

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

15 December 2009

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 2010/11

Summary

This report outlines charging proposals in respect of Poult Wood Golf Centre, Tonbridge Cemetery, Tonbridge Castle Council Chamber and weddings, 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 £29,520. The proposed charges for the Council's indoor leisure facilities, and the Festival of Music and Fireworks, are reported separately in these papers.

1.1 Introduction

- 1.1.1 In bringing forward the charging proposals for 2010/11 consideration has been given to a range of factors including policy objectives for each facility/service in the Leisure and Arts Strategy 2008-13, the Council's overall financial position in light of changes in the national economy, market position, trading patterns, the current rate of inflation, competing facilities, and customer feedback. The Board is reminded of the Council's Leisure Pass Scheme which enables financially disadvantaged residents to participate in leisure activities at concessionary rates. A copy of the Leisure Pass Scheme leaflet is attached at **[Annex 1]**. Members will also be aware that significant concessions are also given to specific groups including senior citizens, young people, and people with disabilities, ensuring that the Council's leisure facilities are accessible to all.
- 1.1.2 The proposed charges for 2010/11 have also taken into account the set of guiding principles for the setting of fees and charges approved by Members of the Finance and Property Advisory Board and reproduced below for the benefit of the Board:
- 1) *Fees and charges should reflect the Council's key priorities and other corporate aims and priorities recognising there may be trade-offs as these are not mutually exclusive.*

- 2) *Fees and charges should have due regard to the Council's Medium Term Financial Strategy.*
- 3) *If there is to be a subsidy from the council tax payer to the service user this should be a conscious choice.*
- 4) *The Council should look to maximise income subject to market conditions, opportunities and comparable charges elsewhere, in the context of its key priorities and other corporate aims and priorities.*
- 5) *Fees and charges should normally be reviewed at least annually (unless fixed by statute or some other body).*
- 6) *Fees and charges should not be used to provide a subsidy from the council tax payer to commercial operators.*
- 7) *There should be consistency between charges for similar services.*
- 8) *Concessions for services should follow a logical pattern so as not to preclude, where appropriate, access to Council services on the grounds of ability to pay.*

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 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. The Chairman of Tonbridge Sports Association has stated "I have reviewed the proposed 2010/11 charges for Tonbridge Sportsgrounds and these are in accordance with our agreement that there should be no increase from 2009/10. In respect of Poult Wood Golf Centre I consider the increases to be fair and reasonable."

1.3 Poult Wood Golf Centre

- 1.3.1 In bringing forward the charging proposals for 2010/11 consideration has been given to a range of factors, including the Centre's policy objectives, market position, trading to date in 2009/10, 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 Poult Wood Golf Centre over the first seven months of the current financial year is generally on profile. This reflects the good weather during the summer months.
- Whilst it is clear that a number of economic factors are having an impact on customers' disposable income, the performance of Poult Wood Golf Centre to date has been encouraging, reflecting the facility's emphasis on good value for money, the quality of both courses, and recent significant capital investment in the Clubhouse and golf courses by the Council.
- 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 market strategy for Poult Wood Golf Centre is to reward customer loyalty, with substantial reductions for discount card holders.
- 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 Poult Wood Golf Centre, together with comparative charges at neighbouring public and private competing facilities, are outlined at **[Annex 2]**. The proposed charges represent a modest rise on a number of green fees, where it is felt the market will bear the increase.

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 retain the charges for the squash courts at existing levels, due to a moderate downturn in usage over the last year. 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 Poult Wood Golf Centre 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 Poult Wood Golf Centre Customer Panel are being consulted individually on the proposals, and their views will be made available at the meeting.

- 1.3.8 The proposed increase in charges for green fees outlined in the report will generate additional income of £19,770 which will be reflected in the 2010/11 revenue budget reported to the Finance & Property Advisory Board on 5 January 2010.
- 1.3.9 Poult Wood Golf Centre 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, clearly represents a challenge to Poult Wood, and the proposed charges for 2010/11 reflect this position. The focus for Poult Wood Golf Centre is to retain its existing market share, reward loyalty from users, maintain the quality of facilities and service, 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 Tonbridge Sports Association of amending pitch hire charges to local sports clubs by the October Retail Price Index and rounded to the nearest pound. For the first time since the policy was introduced the Retail Price Index for October 2009 was negative (-1.4%). If this was applied, the charges to the clubs would reduce, resulting in a negative financial impact to the Council. Liaison with Tonbridge Sports Association has taken place, and the Chairman has advised that it would be acceptable that no change to the charges be made, rather than a reduction being applied.
- 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 Leisure Services Business Unit. The Leisure Services Business Unit manages the pitch hires in liaison with the Tonbridge Sports Association, as part of the Angel Leisure Centre Management Contract.

