

Subject:	Fees & Charges 2017/18 – Economy, Environment & Culture Directorate		
Date of Meeting:	12 January 2017		
Report of:	Executive Director for Economy, Environment & Culture		
Contact Officer:	Name:	Ian Shurrock	Tel: 292084
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The fees and charges for services are reviewed annually in line with the Corporate Fees & Charges Policy. As a minimum, all fees and charges are increased by the corporate rate of inflation which has been set at 2.0%. This is the same percentage by which income budgets will be increased. For the Sports Facilities Contract there is a formula to calculate the inflationary price increase linked to the All Items Retail Prices Index Excluding Mortgage Interest Payments (RPIX). The increase calculated for 2017/18 is 2.16%.
- 1.2 The council's Standard Financial Procedures states that service committees shall receive a report from Executive Directors on fees and charges variations above or below the corporately applied rate of inflation.
- 1.3 This combined report presents the review of fees and charges across four service areas: Seafront, Sports Facilities (including golf courses), Brighton Centre and Outdoor Events. The changes would be implemented from April 2017 unless otherwise stated.
- 1.4 The proposals should be viewed in the context of the very challenging financial position facing the council, with savings of around £51 million anticipated to be required by 2020. A number of the proposals in the report to increase fees and charges above the inflation rate are to increase income.

2. RECOMMENDATIONS:

- 2.1 That the committee approves the fees and charges for the Seafront for 2017/18 in Appendix 1a.
- 2.2 That the Committee approves the fees and charges for the Bandstand for 2018 & 2019 in Appendix 1a.

- 2.3 That the Committee approves the fees and charges for the Sports Facilities for 2017/18 in Appendix 2a.
- 2.4 That the Committee approves the fees and charges for the Golf Courses for 2017/18 in Appendix 2b.
- 2.5 That the Committee approves the fees and charges for the Brighton Centre for 2017/18 in Appendix 3.
- 2.6 That the Committee approves the fees and charges for Outdoor Events for 2017/18 in Appendix 4.
- 2.7 That the committee grants delegated authority for officers to negotiate hire fees where commercially necessary outside the approved fees & charges.

Note: If the above recommendations are not agreed, or if the Committee wishes to amend the recommendations, then the item will need to be referred to the Policy, Resources & Growth Committee meeting on 9th February 2017 to be dealt with as part of the overall budget. This is because the budget is being developed on the assumption that the fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, will have an impact on the overall budget, which means it needs to be dealt with by the Policy Resources & Growth Committee as per the requirements of the Constitution. This will not stop the committee from making recommendations to Policy, Resources & Growth Committee.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The fees and charges proposed in the attached appendices have been increased by the base line of 2.0% unless indicated otherwise. However, the amounts have been rounded for ease of administration and therefore the actual percentage increase is often not exactly 2.0%. Where a percentage increase above inflation is proposed an explanation is given in this main report.

3.2 SEAFRONT (please see Appendix 1a & 1b)

- 3.2.1 There are a range of fees and charges linked with the Seafront including those for the Beach Chalets, Beach Huts, Volk's Railway and the Bandstand. The proposal is to increase the charges by the corporate rate of inflation of 2% except the Volk's Railway and ceremony hire fee for the Bandstand (2018 & 2019). The proposed charges for the Seafront for 2017/18 are included in Appendix 1a.

Volk's Railway

- 3.2.2 In order to reflect the new and improved facilities and revised offer following the Heritage Lottery Fund (HLF) redevelopment, the proposal is to increase admission prices at Volk's Railway by up to 30%. This adds a modest 80p to the cost of an adult single ticket and £1 to a return ticket. These figures are based on

an appraisal of local comparators such as pier rides and other local and similar heritage attractions and reflect how low current charges are.

- 3.2.3 Discounts for local residents have been offered in the past, but have proved largely unsuccessful due to the documentation required. Instead, we now propose to introduce the Brighton & Hove Leisure Card discount. The card is available to adults who are in receipt of benefits such as Job Seekers Allowance. Any dependent children (aged 16 and under) whose parents or guardians apply for a Leisure Card can also apply for their own card.
- 3.2.4 Volk's Electric Railway is unique in its offer not only due to its nature as an electric train (many similar attractions are steam), but also thanks to its seaside location.
- 3.2.5 Benchmarking figures (in Appendix 1b) from similar sized attractions are based on 2014 prices which were used as baseline data for the original Heritage Lottery Fund (HLF) bid but assume an increase over the period to 2017. These, along with the proposed Volk's Railway prices for 2017, formed part of a business plan included in the bid which was approved by HLF and have been in the public domain for some time.

