

CHESHIRE EAST COUNCIL

Advisory Panel – People

Date of meeting: 23 September, 2008
Report of: John Weeks, Chairman People Workstream
Title: Fees & Charges 2009/10

This paper, which is in the format of a Cabinet report, is presented to the Advisory Panel (People) to enable Panel Members to be aware of a forthcoming Cabinet issue and to contribute views to inform the decision making of the Cabinet.

1.0 Purpose of Report

- 1.1 The purpose of this report is to recommend an approach to setting fees and charges for the Council's culture and leisure services for 2009/10.

2.0 Decision Required

- 2.1 The Portfolio Holder for Health and Well Being recommends to the Cabinet that fees and charges for the council's culture and leisure services be maintained at the levels currently charged by the existing authorities, with an average inflationary increase of 2.5% applied for 2009/10 as agreed elsewhere.
- 2.2 It is recommended that in line with 2.1 above, current arrangements for membership schemes and formal leisure card or other discount schemes remain the same for 2009/10 pending a formal review aimed at harmonisation for the new authority in 2010/11.
- 2.3 However, it is recommended that existing policies in the existing local authority areas for discounts applied to the normal headline charges for key target groups be harmonised as follows;
- Children aged between 0 years and 2 years inclusive – free access
 - Children aged between 4 years and 15 years inclusive (normal appropriate child discount)
 - People aged 60 years and over – (normal appropriate senior citizens discount)
 - People with a registered disability – Free access to swimming during normal programmed public swimming sessions.

Harmonisation of these key policies areas on headline discounts will help the authority avoid any potential criticisms that it is unfairly treating these key target groups differently in different parts of the new authority

area, even though the actual discounted price paid may vary slightly from area to area as now.

- 2.4 That a further comprehensive review of fees and charges be carried out for 2010/11 to look at the feasibility of harmonisation of all charges for culture and leisure services, where it is appropriate, across the Cheshire East Area.

3.0 Financial Implications for Transition Costs

- 3.1 None

4.0 Financial Implications 2009/10 and beyond

- 4.1 The level of budgeted income from fees and charges in 2009/10 will be dependent on the level of inflationary increase applied. The level of income in 2010/11 and beyond will depend on the fees and charges structure agreed by the Council following the proposed review

5.0 Legal Implications

- 5.1 Limited. There may be a small chance of legal challenge on the basis of equality and opportunity if certain fees and charges or policies determining fees and charges are not harmonised

6.0 Risk Assessment

- 6.1 The risk associated with this report is:

| Risk | Mitigation | Comment |
|---|---|---|
| Failure to set a viable fees and charges structure in time to inform budget setting | Agree to base year 1 fees and charges on existing structures. | Mitigation action will require the Council and customers to tolerate a variation in fees and charges between services and geographical areas. |
| Complaints from individuals and groups about inconsistencies in fees and charges in year 1. | Public awareness campaign explaining the reasons, and that a full review will be carried out in year 1. | |

7.0 Background and Options

- 7.1 All the existing authorities that form the new Cheshire East Council generate income through fees and charges for a range of services and activities. These fees and charges have been formally agreed by the existing authorities for 2008/09 and are reflected in their budgets.
- 7.2 A comparison has been undertaken of some of the key existing headline fees and charges related to leisure facilities managed by the existing authorities.
- 7.3 The most significant anomalies appear to be:
- Headline swimming charges are significantly cheaper in Macclesfield when compared to the other two local authority areas;
 - Grass football pitches are significantly more expensive within the Congleton compared with Crewe & Nantwich and Macclesfield;
 - Crewe & Nantwich is the only area that offers free entry to children under 5 years whereas the other two areas allow free entry for children under 3;
 - Crewe offers a junior discount for children under 17 years whereas the other two local authority areas offer discounts for those under 16 years;
 - Congleton allows free use of leisure facilities by members of the armed forces;
 - Crewe offers free swimming for people with a registered disability.
- 7.4 The only area where there is no variation is library and archive services which are delivered by a single authority, though some of their services (eg photocopying) are offered by other services.
- 7.5 Some fees and charges (including those for libraries) have been increased every other year by 2 years' worth of inflation. In cases where no increase was made in 2008/09 a two year inflationary increase will be due in April 2009; this includes charges for library services.
- 7.6 Assuming the proposed shared service arrangements for libraries are agreed, it would be appropriate for the two new unitary authorities to maintain the same levels of fees and charges in 2009/10.
- 7.7 Where market / competitor analysis shows that an inflationary increase is not sustainable – that is, it would result in a significant reduction in

usage or income – an exception report should be brought to the Portfolio Holder.

7.8 Options that members might wish to consider include:

| | Options | Officer Comment |
|----|--|--|
| 1. | Harmonise all fees and charges for council culture and recreation services in time to inform budget setting for 2009/10 | Due to the complexity of the current charging structures, and the need for market research to inform the setting of new charging levels, this is not considered a realistic option. |
| 2. | Maintain existing charging structures – with an appropriate inflationary increase - for 2009/10, with a full review to be carried out for implementation in 2010/11. | This option will enable the Council to set budgets for 2009/10, and will give time for a full options appraisal for fees and charges for 2010/11. |
| 3. | Maintain existing charging structures –with an appropriate inflationary increase for 2009/10 but harmonise certain key criteria under which certain discounts are applicable including the age limits for pre-school and children and for people with a disability | This will enable the Council to set budgets for 2009/10 and allow time for a full options appraisal for fees and charges fro 2010/11 but will also help ensure that there is a consistency in the policies for offering discounts off the headline fees and charges for key target groups within the local community |

8.0 Overview of Day One, Year One and Term One Issues

- 8.1 Proposed fees and charges for the leisure and cultural facilities need to be established very soon to enable budgets to be established for 2009/10 and arrangements made to introduce the new charges on day one of the new authority.
- 8.2 There is very little time to undertake a comprehensive review of all of the fees and charges being applied by each of the existing authorities to be able to make appropriate recommendations for complete harmonisation where it would be appropriate to do so without affecting the budget setting timetable and process for the new authority.
- 8.3 Harmonising some of the policies applied by the existing authorities in respect of key community groups such as children, the elderly and people with a disability would have minimal financial impact but help avoid any criticism of inequity in year one.

9.0 Reasons for Recommendation

- 9.1 The approach to be adopted in respect of fees and charges needs to be confirmed at an early stage to ensure that the budget process for the new authority for 2009/10 can be set.
- 9.2 Recommending maintaining existing fees and charges for leisure and cultural services for 2009/10 plus an allowance for an uplift by an average of 2.5% for inflation will help maintain current revenues and allow time for a more considered and comprehensive review of fees and charges to be undertaken with a view to greater harmonisation where appropriate for 2010/11.
- 9.3 Agreement to harmonising some of the policies applied by the existing authorities in respect of discounts for key community groups such as children, the elderly and people with a disability would have minimal financial impact but help avoid any potential criticism of inequity in year one.

For further information:

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Background Documents:

Fees and Charges lists for cultural and recreational services for each of the existing authorities

Documents are available for inspection at: Crewe