

CHESHIRE EAST COUNCIL

CABINET

Date of meeting: 8th September 2008
Report of: The People Block Head Officer
Title: Free Swimming and Capital Modernisation Programme –
Funding to Local Authorities

1.0 Purpose of Report

To consider the implications of the Government's Free Swimming and Capital Modernisation funding offer for Cheshire East Council.

2.0 Decision Required

Cabinet is requested to confirm that Cheshire East Council wishes to participate in the Government's Free Swimming Programme for the over 60's and express an interest only for the remainder of the programme, and respond accordingly to the Department of Culture, Media and Sport by the deadline of 15th September 2008.

3.0 Financial Implications for Transition Costs

There are no financial implications for transition costs.

4.0 Financial Implications 2009/10 and beyond

The Government's funding offer for all elements of the scheme is initially for a two year period with no further commitment beyond that time at present being given.

5.0 Legal Implications

No authority is required to enter any element of the scheme so there is no new entitlement to free swimming.

6.0 Risk Assessment

6.1 An evaluation and assessment of the risks are laid out in section 7.4 of this report.

7.0 Background and Options

7.1 In June of this year Government announced its intention to fund local councils to provide free swimming for certain targeted groups with the aspiration of

providing free swimming for everyone by 2012. At the end of July, the Department for Culture Media and Sport (DCMS) sent out letters to all local authority Chief Executives outlining the packages that were available to roll out the programme.

The package includes three distinct elements:-

- (i) A fund to local authorities to allow them to introduce free swimming for people over 60 of £15m per annum for the next two financial years
- (ii) A further fund to local authorities to allow them to introduce further measures to promote increased participation particularly for under 16's, of £25m per annum for the following two years.
- (iii) A "Free Swimming Capital Modernisation Programme" into which local authorities could bid for the renovation and maintenance of their pools (including school pools) in support of schemes (i) and (ii) above. (£10m in the current financial year for those local authorities who sign up to both schemes on a pro rata population based share, and £25m per annum for the next two financial years through a bid process.)

7.2 No authority is being required to enter any element of the scheme, so there is no new entitlement to free swimming. The only key criteria / condition at present (although more will no doubt be laid out as part of the final agreement) is that the free swimming offer must be to the respective age groups at all times when they would normally be admitted to public sessions.

- Authorities wishing to participate in free swimming for the aged 60 or over must provide confirmation by 15 September 2008. Those who also wish to participate in free swimming for those under 16 must also submit an expression of interest by the same date. Details of a prospective allocation for the latter will be made by Government by 30 September with authorities invited to confirm their participation or otherwise by 15 October. Authorities can only participate in the under 16 and capital programme if they also roll out the over 60 package. The closing date for Round 1 initial capital applications is also the 15th October with Round 2 timetable to be announced in April 2009.
- The offer of grant allocation per annum to the existing three district Councils to provide swimming for those aged 60 or over is based on a formula taking into account the local population within this age category. The funding available is as follows: -

Congleton Borough Council	£30, 743
Crewe and Nantwich Borough	£36, 168
Macclesfield Borough Council	<u>£52, 582</u>
	<u>£119, 493</u>

- 7.3 An initial evaluation of the financial implications has been made based on current usage and income for each age group for each authority and possible projections of uptake should a decision be made to either confirm involvement or express interest (for under 16's) by 15 September. However, it is important to highlight that at this stage whilst there would probably be an initial surge in uptake on either offer, it is not possible to either quantify to what level that would be or to what level it would probably remain at over the period of the available funding and thereby the amount of income required at the end of the two year period to replace the funding should none be forthcoming.

Over 60's

	Macclesfield		Crewe		Congleton		Total	
	Usage	Income	Usage	Income	Usage	Income	Usage	Income
2007/08	14,962	23,143	16,935	21,020	10,518	15,670	42,415	59,833
2008/09	19,451	30,988	22,016	28,146	13,673	20,982	55,140	80,116
2009/10	19,451	31,918	22,016	28,990	13,673	21,612	55,140	82,520

Assumptions -

30% increase in existing usage for 2008/09

No further increase in usage for 2009/10

3% price increase each year

Under 16's

	Macclesfield		Crewe		Congleton		Total	
	Usage	Income	Usage	Income	Usage	Income	Usage	Income
2007/08	55,856	97,392	35,723	58,088	26,244	54,047	117,823	209,527
2008/09	83,784	150,471	53,585	89,746	39,366	83,503	176,735	323,719
2009/10	83,784	154,985	53,585	92,438	39,366	86,008	176,735	333,431

Assumptions -

50% increase in existing usage for 2008/09

No further increase in usage for 2009/10

3% price increase each year

- 7.4 In an initial appraisal and risk evaluation of the offer, the following points need to be considered:

- From an initial review of each current district and notwithstanding the unknown level of take-up it is considered that the funding available for the over 60's would be likely to be covered by the finance available to compensate for loss income from this age group. However, the additional funding over and above that required to cover the loss in income would be needed to address possible additional costs which could include extra lifeguard staffing, increased cleaning, maintenance and pool water treatment.. In addition it will be a requirement to monitor free swimming and this may necessitate the production of a specific

user card or development of current management systems in operation (which currently vary across the different authorities). All of the above would then have to be managed within the available funding.

- It is difficult at this stage to provide such an analysis for the under 16 age category given that funding figures are not yet available. However, it is clear that the levels of lost income for offering free swimming to this category, plus the added costs outlined above (life guarding, maintenance, pool water treatment) would be far higher given that it is likely that there may be a greater additional take-up than might be the case for the over 60's, and any potential compensatory grant available may be far less likely to offset lost income and additional costs. However, at this stage government is only requesting an expression of interest for this age group and a decision on whether to proceed could still be taken once the funding offer is known.
- On the issue of the capital programme a share of the £10m for this year will only be available if both programmes are taken up. At this stage it is not possible to estimate the value of this as it will depend on the number of participating authorities. In terms of bidding for the Round 1 funding, it would be difficult given the short timescale and the need to outline cultural strategic plans and priorities which Cheshire East has yet to establish to make a bid for the next financial year, but this may be possible for the following year and final year.

8.0 Reasons for Recommendation

8.1 In making a recommendation Members need to take into account the following: -

- Participation in the programme (even just for the over 60's) may allow the new authority to send out a positive message about encouraging health and wellbeing and can also be used to create closer partnerships with other agencies such as the Primary Care Trust.
- There may be public expectation that some aspects of the free swimming programme will be offered by Cheshire East following the recent national publicity launch.
- Acceptance of the over 60's offer would allow bidding into under 16 funding and capital monies. At this stage an expression of interest doesn't commit Cheshire East to anything firm, however much further work needs to be done to evaluate the financial risks dependant on the level of funding offer made. This evaluation would be subject to a further report to Cabinet to meet the DCMS response deadline for these areas of the programme.

- The funding is initially only for two years and there is a risk of no or reduced further funding which may lead to either a need to reintroduce charging or to cover costs within revenue budgets. The level of that cost would be at least that already offered for the over 60's programme.
- There will be some additional costs over the two years as outlined within the report, which as indicated should be able to be covered within the funding for the over 60's. However, as there is no clear way of projecting take-up, it is difficult to estimate at present.
- It is possible that there may be a reduction of pool space for existing paying customers and consequent loss of income. Again it is difficult at this stage to quantify if this will be the case.

For further information:

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Background Documents:

DCMS – Free Swimming Programme offer letter to Local Authorities

Sport England – Free Swimming, Capital Modernisation Programme Prospectus

Documents are available for inspection at:

Macclesfield Town Hall