Bandstand

- 3.2.6 Over the past few years the Bandstand has become a very popular venue for Weddings. The venue is available for ceremonies between April and September and bookings are made via the council's Outdoor Events Office. Hire of the Bandstand top deck is currently £605 for a 2 hour booking. It is proposed to increase this by £60 to £665. Currently couples can add to this by also hiring the west wing area on beach level for an inclusive price of £825 which it is proposed to increase by £85 to £910.
- 3.2.7 The proposed charges to hire the Bandstand for weddings reflects a 10% increase from the prices charged for 2016 and 2017. However, this price will be set for 2 years and covers weddings taking place in both the 2018 and 2019 seasons.
- 3.2.8 Bookings over the past few years saw a peak in 2015 with 69 weddings. Numbers reduced this year with only 50 weddings booked but this is likely to be as a result of the visual impact from the continuing i360 works and access road which were adjacent to the site. Although the building works were underway in 2015, which showed the highest number of bookings so far, many couples book their wedding at least a year in advance, therefore the building works would have been a deciding factor for many choosing their venue for the following year. Now the i360 is operational and the beach access road has been removed there are already 56 weddings booked for the 2017 season.
- 3.2.9 The increased hire charges will also support the Bandstand budget which is required to cover the costs of delivering the service and maintenance requirements. With the drop in bookings this year coinciding with redecoration costs the income achieved did not cover all the associated costs of the service.
- 3.2.10 To show how the proposed prices compare with other wedding venues

in Brighton & Hove, below is a list of hire charges. These prices are from 2016 and it is assumed they will have increased over time. The length of time allocated for ceremonies varies but provides a good basis for comparison.

Angel House (Ceremony Only)	The Royal Pavilion Red Drawing Room (1 hour)	The Royal Pavilion Music Room (2 hours, inc. Red Drawing Room)	Preston Manor (1.5 hours, includes option for drinks reception)	Ship Hotel Regency Room
Monday to Thursday from £775 (morning or afternoon)	Monday to Friday £695 Saturday, Sunday and Bank Holidays £770	Monday to Friday £3,075 Saturday, Sunday and Bank Holidays £3,175	Monday to Friday £585 Saturday, Sunday and Bank Holidays £655	From £500.00

3.2.11 The Bandstand offers a unique and beautiful setting and is comparatively priced with other seafront and heritage venues. It is not envisaged that the increased prices for 2018 and 2019 will deter any future bookings.

3.3 SPORTS FACILITIES AND GOLF COURSES (please see Appendix 2a, Appendix 2b & Appendix 2c)

3.3.1 The proposed charges for the Sports Facilities for 2017/18 are included in Appendix 2a.

3.3.2 Seven council sports facilities and two golf courses are operated on behalf of the council by the social enterprises, Freedom Leisure and Mytime Active respectively. Under the terms of the contracts, these service providers retain the income generated and are responsible for all of the operational costs associated with the delivery of the service.

3.3.3 The fees and charges that Freedom Leisure and Mytime Active implement are controlled by the contracts which both allow for an annual uplift in line with inflation. The All Items Retail Prices Index Excluding Mortgage Interest Payments (RPIX) is used to provide the relevant percentage uplift. For 2017/18 fees and charges the uplift is 2.16%. Increases over and above this amount must be agreed separately and are included in this report.

Sports Facilities (Freedom Leisure contract)

3.3.4 The majority of fees and charges for the sports facilities operated by Freedom Leisure on behalf of the council are proposed to be increased by a maximum of the contractual rate of 2.16% (including rounding as per contract).

3.3.5 It is proposed that charges for memberships be increased slightly more than the exact contractual inflationary uplift. This reflects the increasing costs of operating the facilities and recent significant investment in new state of the art gym

equipment at Withdean Sports Complex, King Alfred Leisure Centre and Prince Regent Swimming Complex.

- 3.3.6 It is difficult to benchmark the membership prices against other competitors as the offer is unique in comparison to neighbouring areas. It gives membership benefits across all seven contracted sites including unlimited use at three swimming pools, unlimited use of six gyms, unlimited exercise classes (including aqua classes) and discounted racket sports across all the sites. It is considered that the prices proposed therefore provide good value for money and are comparable with prices from neighbouring Mid Sussex District Council (see below).