1.5 Tonbridge Cemetery – Proposed Charges 2010/11

- 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 a modest increase has been proposed to all charges 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 £1,350 which will be reflected in the 2010/11 revenue budget reported to the Finance & Property Advisory Board on 5 January 2010.

1.6 Country Parks – Car Parking

1.6.1 Members will be aware that charges for car parking apply at both of the Council's Country Parks, with the relatively recent introduction of charges at Haysden Country Park in 2008/09. The existing charges for both facilities are detailed below:

	Existing Charges 2009/10
Up to 4 hours	60p
4 hours and over	£2.40

1.6.2 In addition, Members will be aware that a season ticket was also introduced at Haysden Country Park, at an annual cost of £25. The season ticket enables parking at all three of the car parks serving the Country Park.

1.6.3 At Leybourne Lakes Country Park, annual estimated income from car parking charges is £16,000 (2009/10 original budget) and it is anticipated that the revised budget for 2009/10 will be £17,000.

1.6.4 At Haysden Country Park, annual estimated income from car parking charges is £17,500 (2009/10 original budget) and it is anticipated that the revised budget for 2009/10 will be £22,400.

1.6.5 With regard to the proposed charges for 2010/11 it is suggested that the existing charges for both Country Parks remain unchanged. At the meeting of this Board on 12 January 2009, Members agreed that an option to introduce a joint season ticket for both the Country Parks be considered at the next charges review. This has been considered, and whilst it is not anticipated that demand for season tickets at Leybourne Lakes Country Park will be high, it may encourage more frequent use by a number of visitors. Taking this into account it is proposed that a joint season ticket be introduced at the existing charge of £25, in liaison with the Council's Car Park Manager.

1.6.6 A number of recent comments have been made by users of Haysden Country Park regarding the current restriction on parking in Haysden Water car park. The Haysden Water car park is currently season ticket only and it is felt that the site is too vulnerable to have a car parking machine located in it and, that the majority of use is by regular users who are likely to purchase a season ticket. The people that have made comments would be satisfied with the option of purchasing a pay and display ticket in the main car park and using that ticket in the Haysden Water car park. This is felt to be a sensible and pragmatic way of resolving the users' concerns, and it is therefore the intention to implement this in the future in liaison with the Council's Car Parking Manager.

1.7 Tonbridge Castle Chamber – Hire Charges

1.7.1 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.

1.7.2 Several 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.

1.7.3 The list of concessionary users was agreed by Cabinet on 4 February 2009 (Decision D090023CAB) and no amendments are proposed [see Annex 6]. Concessionary use is subject to a number of restrictions as shown in [Annex 7].

1.7.4 The Central Services Director has brought forward proposed charges for all users of the Chamber, which are set out at [Annex 8]. Annual income from the hire of the Chamber is £2,400, and it is estimated that the proposed charges will generate additional income of £200.

1.8 Tonbridge Castle Wedding Charges

1.8.1 The current wedding charges were agreed by Cabinet on 4 February (Decision D090023CAB). Members agreed a charge of £600 for weddings in the Chamber and £900 for weddings in the Gatehouse for 2009/10. Charges of £625 and £925 respectively were also agreed for 2010/11.

1.8.2 The current charges at a number of premises licensed for Civil Marriages are shown in [Annex 9].

1.8.3 Weddings are often booked more than one year in advance and applications are now being received for 2011/12. It is, therefore, necessary to consider a charge for implementation from 1 April 2011, as Members have already agreed the charges for 2010/11. The Central Services Director has proposed an increase of around 5% for the following charges in 2011/12, which will generate additional net income of £700:

	Current Charge 2009/10 (£)	Agreed Charge 2010/11 (£)	Proposed Charge 2011/12 (£)
Weddings			
• Chamber	600	625	650
• Gatehouse	900	935	980
Renewal of Vows/Baby Naming			
• Chamber	425	445	470
• Gatehouse	715	740	780

