

Appendix 1a.

REPORT TO COMMUNITY ACCESS AND CHARGES WORKING GROUP - JANUARY 15, 2009

HARMONISATION OF CHARGES AND LETTING POLICY FOR EDUCATION AND LEISURE FACILITIES

1 Purpose of Report

- 1.1 This report provides the Working Group with feedback from consultation with user groups on proposals to harmonise letting policies and charges as well as comments from each of the area committees on revised proposals that take account of the feedback from users. The purpose of the report is to put forward a final set of proposals that can be submitted to the Education Learning and Leisure Committee with a view to implementation at the start of the new financial year.

2 Background

- 2.2 The Accounts Commission issued advice to councils several years ago on charging for services in a report entitled 'The Challenge of Charging'. Their advice was that the full cost of providing services should be recovered from users unless charges would be unaffordable. The Council, therefore, needs to review charges to ensure that generated income helps offset costs whilst ensuring that prices are set at a level that is affordable.
- 2.3 The former Education and Recreation Committee agreed to harmonise letting and charging policies for education establishments and leisure facilities. An Elected Member Working Group (Community Access and Charges Working Group) was formed to examine the implications of this and oversee the development of a new integrated policy. This group at its meeting in April 2006 agreed proposals in principle subject to rigorous public consultation and feedback being considered by area committees.
- 2.5 A large consultation exercise was carried out in late 2007 with groups using leisure and educational facilities. Further consultation with other community groups continued during 2008. The principle of harmonising charges was broadly welcomed but some concerns were raised on specific points. As a result some proposed revisions to the scheme were drawn up by officers and incorporated in a report to area committees. This was considered in November and December 2008. A copy of the report is enclosed as appendix 1 to this report.

3 Proposals

- 3.1 The proposals are set out under the headings that the Working Group considered previously. Alterations to the proposals agreed by the Working Group for the purposes of consultation are highlighted in bold. These

proposed changes take account of the feedback from users but do not incorporate suggestions made by the Area Committees. These are covered later in the report.

3.1.1 Opening hours

- The availability of school facilities for hire (including PPP schools) should be increased subject to an assessment of financial implications.
- Charging regimes for weekend use should be brought into line with other times.

3.1.2 Programming facilities

- Schools should be asked to submit their out of school hours accommodation by early June, and should also submit a let form to ensure an accurate audit trail. Any variations or additional requirements would be subject to mutual agreement
- **The practise of 'reserving' facilities but not using them at the last minute should be discouraged through charging for time booked irrespective of whether it is used or not.**

3.1.3 Booking arrangements

- A new single integrated booking system for all Education and Leisure facilities should be put in place for 2009-10.
- The three arts forums, Aberdeenshire Sports Council and CDG's should be consulted before annual programmes are agreed, with annual reviews carried out to check how effective programmes were in meeting strategic objectives and local needs.

3.1.4 Integrated Charging System

- A new harmonised set of charges should be adopted, based on a payment per hour. This would be applied to all groups not in receipt of a free let.
- A mechanism for phasing in costs should be implemented for any group that will incur significant additional costs as a result of this change.
- **Where exceptional circumstances occur, authority should be delegated to the Head of Lifelong Learning and Leisure in consultation with the Chair of Education, Learning and Leisure and local Members to vary charges.**
- **The Proposals for charging for the use of sports pitches and pavilions should be withdrawn pending a fresh set of proposals being drawn up and issued for consultation.**

3.1.5 Charging Categories

- The six charging categories that were proposed (free use, concessionary rate, development rate, standard rate, community commercial rate and commercial rate) should be adopted.

- A further category be added ('development/concessionary rate') for groups that qualify under both the concessionary and development categories. This rate should be set at 75% of the normal concessionary rate.
- Proposed charges for 'Community commercial' organisations should be reduced to a more affordable level set at one and a half times the standard let as opposed to double the charge.
- Where groups do not easily fit into any of the six criteria, authority should be delegated to the Head of Lifelong Learning and Leisure in consultation with the Chair of the Education, Learning and Leisure Committee and local Members to agree a charge suitable to the circumstances.

3.1.6 Facility Charging bands

- The charge for use of facilities relating to competitive outdoor fixtures (for example football matches) should be reviewed as part of the review of charges for pitches and pavilions.
- Discounts should be offered to take account of facilities that are of relatively poor quality and which are not staffed.
- The price for small Astroturf pitches should be reduced to category E (currently £26.40 per hour).
- Rather than having to pay the cost of employing stewards, theatre groups should be charged the band D rate for performances which include the supply of event stewards. Where theatre groups do not need stewards the category would remain at band C.
- Proposed charges for floodlighting should be considered as part of the revised proposals relating to outdoor pitch and changing facilities.

3.1.7 Charging rates.

- Charging rates should be broken down in 15-minute segments for charging purposes to take account of lets that vary to the standard booking period of one-hour blocs.
- Where groups hire a facility for an entire day, the charge should be capped at 8 hours.
- The proposed charges were calculated for the previous financial year. If the new pricing policy is introduced in 2009-10 as proposed, all charges should be increased to take account of inflation. Appendix 2 shows a revised list of charges, which incorporates an inflationary increase.

