult 6 Month	140.00	145.00	3.6%
Senior 6 Month	110.00	115.00	4.5%
Junior 6 Month	75.00	75.00	0.0%
Adult 1 Month	38.00	40.00	5.3%
Junior 1 Month	22.00	22.00	0.0%
Learner Pool	32.00	32.85	2.7%
Main Pool	55.00	56.50	2.7%

Whole Pool	75.00	77.00	2.7%
Clubs Non Vat	46.00	47.20	2.6%
Reflexions (Priced monthly)			
Membership - Full	34.00	35.00	2.9%
Membership - Off Peak	26.00	28.00	7.7%
Membership - Monthly	45.00	46.00	2.2%
Membership - 55+	22.00	24.00	9.1%
Membership - Corporate	28.00	30.00	7.1%
Membership - Junior	17.00	18.00	5.9%
Heatwaves			
Casual	5.50	6.00	9.1%
Studio			
Fitness Classes Peak	4.50	5.00	11.1%
Fitness Classes Off Peak	4.00	5.00	25.0%
Fitness Classes PTL	2.40	2.40	0.0%
Projectile Hall			
Fitness Classes Peak	4.50	5.00	11.1%
Fitness Classes Off Peak	4.00	5.00	25.0%
Athletics Track			
School Events (with equipment)	260.00	267.00	2.7%
School Events	130.00	133.40	2.6%
Hourly Rate non vat	33.00	33.90	2.7%
Outdoor Hire (Per Hour)			
Full Synthetic Pitch	34.00	34.00	0.0%
1/2 Synthetic Pitch	18.00	18.00	0.0%
Aquarius Room			
Aquarius Room Hire	24.00	24.65	2.7%

Community Pools	Current Gross Price (rounded) 2011/12	Proposed Gross Price (rounded to nearest 10p) 2012/13	Total Proposed % Increase (including 2.6% inflation)
Swimming			
Adult	3.50	3.60	2.9%
Junior	2.00	2.00	0.0%
Senior Citizen	2.40	2.60	8.3%
Senior with card	2.20	2.30	4.5%
Family Swim	9.00	9.50	5.6%
Six Month Pass			
Adult	140.00	145.00	3.6%
Junior	75.00	75.00	0.0%
Senior	110.00	115.00	4.5%
Early Bird	75.00	80.00	6.7%
Classes			
Senior	3.40	3.50	2.9%
Adult	4.20	4.50	7.1%
Parent and Child	3.40	3.40	0.0%
Pool Hire			
Clubs non vat	42.00	43.00	2.4%
Swimming Lessons			
8 week course	4.25	4.40	3.5%
Ducks & Ducklings	4.50	4.50	0.0%

Parks, Recreation Grounds & Open Spaces	Current Gross Price (rounded) 2011/12	Proposed Gross Price (rounded to nearest 10p) 2012/13	Total Proposed % Increase (including 2.6% inflation)
Grass Pitches			
Grass Pitch (2 hours)			
Adult Game	40.90	42.00	2.7%
Junior Game	20.50	21.00	2.4%
Bowls (Summer Season Ticket)			
Adult	46.00	47.20	2.6%
Senior Citizen/Junior	23.00	23.60	2.6%
Bowls (Winter Season Ticket)			
Adult	31.50	32.30	2.5%
Senior Citizen/Junior	15.75	16.20	2.9%
Clubs Per Season/Team			
Adult	220.00	225.70	2.6%
Senior Citizen/Junior	115.00	118.00	2.6%
Bowls Casual Per Hour			
Adult	3.50	3.60	2.9%
Senior Citizen/Junior	1.75	1.80	2.9%
Exclusive Green Use			
Half Day 3 hours	34.00	34.90	2.6%
Full Day 6 hours	50.00	51.30	2.6%
Tennis Per Person Season Ticket			
Adult	56.00	57.50	2.7%
Senior Citizen/Junior	24.00	24.60	2.5%
Casual Per Hour			
Adult	3.50	3.60	2.9%
Senior Citizen/Junior	1.70	1.70	0.0%
Lost Ball	2.50	2.60	4.0%
2 adult 2 children	6.50	6.70	3.1%
Multi Use Games Areas (MUGA)			
Happy Mount Park			
55 mins with lights	28.00	28.70	2.5%
Adult Without lights	25.00	25.70	2.8%
Junior Without lights	12.50	12.80	2.4%
Adult Without lights			
Junior Without lights			
10x 1hr sessions - no refunds			
Adult/Junior with floodlights 12 sessions(2free)	280.00	287.30	2.6%
Adult no floodlight 12 session (2free)	250.00	256.50	2.6%
Junior Without lights 12 session (2free)	125.00	128.30	2.6%
Ridge Ryelands Palatine			
Adult Without lights			
Junior Without lights			
Playing Fields			
Football Club per Season			
Adult with changing rooms	400.00	410.40	2.6%
Adult without changing room	215.00	220.60	2.6%
Junior	190.00	194.90	2.6%