NB: Non-returnable deposit - £100

1.9 2010 Summer Playscheme Charges

- 1.9.1 Attached at **[Annex 10]** is a copy of the 2009 charges, together with a comparison with Maidstone Borough Council. Income from the Summer Playscheme charges in 2009 was £52,100.
- 1.9.2 Members will note from **[Annex 10]** that the full weekly charge for the Summer Playscheme in 2009 was £30.00. This entitled children to 20 hours of supervised activities, equating to £1.50 per hour. Registration levels in 2009 were comparable to previous years, reflecting the ongoing popularity of the scheme. 87% of parents completing the 2009 Summer Playscheme market survey felt this charge was "about right" and reflected good value for money with 5% stating that they would be willing to pay more.
- 1.9.3 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 2009 a weekly charge of £8.00 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 Maidstone Borough Council, it does achieve significant results, with 22% of children attending the 2009 Summer Playscheme from families with a Leisure Pass.
- 1.9.4 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. Discounts are also offered to parents booking 2-3 weeks (5%) or all 4 weeks (10%).
- 1.9.5 A proposed list of charges for 2010 is shown in **[Annex 10]**. It is felt that in the light of the Council's overall financial position, the opportunity should be taken to make the scheme more cost-effective, particularly bearing in mind the quality of provision, the low cost of the Scheme to parents in comparison with other supervised activities for children, and most importantly the extensive concessions in place for those on low income. It is, therefore, proposed to increase the weekly cost of the Scheme to £35, which still equates to only £1.75 per hour. Whilst it is

recognised that the proposed charge does represent a significant increase on the existing level, it is hoped that this will not deter levels of interest in the Scheme, and those who are financially disadvantaged will remain protected by only a moderate increase being applied to the concessionary rates. For example, those parents in possession of a Leisure Pass will only pay £10 per week for all children within their family. This will continue to ensure that the Playscheme remains socially inclusive, with cost not presenting a barrier to those families most in need wishing to send their children to the Scheme. With regard to the daily standby charge it is proposed to increase this in proportion to the weekly rate, retaining the policy of encouraging parents to book for the full week.

- 1.9.6 It is anticipated that additional income of £7,500 will be generated from the proposed increase in charges which will be reflected in the 2010/11 revenue budget reported to Finance & Property Advisory Board on 5 January 2010.

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 additional income is summarised as follows:

Facility / Service	Additional Net Income (£)
Poult Wood Golf Centre	19,770
Pitch Hire – Tonbridge Sportsgrounds	0
Tonbridge Cemetery	1,350
Country Park Car Parks	0
Tonbridge Castle Council Chamber	200
Tonbridge Castle Wedding Charges	700 ⁽¹⁾
Summer Playscheme	7,500
TOTAL	29,520

⁽¹⁾ additional income relates to 2010/11.

- 1.11.2 In setting charges for 2010/11 Members are reminded that VAT is due to increase to 17.5% from 1 January 2010. Where charges are VAT inclusive, Members need to be aware that an increase of 2.2% (that is 1.175 divided by 1.15) is needed to pay the additional VAT over to HM Revenues and Customs. The proposals within this report have taken into account both economic and VAT factors and Members will note that, in the main, they represent only a very modest increase to the Council's revenue stream.

- 1.11.3 To aid Members, all proposed charges presented in this report are inclusive of VAT, with the exception of charges for the cemetery (Annex 4) and the Summer Playscheme (Annex 10) which are exempt from VAT.

1.12 Risk Assessment

- 1.12.1 As highlighted in paragraph 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 Medium Term Financial Strategy.
- 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. There is also clearly a risk of increasing prices in light of current economic conditions.

1.13 Policy Considerations

- 1.13.1 Community, Equalities/Diversity, Healthy Lifestyles, Young People.

1.14 Recommendation

- 1.14.1 It is, therefore, **RECOMMENDED TO CABINET** that:

- 1) the proposed charges for Poult Wood Golf Centre as detailed at **[Annex 2]** be agreed and implemented with effect from 1 April 2010;
- 2) the proposed pitch hire charges for Tonbridge Sportsgrounds as detailed at **[Annex 3]** be agreed and implemented with effect from 1 April 2010;
- 3) the proposed charges for Tonbridge Cemetery as detailed at **[Annex 5]** be agreed and implemented with effect from 1 April 2010;
- 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 2010;
- 5) the proposed charges for Weddings in 2011/12 at Tonbridge Castle be agreed as detailed in the report;
- 6) the proposed charges for the 2010 Summer Playscheme as detailed at **[Annex 10]** be approved;
- 7) the proposed charges for car parking at Leybourne Lakes and Haysden Country Parks be approved, and implemented from 1 April 2010;
- 8) a joint season ticket for parking at both the Council's country parks be introduced in liaison with the Council's Car Park Manager.

Background papers:

Nil

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