

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

14 January 2008

**Joint Report of the Chief Leisure Officer and the
Director of Finance**

Part 1- Public

Matters for Recommendation to Cabinet - Key Decision

1 LEISURE SERVICES – REVIEW OF CHARGES 2008/09

Summary

This report outlines charging proposals in respect of Poulton Wood Golf Centre, Tonbridge Cemetery, Tonbridge Castle Council Chamber/wedding charges, the Summer Playscheme, pitch hire for Sportsgrounds in Tonbridge and car parking at the Council's two country parks. The report concludes that additional estimated income accruing to the Council from the proposed charges will be £41,350. The charges for the Council's indoor leisure facilities, operated by the Leisure Services Business Unit (LSBU), are reported separately in these papers.

1.1 Introduction

1.1.1 In bringing forward the charging proposals for 2008/09 consideration has been given to a range of factors including policy objectives for each facility/service in the Borough Leisure Strategy, the Leisure Best Value Review Improvement Plan, market position, trading patterns, the current rate of inflation (4.3% (RPI) at the time of writing this report), competing facilities, and customer feedback. The Board is reminded of the Council's Leisure Pass Scheme (LPS) which enables financially disadvantaged residents to participate in leisure activities at concessionary rates. A copy of the LPS leaflet is attached at **[Annex 1]**. Members will also be aware that significant concessions are given to target groups including senior citizens and young people.

1.1.2 The proposed charges for 2008/09 have also taken into account the Council's Medium Term Financial Strategy (MTFS), which states that "the continuing objective should be to maximise income, subject to market conditions, opportunities and comparable charges elsewhere". The MTFS also states that when recommending increases, Advisory Boards should have regard to the longer-term context.

1.2 Consultation

- 1.2.1 The views of the general public and existing customers are important in considering leisure charges. Various techniques are used to receive feedback including market surveys, customer panels, customer comment cards and mystery shoppers. Due consideration is also taken of the charges at local competing facilities both in the public and private sectors.
- 1.2.2 Detailed liaison with the management contractors at Poult Wood Golf Centre has also taken place, so the charging process reflects current circumstances, and is unlikely to have a detrimental impact on the Centre's market position. The contractors are supportive of the proposals brought forward within this report.
- 1.2.3 Proposed charges in respect of facilities used by Tonbridge sports clubs are the subject of consultation with the Tonbridge Sports Association (TSA). The TSA has considered the charges in respect of Poult Wood Golf Centre and Sportsground pitches and "consider these to be reasonable and fair". Comments received from the TSA regarding the proposed introduction of car parking charges at Haysden Country Park (HCP) are shown later in sub-section 1.9 of this report.

1.3 Poult Wood Golf Centre (PWGC)

- 1.3.1 In bringing forward the charging proposals for 2008/09 consideration has been given to a range of factors, including the Centre's policy objectives, market position, trading in 2007/08, competing facilities and customer feedback.
- 1.3.2 There are a number of key issues which have affected the proposals brought forward:
- Usage of the golf courses at PWGC over the first six months of the current financial year is 8.3% below profile. Whilst this not only reflects the extremely disappointing weather over the 2007 spring/summer, independent research indicates a comparative decline in golf usage in the South East. It is clear that a number of economic factors are having an impact on customers' disposable income, and people are not playing as frequently.
 - The golf market is highly competitive, with private sector courses no longer requiring golfers to hold handicap certificates, and offering "two play for the price of one" discounts. The offers bring private courses on to a similar price base as PWGC.
 - The market strategy for PWGC is to reward customer loyalty, with substantial reductions for discount card holders.
 - The 2007 market survey results for PWGC indicated that the majority of users of both the 18-hole and 9-hole courses rated the green fees as satisfactory or above.