Cricket club per season -

Adult with changing	400.00	410.40	2.6%
Adult without Changing	215.00	220.60	2.6%
Junior	190.00	194.90	2.6%

Cricket per match

Adult	60.00	61.60	2.7%
Junior	33.00	33.90	2.7%

Launching Permits

Powered Craft	15.50	15.90	2.6%
Datatag (one off charge)	50.00	51.30	2.6%
Non Powered Vessel	15.50	15.90	2.6%

Registration of Commercial Vessels

All Vessels

Quad Bike Access Permits for Shellfish Collection	55.00	56.40	2.5%
Day Permits - All Vessels	11.00	11.30	2.7%

Moored Vessel Registration

Access to Carleton Terrace & Moorings

Stone Jetty Permits - Disabled Anglers Vehicles	12.50	12.80	2.4%
Grosvenor Access Permits - Disabled Anglers Vehicles	6.50	6.70	3.1%

Quad Bikes - Bond	250.00	256.50	2.6%
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Williamson Park

Current Gross Price (rounded) 2011/12	Proposed Gross Price (rounded to nearest 10p) 2012/13	Total Proposed % Increase (including 2.6% inflation)
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Butterfly House

Adult Admission BH	3.50	3.60	2.9%
Child Admission BH	2.50	2.60	4.0%
Concession Admission	3.00	3.20	6.7%

Butterfly House

Family Admission (2 x Adult 2 x Children)	11.00	11.50	4.5%
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Butterfly House

School Booking Half Tour	3.50	3.60	2.9%
School Booking Full Tour	4.25	4.40	3.5%
Birthday Party Tour	25.00	27.00	8.0%
Junior Zoo Keeper Course	20.00	22.00	10.0%
Wildlife Detective Session	3.50	3.75	7.1%

Events

Wedding Hire	420.00	440.00	4.8%
Wedding Corkage Alcoholic Drinks	5.50	5.50	0.0%
Wedding Corkage Soft Drinks	3.50	3.50	0.0%
Evening Hire	350.00	375.00	7.1%
Ashton Memorial Day Hire	150.00	180.00	20.0%
Ashton Memorial 1/2 Day Hire	75.00	90.00	20.0%
Art Exhibition (1 week)	25.00	27.00	8.0%

Car Parks

Car Parking Permits	20.00	21.00	5.0%
Short Stay Car Park	0.60	0.70	16.7%
Long Stay Car Park	1.20	1.30	8.3%
Gift Shop			
Orienteering Map purchase	1.60	1.70	6.2%

Prices listed are maximum charges and are all subject to variation in line with market demand and specific promotional campaigns. A flexible approach with regard to setting charges is required in order for officers to maximise marketing opportunities and respond to industry trends, which could include the introduction of new activities at competitive charges.