

## POLICY, FINANCE & ADMINISTRATION COMMITTEE

2 DECEMBER 2010

### REPORT OF HEAD OF COMMUNITIES

#### REVIEW OF CHARGES FOR WATERFIELD LEISURE POOLS

##### 1.0 PURPOSE OF REPORT

- 1.1 To provide information on the various fees and charges that is made with respect to Waterfield Leisure Pools.
- 1.2 To recommend changes to these charges to operate from 4<sup>th</sup> January 2011 until 31<sup>st</sup> March 2012. This takes into account the change in VAT from January 2011.

##### 2.0 RECOMMENDATIONS

- 2.1 **That the committee considers the charges in respect of the Waterfield Leisure Pool and whether a further increase to those provided in Appendix A, should be agreed to cover an inflationary increase in addition to the VAT increase in line with the council's charging policy.**

##### 3.0 BACKGROUND

- 3.1 The proposed charges for services for the financial year 2010/11 from 4<sup>th</sup> January 2011 and all of the financial year 2011/12 are set out in the attached table.
- 3.2 Charges are being recommended on various bases, which include: cost recovery, inflation allowance, set with regard to statutory determination or following consideration of charges made by neighbouring authorities and members of our audit group.
- 3.3 Fees and charges for the 2010/11 financial year are attached in Appendix A for Members to consideration. These will be implemented on the 4<sup>th</sup> January 2011.
- 3.4 The fees and charges recommended have been agreed in consultation with SLM, who manage the facility on behalf of Melton Borough Council. Members will note that there is no consistent percentage increase for the fees. Reasons for this include the need to keep the fees and charges at a sensible figure to ensure that the management of payment is kept as simple as possible by rounding figures up or down to a £0.10 increment.
- 3.5 Members will also note that there has been a very little increase over and above the VAT change to the fees and charges. Household spending on leisure is discretionary and subject to price elasticity of demand. Pushing a price up too far may result in decreased demand for that particular service and therefore reduced overall income. However this does mean the Council will be foregoing any potential increase in its fees due to the VAT increase.
- 3.6 Traditionally the fees and charges for this service are approved at Community & Social Affairs Committee, however, due to the impending change in VAT applicable from January 2011 and with the approval of the Chair of Community, members of this Committee are requested to approve the new prices, so that they can become effective from January 2011.

3.7 Members are also asked to note that this increase will cover the remaining 3 months of the year and all of the financial year 2011/12. This fits in with other local providers and is noted in the current procurement process we are progressing to secure a long term management provider for the facility.

3.8 The charges suggested in Appendix A takes into account the need of investment into the facility.

#### **4.0 POLICY & CORPORATE IMPLICATIONS**

4.1 The council has a charging policy which sets out that fees should generally increase in line with inflation each year. The proposed charges do not meet this policy as the recommended increase only just covers the VAT increase.

4.2 The current price increase suggestions are based on ensuring user numbers do not decrease significantly due to larger increases and the current advice from the managing contractor is that a more substantial increase to cover VAT and inflation could have a negative effect on user numbers and renewal figures.

4.3 There are no further policy and corporate implications arising from this report. However, members will appreciate that a high participation rate and usage of the facility links into LAA targets relating to physical activity participation and other health related issues

#### **5.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS**

5.1 All financial and resource implications have been addressed within paragraphs 3 and 4.

#### **6.0 LEGAL IMPLICATIONS/POWERS**

6.1 Local Authorities have certain limited freedoms to charge for discretionary services under the Local Government Act 2003. Where appropriate any other relevant legislation is noted within the Appendix A to this report.

#### **7.0 COMMUNITY SAFETY**

7.1 There are no direct links to community safety arising from this report.

#### **8.0 EQUALITIES**

8.1 The concession policy previously agreed by the Council has undergone an equalities impact assessment which has been reported to the Equalities Steering Group.

#### **9.0 RISKS**

9.1 A possible risk to the Council is that budgeted revenue income may not be achieved if services are not taken up due to any charges increase. Income budgets are regularly monitored and where a downturn in demand is identified appropriate action is taken.

#### **10.0 CLIMATE CHANGE**

10.1 There are no climate change issues directly arising from this report.

## 11.0 **CONSULTATION**

11.1 Budget Holders carried out the review with the assistance of the Service Accountant as required with reference to current budget monitoring protocols. Where appropriate, budget holders have also considered the charging policies of our neighbouring authorities and those within our audit group.

## 12.0 **WARDS AFFECTED**

12.1 All wards are affected.

Contact Officer: Harrinder Rai

Date: 22 November 2010

Appendices: Appendix A – Review of Charges for Waterfield Leisure Pools.

Background Papers: Forms for the Review of Charges

Reference: X/C'tees/PFA/2010-11/02-12-10/Review of Charges for WLP