

**REPORT TO:** Cabinet Member – Leisure & Tourism  
Cabinet

**DATE:** 9<sup>th</sup> February 2011  
3<sup>rd</sup> March 2011

**SUBJECT:** Leisure & Tourism Department – Fees and Charges  
2011/12

**WARDS AFFECTED:** All

**REPORT OF:** Graham Bayliss, Leisure & Tourism Director

**CONTACT OFFICER:** Steve Deakin, Assistant Leisure & Tourism Director  
Tel no: 0151 934 2372

**EXEMPT/CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

1. To propose increases to the fees and charges for 2011/12 for the services delivered by the Leisure & Tourism Department.
2. To propose the introduction of new charges for the new facilities / services operated by the Department.
3. To introduce revised charges for specific services approved as part of the Council's budget process.

**REASON WHY DECISION REQUIRED:**

In order to implement new or revised charges on the 1<sup>st</sup> April 2011.

**RECOMMENDATION(S):**

Cabinet Member – Leisure & Tourism

1. Recommends to Cabinet that the fees and charges for 2011/12 attached at Annex A be accepted.

Cabinet

1. Approves the Leisure & Tourism Department fees and charges for 2011/12 attached at Annex A

**KEY DECISION:** No

**FORWARD PLAN:** No

**IMPLEMENTATION DATE:** Following the expiry of the call in period for the minutes of this meeting

**ALTERNATIVE OPTIONS:**

Apply no increase in charges, which will impact on the decisions made by Council in order to balance its budget for 2011/12, or apply a smaller increase in charges for services not affected by the Council's budget decisions.

**IMPLICATIONS:**

**Budget/Policy Framework:** Fees and Charges are in general outside the budget setting framework.

**Financial:** None

**Legal:** None

**Risk Assessment:** None

**Asset Management:** None

**CONSULTATION UNDERTAKEN/VIEWS**

The Interim head of Corporate Finance and Information Services has been consulted and his comments have been incorporated into the report FD 633

**CORPORATE OBJECTIVE MONITORING:**

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being	√		
5	Environmental Sustainability		√	
6	Creating Inclusive Communities	√		
7	Improving the Quality of Council Services and Strengthening local Democracy		√	
8	Children and Young People	√		

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

None

## **1. Introduction**

- 1.1 The consideration of Fees and Charges are generally outside the budget setting framework and delegated to the Cabinet Member to determine the need to increase Fees and Charges and make the appropriate recommendations to Cabinet.
- 1.2 The Cabinet Member will recall that due to the economic downturn the majority of Fees and Charges in 2009/10 and 2010/11 were frozen, at the 2008/9 level in an attempt to stimulate business.
- 1.3 There have been a number of factors that Officers have taken into consideration in proposing the increases in Fees and Charges for 2011/12, these include:-
  - i) The Governments decision to cease the free swimming initiative in June 2010.
  - ii) The increase in VAT from 17.5% to 20% from 1<sup>st</sup> January 2011
  - iii) The increase in inflation. RPI was 4.7% in November 2010
  - iv) The Council's budget decisions to increase some charges to generate revenue.
- 1.4 The increase in VAT by 2.5% from the 1<sup>st</sup> January 2011 was not applied to the fees and charges for 2010/11. It was considered to be commercially prudent to absorb the increase and apply it when the Council normally increases its charges from the 1<sup>st</sup> April. In PR terms if we had applied the increase it would have been seen as two increases in three months, and could have risked individual memberships and contracts being cancelled with the resultant loss of income.
- 1.5 The fees and charges for the forthcoming financial year are considered in December / January. In determining the potential level of increase the Department has traditionally used the All items RPI for the previous November as the inflation base. This index for November 2010 stood at 4.7%.
- 1.6 The Council at its meetings in November / December 2010 approved a number of savings packages which included increasing the fees and charges for certain services by 2% above inflation. This decision has been applied to the proposed increases to fees and charges.
- 1.7 As a result of the factors identified above the average increase in charge for Leisure & Tourism activities is 9.2%. Some charges will exceed this average and some will have reduced, as we undertake an annual benchmarking exercise to ensure that our pricing strategy is competitive with other leisure providers locally.

The full list of proposed fees and charges for 2011/12 are attached at Annex A.

## **2. Proposed Changes and New Charges**

- 2.1 As part of the budget savings for 2011/12, the Council accepted a number of increases in income that have been incorporated into the proposed fees and charges. These include:-
  - a) Cemeteries and Crematoria – increased income of £35,500.  
In order to achieve the required level of increased income the charges for burial and cremation will need to increase by an average of 7%.

- b) Sports and Leisure Centres – increased income of £93,500  
In the proposals approved by Council was the introduction of an annual leisure card that would entitle the card holder to a discount on certain activities. The introduction of this card and other charge increases has been factored into the proposals to achieve the required income.

2.2 Last year we introduced flexible charging to a number of areas that will allow for such things as promotional packages to be offered to try and stimulate demand as the current set charges are restrictive and provide no scope for Managers to offer discounts for promotional activities or react to changes in the market place in what is a very competitive leisure market. It is proposed to retain this pricing strategy in a number of areas, but restrict the offer to those clients that have purchased a Leisure Card.

2.3 It is proposed to implement a number of new charges, which will enhance the services provided and contribute towards the savings target. The new charges include:-

- i) Parks and Open Spaces – Allotments. There is a large waiting list for an Allotment, so it is therefore proposed to let half plots were appropriate.
- ii) Southport Golf Course. There are a number of proposed new charges that should assist in generating income and stimulate demand amongst younger users. These include the introduction a telephone booking fee, and the setting of a Colts tariff (for young people aged 17 to 21) for daily play and season tickets.
- iii) Sports Facilities – There are a number of proposed new charges that should assist in generating income. These include new family swim passes, new direct debit charges for the fitness suites, new half day permits for Athletics and Cycling, and water sport event packages.

2.4 There are some charges that are no longer applicable or relevant, and should be redefined or deleted. It is proposed to delete / reduce the following charges:-

- i) Registrars Service – Individual Citizenship ceremony. This fee is for an additional £130 for an individual citizenship ceremony which mirrored the full ceremony, involving the Mayor and use of the one of the Council Chambers. There has been no take up of this Service in the past 2 years. This has now been amended, to become a short notice individual ceremony, which we are often asked for, but can't provide at reasonable cost. This will take place in the Superintendent Registrar's Office without the presence of the Mayor.
- ii) Libraries – Commercial Notice Boards. The level of income taken in offering this service is negligible. It is proposed to cease to offer the notice boards for Commercial activity, and allow bonafide Community groups free use.

### **3. Recommendations**

Cabinet Member – Leisure & Tourism

1. Recommends to Cabinet that the fees and charges for 2011/12 attached at Annex A be accepted.

Cabinet

1. Approves the Leisure & Tourism Department fees and charges for 2011/12 attached at Annex A