- The 9-hole course continues to face strong local competition from other 9-hole courses in Tonbridge and Hildenborough.
 - Significant discounts are offered to senior citizens, juniors/students and leisure pass holders, reflecting the Council's policy of fair access for all.
- 1.3.3 The charging proposals in respect of PWGC, together with comparative charges at neighbouring public competing facilities, are outlined at **[Annex 2]**. The proposed charges represent an increase generally in line with inflation (RPI).
- 1.3.4 It is proposed to maintain the charges for discount card holders at the existing level. Cardholders receive discounts of up to 16% on green fees, and a 5% discount on purchases in the golf shop.
- 1.3.5 The on-site clubhouse contractor has stated that he wishes to increase the charges for the squash courts in line with inflation. Under the contractual arrangements all squash income accrues to the contractor.
- 1.3.6 Members will be pleased to note that e-bookings and payments for the 18-hole course have been available at PWGC since January 2006, with bookings made via the facility website (www.poultwoodgolf.co.uk). This is in line with the Government's e-government requirements.
- 1.3.7 Members of the PWGC Customer Panel are being consulted individually on the proposals, and their views will be made available at the meeting. Feedback to date would indicate support for the proposed increases, and I will update Members verbally at the meeting.
- 1.3.8 The proposed increase in charges for green fees outlined in the report will generate additional income of £24,300 which has been reflected in the 2008/09 revenue budget reported to the Finance & Property Advisory Board on 2 January 2008.
- 1.3.9 PWGC now exists in a very competitive market, with a number of local public and private golf courses chasing a limited number of customers. This, together with other economic factors, is clearly affecting the number of rounds played, and the proposed charges for 2008/09 reflect this position. The focus for PWGC is to retain its existing market share, reward loyalty from users, and focus on increasing usage by key target groups.

1.4 Tonbridge Sportsground – Pitch Hire Charges

- 1.4.1 This Council has an agreed policy with TSA of increasing pitch hire charges to local sports clubs by the October Retail Price Index (RPI) and rounded to the nearest pound. The charges for 2008/09 have, therefore, been prepared in accordance with the existing formula.
- 1.4.2 A copy of the existing and proposed pitch hire charges is shown at **[Annex 3]**.

1.4.3 The sports pitch income is credited to the LSBU. The LSBU manages the pitch hires in liaison with the TSA, as part of the Angel Leisure Centre Management Contract. The additional income accruing from the proposed charges for pitch hire is £2,250.

1.5 Tonbridge Cemetery – Proposed Charges 2008/09

1.5.1 As Members may be aware, there is a very limited supply of new graves at Tonbridge Cemetery. The charging strategy, therefore, takes into account the longer term management of the Cemetery's capacity.

1.5.2 In bringing forward the proposed charges for Tonbridge Cemetery a number of key principles have been taken into consideration:

- The need to cover all costs, including some internal costs on new burials and services.
- The need to compare costs with other cemeteries in Kent [**Annex 4**]. It should, however, be noted that direct comparison with other cemeteries is difficult as pricing brackets, services and available grave space differ.
- The need for the charging strategy to support the management of the remaining capacity in the Cemetery.
- The need to provide some affordable options, whilst supporting the principles of the Council's Medium Term Financial Strategy.

1.5.3 The principles referred to above have been applied to the existing charges and are reflected in the proposed charges shown at [**Annex 5**]. Members will note that the proposed charges are increased in line with inflation (rounded up to the nearest pound) with the exception of burial of stillborn – one year old (inclusive) which have been retained at the present minimal level.

1.5.4 It is anticipated that these proposals will generate additional net income of £1,300 which has been reflected in the 2008/09 revenue budget reported to the Finance & Property Advisory Board on 2 January 2008.

1.6 Tonbridge Castle Chamber – Hire Charges

1.6.1 The Council Chamber is used for a number of purposes, including Member and Officer meetings, weddings, private hire and concessionary use by a number of local organisations.

1.6.2 Three years ago a minimal charge was introduced for concessionary users. It is recognised that this concessionary charge is greatly valued by these organisations. It is proposed that a concessionary user charge be retained to reflect ongoing support for local organisations.

- 1.6.3 The list of concessionary users was agreed by Cabinet on 17 January 2007 (Decision D070023CAB) and no amendments are proposed. **[see Annex 6]**. Concessionary use is subject to a number of restrictions as shown in **[Annex 7]**.
- 1.6.4 The Customer Services Manager (CSM) has brought forward proposed charges for all users of the Chamber, which are set out at **[Annex 8]**. The CSM has stated that it is anticipated that no additional income will accrue to the Council in 2008/09.