3.1.8 Viability of Small Rural groups

- There should be flexibility for small groups to be charged a lower band rate if they can demonstrate that they have to hire a facility larger than they require because smaller accommodation is not available locally.
- Although the measure highlighted above is targeted at rural areas, any group that can demonstrate a similar situation should be eligible for a lower band rate.

3.1.9 Limiting the Impact of Charges

- It has always been Council policy to phase in any price increases, and the original suggestion was to do this over three years. However, feedback has indicated that this proposal would be cause difficulties for some groups and be difficult to administrate. Therefore an alternative approach as detailed below has been proposed.
- **Where groups incur significant increases in rentals, these should be phased in by capping annual increases to a maximum of £500 in any one year for groups in the standard or community commercial category and £250 for groups in the concession category.**
- Where groups can evidence that a £500 or £250 (concessions) annual increase would have a serious impact on their service, authority should be delegated to the Head of Service to agree an appropriate and affordable charge in consultation with the Chair of Education, Learning and Leisure.
- **Where a group has 7 members or less and already benefits from a reduced lower band rate (ref 3.1.8) they should be eligible for the 'development' rate.**
- Where possible officers will provide advice and guidance to help groups with managing costs.

4 Area Committee Consultation Feedback

Feedback from each area committee to the proposals set out above was as follows:

4.1 Kincardine and Mearns.

The Committee welcomed the systematic approach to charging taken by officers, although it highlighted a concern that any delegated working group from the ELL Committee should have fair representation from all the area committees. It then referred the following specific points for consideration by this committee:

1. That officers continue to work with groups and individuals in achieving a fair and balanced approach to charges, and keep the public informed of decisions taken and why they are taken.
2. That in relation to the importance of phasing in annual increases and the proposal to cap annual increases at a maximum of £500 on the standard rate and £250 on the concession rate, a percentage level of increase is also considered.
3. That an appeals process that includes consultation with local members be established.

Officer response: Local staff will continue to work with groups to ensure charges are affordable. Officers do not consider a percentage level of increase as feasible alongside a 'capped' system; they are alternative approaches to limiting the amount of annual increase. The disadvantage of using a percentage increase is that, in some cases, the actual amount payable could be quite high. By capping the amount at £250 per year for groups entitled to the concession rate and £500 per year for those who would pay the standard rate, no one should be faced with an unaffordable

increase. Having authority delegated to the Head of Service in consultation with the Chair of ELL to adjust charges to take account of special circumstances in effect provides an appeal system but in order to strengthen this officers suggest that consultation is extended to include local Members.

4.2 Banff and Buchan.

The Committee were pleased with the level of detailed work put into the consultation and positive about amended recommendations. Following detailed consideration of proposals at a dedicated meeting held on January 6, 2009 – it requested this committee consider the following points:

1. That particular care is taken to ensure that schools within PPP agreements are made as accessible as possible under any new arrangements.
2. That the new proposals should not constrict the ability of the council to stimulate demand for underutilised facilities by offering promotional prices.
3. That clarification of what constituted councillor surgeries be provided.
4. That the opportunity be taken to improve the marketing and publicity of available facilities on the back of the new pricing system.
5. There was also a specific concern raised about the potential differential in charging rates between two Banff and Buchan facilities, which are perceived to be of a similar size.

Officer response: It has always been anticipated that all schools would become more accessible under the new proposals – however it is recognised that there will be a financial implication in doing this, especially with PPP schools. Officers are currently considering proposals to mitigate this factor and will present these separately in the future to the ELL committee. Current proposals do not specifically include the ability to offer ‘promotional rates’ but officers consider that such rates could be implemented following consultation with the chair of ELL and local members if it was deemed appropriate to offer such a service. Councillor surgeries are presumed to be officially organised meetings involving consultations between elected members and their constituents (as opposed to meetings organised and led by a community interest group), however this definition could be re assessed in the event that there was confusion over the definition.

It is anticipated that the harmonisation will facilitate improved marketing and publicity, and officers have agreed to look at the specific issue raised on charging for the two Banff and Buchan facilities and clarify how future charges would be specifically applied.

4.3 Marr Committee

Marr members were supportive of the proposals put forward in the report, and in particular highlighted their support for revisions to proposals for Theatre charging. The Committee was also very supportive of the proposal to adjust charges to take account of special circumstances by delegating authority to the Head of Service, in consultation with the Chair of ELL and local members.

4.4 Garioch Committee

Garioch members were broadly supportive of the proposals, especially the safeguards for groups that would incur a significant increase in charges. The committee requested the following specific comments be taken into account

1. The proposals were devised from a logical base, and the committee agreed the methodology.
2. Council Taxpayers should not subsidise commercial activities.
3. The policy for letting and charging for all Council facilities should be consistent.
4. Local Member involvement when charges need to be adjusted is a good idea.