1.7 Tonbridge Castle Wedding Charges

- 1.7.1 The current wedding charges were agreed by Cabinet on 17 January 2007 (Decision D070023CAB). Members agreed a charge of £525 for weddings in the Chamber and £775 for weddings in the Gatehouse for 2007/08. Charges of £550 and £825 respectively were also agreed for 2008/09, generating additional income of £1,500.
- 1.7.2 The current charges at a number of premises licensed for Civil Marriages are shown in **[Annex 9]**.
- 1.7.3 The Castle is continuing to be a very popular venue. Discussions between staff and hirers and with KCC Registrars' services demonstrate that there is the opportunity to increase the charge to reflect the high level of demand and the market position of the Castle.
- 1.7.4 Weddings are often booked more than one year in advance and applications are now being received for 2009/10. It is, therefore, necessary to consider a charge for implementation from 1 April 2009, as Members have already agreed the charges for 2008/09. The CSM has proposed the following charges for 2009/10:

| | Current Charge 2007/08 (£) | Agreed Charge 2008/09 (£) | Proposed Charge 2009/10 (£) |
|------------------------------------|----------------------------------|---------------------------------|-----------------------------------|
| Weddings | | | |
| • Chamber | 525 | 550 | 600 |
| • Gatehouse | 775 | 825 | 900 |
| Renewal of Vows/Baby Naming | | | |
| • Chamber | 350 | 375 | 425 |
| • Gatehouse | 625 | 660 | 715 |

NB: Non-returnable deposit - £100

1.8 2008 Summer Playscheme Charges

- 1.8.1 It is the Council's policy to ensure the Summer Playscheme (SP) is accessible to as many children as possible, and this is reflected in the charges. Attached at **[Annex 10]** is a copy of the 2007 charges, together with a comparison with

Maidstone Borough Council (MBC). Income from the SP charges in 2007 was £39,500 (2007/08 revised estimate), against £41,650 (2007/08 original estimate).

- 1.8.2 Members will note from **[Annex 10]** that the full weekly charge for the SP in 2007 was £21.00. This entitled children to 20 hours of supervised activities, equating to just over £1.00 per hour. 93% of parents completing the 2007 SP market survey felt this charge was “about right” and reflected good value for money with 4% stating that they would be willing to pay more. The charge is comparable to that applied by MBC in 2007.
- 1.8.3 In order to meet the needs of those parents who are considered to be financially disadvantaged, very significant reductions are offered to Leisure Pass holders. In 2007 a weekly charge of £6.50 per family was applied to Leisure Pass holders, with no limit on the number of children attending from the same family. Whilst this level of concession is very generous and far greater than that applied by MBC, it does achieve significant results, with 16.25% of children attending the 2007 SP from families with a Leisure Pass.
- 1.8.4 In order to support large families, parents are only required to pay for their first two children, and children referred by KCC Social Services are funded by them.
- 1.8.5 A proposed list of charges for 2008 is shown in **[Annex 10]**. Bearing in mind income levels achieved in 2007 and feedback from parents, an increase in line with inflation, rounded to the nearest 50 pence, is proposed. It is felt that the charges still offer excellent value for money, and will ensure the SP remains socially inclusive, with cost not presenting a barrier to parents wishing to send their children to the scheme. With regard to the daily standby charge it is proposed to increase this above inflation to encourage parents to book for the full week. It is felt that a greater financial incentive needs to be offered to promote weekly booking.
- 1.8.6 It is anticipated that income of £1,500 will be generated from the proposed increase in charges which has been reflected in the 2008/09 revenue budget.

1.9 Country Parks – Car Parking

- 1.9.1 Members will be aware that charges for car parking at Leybourne Lakes Country Park (LLCP) have been applied since the Park opened in September 2004. The annual net income from the car park is £12,700 (2007/08 revised estimate). The existing charges, together with proposals for 2008/09, are detailed below:

Leybourne Lakes Country Park – Car Park Charges

| | Existing Charges 2007/08 | Proposed Charges 2008/09 |
|------------------|--------------------------|--------------------------|
| Up to 4 hours | 50p | 60p |
| 4 hours and over | £2.00 | £2.40 |

- 1.9.2 Based on current levels of demand it is anticipated that the proposed increase will generate additional income to the Council of £2,500 which has not been reflected

in the revenue estimates reported to Finance & Property Advisory Board on 2 January 2008.

- 1.9.3 At the present time no charge for car parking is levied at Haysden Country Park (HCP), and it is felt that the time is now appropriate to review this policy. The Country Park is extremely popular with local residents and visitors, and has benefited significantly from investment over recent years, reflected in its success in achieving Green Flag Award status. It is suggested that an identical set of car parking charges be applied as proposed for LLCP, with implementation from 1 April 2008.
- 1.9.4 Based on a best estimate of existing levels of car parking within the country park, it is anticipated that additional annual income of £17,500 will be generated if the proposal is implemented. In the first year of implementation an estimated cost of £7,500 will be incurred due to the installation of two ticket machines, signs and backboard, installation of electrical supply and the cost of advertising a variation to the off-street car parking order. Liaison with the Council's Car Parks Manager has identified that the annual cost of maintaining and emptying the machines would be in the region of £2,000. Enforcement will be undertaken by the Council's existing car park wardens employed directly by the Council.
- 1.9.5 Due to the timing of its meetings the proposed introduction of car parking charges at HCP has not been considered by the Customer Panel. The next meeting is not scheduled until mid April 2008, and if the charges outlined in this report are agreed, it is proposed to write to all members of the Customer Panel. The TSA has been consulted on the proposal, bearing in mind that the facility is used by local clubs. The Chairman of the TSA has raised concerns over the charge being applied to members of the resident fishing club, particularly bearing in mind the older age profile of its members, and the number of events it stages. At LLCP the fishing club has its own car parking areas and it is therefore suggested that consultation be undertaken with the TSA and representatives from the fishing club to determine the best way forward at HCP. This could be in the form of a parking permit arrangement.
- 1.9.6 Taking the above into account Members will note that estimated additional income from the proposal in 2008/09 will be £8,000, rising to £15,500 in future years.

1.10 Legal Implications

- 1.10.1 The Council's Financial Rules require that all fees and charges must be reviewed at least once a year, and be reported to the appropriate Advisory Board.

1.11 Financial and Value for Money Considerations

- 1.11.1 The adjustments in income (excluding VAT) which the proposed charges would be expected to generate are £41,350. The additional income is summarised as follows:

| Facility / Service | Additional Net Income (£) |
|-------------------------------------|---------------------------|
| Poult Wood Golf Centre | 24,300 |
| Pitch Hire – Tonbridge Sportsground | 2,250 |
| Tonbridge Cemetery | 1,300 |
| Tonbridge Castle Council Chamber | 0 |
| Tonbridge Castle Wedding Charges | 1,500 |
| Summer Playscheme | 1,500 |
| Country Park Car Parks | 10,500 |
| TOTAL | 41,350 |

1.11.2 With the exception of the Country Park car parks the additional net income shown above has been included in the revenue estimates reported to Finance and Property Advisory Board on 2 January 2008.

1.12 Risk Assessment

1.12.1 As highlighted in para 1.1 to this report, the proposed charges take into account a range of factors including market conditions and customer feedback and have been brought forward within the context of the Council's MTFS.

1.12.2 There is clearly a risk in proposing increased charges that those people on a low income and from target groups will no longer be able to afford to take part in activities and benefit from a healthy lifestyle. The wide range of concessions available within the charging structure and the Leisure Pass scheme are, therefore, essential to ensure the Council's leisure facilities and services are available to all.

1.13 Recommendation

1.13.1 It is, therefore, **RECOMMENDED** to Cabinet that:

- 1) subject to comments from the Customer Panel, the scale of charges for Poult Wood Golf Centre as detailed at **[Annex 2]** be agreed and implemented with effect from 1 April 2008;
- 2) the proposed increase in pitch hire charges for Tonbridge Sportsgrounds as detailed at **[Annex 3]** be agreed and implemented with effect from 1 April 2008;
- 3) the scale of charges for Tonbridge Cemetery as detailed at **[Annex 5]** be agreed and implemented with effect from 1 April 2008;
- 4) the proposed charges for Tonbridge Castle Chamber and the associated list of concessionary users as shown at **[Annexes 6, 7, and 8]** be approved, and implemented from 1 April 2008;
- 5) the proposed charges for Weddings in 2009/10 at Tonbridge Castle be agreed as detailed in the report;

- 6) the proposed charges for the 2008 Summer Playscheme as detailed at **[Annex 10]** be approved;
- 7) the proposed charges for car parking at Leybourne Lakes Country Park as detailed in the report be agreed and implemented from 1 April 2008; and
- 8) the introduction of car parking charges at Haysden Country Park as outlined in the report be agreed, subject to further liaison with the customer panel and Tonbridge Sports Association, and be implemented from 1 April 2008 subject to the enabling works being progressed.

Background papers:

Nil

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