Officer Response: The Commercial rate proposed reflects is above the actual costs involved in opening a facility but does not apportion fixed costs. The Community Commercial rate involves a degree of subsidy, but this takes account of the benefit to the community of having such services (e.g. children's martial arts clubs) and the fact that the full commercial rate would not be affordable for many hirers.

4.5 Formartine Committee

The Committee welcomed the approach taken in terms of this exercise but asked for the following points to be considered

1. A flexible approach to charging should be adopted where a community has contributed to the establishment or refurbishment of a facility, for instance in Barthol Chapel Primary School.
2. Existing agreements with community groups where free or discounted access to facilities has been agreed in return for investment by communities in facilities should be honoured.

Officer Response: There are a number of facilities within Aberdeenshire that have benefited from significant community financial input albeit to varying degrees. Officers agree that this should be reflected in the hire charge but rather than incorporating charges for particular groups using specific facilities the authority delegated to the Head of Service, in consultation with the Chair of ELL and local Members, should allow such situations to be covered.

4.6 Buchan Committee

Buchan members welcomed the proposals put forward in the report but made the following comments:

1. It was difficult to provide full comment in the absence of detail with regard to the existing charges that Buchan groups incur and the specific responses made by the various groups in Buchan, and that Officers provide this detail to

the Members of the Buchan Area Committee in due course to allow possible further comment

2. That whilst accepting the need for such a policy there was concern for small rural groups in particular who may find themselves unable to afford any increases in charges.
3. That a reduction in charges be considered where no caretaker service exists.
4. That a reduction in charges be considered where the facility is of a perceived sub standard quality.

Officer Response: Officers are currently in the process of providing more details on existing Buchan charging systems direct to local members. This was not supplied within the committee report due to the wide variation in charging systems currently in force and the complexities of the 'nominal category', which is a per capita charge as opposed to an hourly charge. Officers consider that there are sufficient safeguards to cater for small rural groups within the proposed new policy including reductions for facilities deemed of a lower quality than the norm and for facilities that are not permanently staffed.

5. Financial implications

- 5.1 It has previously been agreed by the Access and Charges Working Group that the effect of any price changes should have no impact on the budget.
- 5.2 It is difficult to calculate what effect the proposed changes would have on income but proposals are not designed to produce either an increase or decrease in income. Officers would monitor the impact on the budget of a new charging policy.
- 5.3 Officers have undertaken some financial planning exercises alongside colleagues from Finance, and have identified that there is a small risk of income reducing, and a medium risk of income increasing. These exercises have attempted to accommodate a number of variables which include:
 - Calculating how bookings might change for groups that currently book under the nominal category.
 - Calculating the effect of phased increases in prices for groups that will be asked to pay more.
 - Calculating whether or not new groups will book facilities as a result of the proposed changes.
- 5.4 Comparing the proposed new charges with existing charges is complex due to the number of current charging systems. However appendix 3 shows a comparison of current and proposed charging for a selection of representative facilities across the area. This comparison does not include groups that currently benefit from the nominal category, due to the nature of that charge being per person as opposed to a charge for time used.

6 Policy Implications

- 6.1 Since its inception Aberdeenshire Council has operated separate pricing policies for education and leisure facilities. For some time Members have expressed a wish to move to a harmonised pricing policy. The proposals laid out in this paper and the paper circulated to area committees would form a new pricing policy that seeks to balance affordability concerns of some users with the need for equity and fairness and avoiding a shortfall in income that has been budgeted for.
- 6.2 Proposals take account of the Accounts Commission's advice to local authorities on pricing policy in their report entitled *The Challenge of Charging*.

7 Staffing Implications

- 7.1 The transfer of administrative responsibilities for matters such as processing lets will have workload implications for some staff, particularly when changes are introduced. However, it is anticipated that, in the longer term, there would be improved administrative efficiency.

8. Consultation

- 8.1 Consultation carried out with users and with Area Committees is detailed in the report.
- 8.2 The Directors of Finance and Law and Administration are currently being consulted on this report. Any comments made will be orally reported at this meeting.

9. Timescale for Implementation

- 9.1 Following consideration of this report, a final set of proposals will be put to the Education Learning and Leisure Committee on 5 February 2008. This would allow time to publicise the new policy before annual lets are advertised in April. It is proposed that the new charges take effect from 1 August 2009 as the majority of regular lets run from August to June. This would then allow officers a period of four months to communicate and administer new charges to groups.

10. Recommendations

It is recommended that this committee: -

- 1 Considers the feedback from area committees on harmonising charges for education and leisure facilities**
- 2 Agrees the revised proposals laid out within this report.**

3 Submits proposals to the next Education, Learning and Leisure Committee on 5 February 2008.

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Director of Education, Learning and Leisure

Report prepared by: - Tim Stephen

02 February 2009

Attachments

Appendix 1 – Harmonisation report distributed to area committees.

Appendix 1a - Copy of proposed new charges originally submitted for consultation

Appendix 1b – Detailed analysis of feedback from consultation exercise

Appendix 1c - List of organisations eligible for free use of facilities.

Appendix 2 – Copy of proposed charges arising from revisions detailed in this report.