Membership Type (Monthly Direct Debit)	Brighton & Hove (Proposed)	Mid Sussex (Current)
Single	£49.95	£54.00
Joint	£99.50	£97.20
Family	£101.75	£108.00
Concession	£29.80	£33.45

- 3.3.7 Some proposed prices across the sites have been held or increased below inflation, however, there are some others that have been increased to a more realistic market rate and/or to assist in recovering the cost of delivering the service. These include one of the mini tennis groups and school athletics stadium hire (external stewarding costs) at Withdean along with snooker prices, some non member prices and junior gymnastics (1.5 hours) at Portslade.
- 3.3.8 It is worth noting that although there are some slightly higher than inflationary increases Freedom Leisure are still committed to providing activities and facilities for those who would find price a barrier to participation. This is demonstrated by the current free swimming offer to U16 year old children in Brighton and Hove that is offered by the three swimming pool sites which is part subsidised by Freedom Leisure in conjunction with funding from Public Health. Freedom Leisure also agreed to introduce the city wide Leisure Card.
- 3.3.9 The Leisure Card scheme was introduced across six council public sports facilities in April 2013 (which was extended to seven in April 2015 with Portslade Sports Centre). It is administered by Freedom Leisure on behalf of the council. The scheme is based upon the principle of providing a discounted price to those less likely to be able to afford to pay standard prices. It is therefore designed to increase participation in sport and physical activity by traditionally low user groups for whom price is a particular barrier to taking part. This creates more opportunities for residents on low income to access sports facilities, thereby leading to a reduction in health inequalities. The Leisure Card scheme also aims to bring a clear and consistent approach to concessionary pricing. It is means-tested to ensure that it provides a fair and transparent system which gives discounts to those residents who are most in need. The Leisure Card can be applied for, free of charge, by any residents in receipt of a range of low income benefits. Leisure Card holders are entitled to substantial reductions, of up to 40% on both membership and 'pay as you go' use of facilities across the city at the various sites including use of the gym, swimming, squash, badminton and table-tennis.

Golf Courses (Mytime Active contract)

- 3.3.10 The current pricing structure has been in place for a number of years and the fees and charges are split between green fees (pay and play) and season tickets (advanced annual payment either in full, or monthly by direct debit).
- 3.3.11 The fees and charges for Hollingbury Park and Waterhall Golf Courses remain below the regional average. The golf courses face the challenge of a decline in numbers across the industry and increased operational costs (such as utilities and staffing costs). It is worth highlighting that when bidding for the contract over 7 years ago the contract did not include the Living Wage. Mytime Active do, however, pay the Living Wage to their staff which has therefore increased the expenditure on staffing to a higher level than anticipated at the time of the bid.
- 3.3.12 The quality of the courses has improved in recent years and the changes and increases proposed (in Appendix 2b) assist in pricing the courses at a more realistic market rate and to provide greater consistency with the other Mytime Active regional sites (see Appendix 2b). Waterhall still remains the cheaper alternative with both season tickets and green fees much lower than the regional average.
- 3.3.13 Mytime Active's pricing policy aims to retain members and attract new users to the courses. Their pricing strategy is to offer additional incentives to members and offer value for money alongside a commitment to offering members a more healthy lifestyle. Within the golf membership packages (season tickets) they are adding value by offering additional benefits such as a free 30 minute golf lesson, 10% discount on food and drink and access to a range of healthy lifestyle and health check services (Please see details in Appendix 2c).
- 3.3.14 Membership/season tickets are being increased from between 0% and 5.98%. Some of the higher percentage increases are for the 7 and 5 day senior prices (for the over 60s). In line with most other golf courses Mytime Active are looking at gradually bringing the price for these categories in line with the regular season ticket prices to ensure the courses can be more sustainable.
- 3.3.15 The green fees proposed initially appear to be a considerable percentage increase, however, when compared to the average price the courses still offer very good value for money. This increase will enable the courses to also encourage pay and play/non members to 'join' Mytime Active by becoming registered users. Simply by providing their contact details they are immediately entitled to a 10% loyalty discount off green fees. This actually makes some of the prices cheaper than the current fees but it enables Mytime Active to improve the data held on their customers and will provide better tracking of usage and golf patterns/behaviour.
- 3.3.16 As shown in Appendix 2b, the proposed fees and charges still provide good value when compared with the Mytime Active regional price and the regional competitor average price, particularly as these figures are based on rates for 2016/17.

3.4 BRIGHTON CENTRE (please see Appendix 3)

- 3.4.1 Proposed charges for the Brighton Centre for 2017/18 are included in Appendix 3. These proposed charges are required to achieve the corporate rate of inflation of 2% plus additional VFM savings included in the 2017/18 Revenue Budget.
- 3.4.2 The Brighton & Hove Schools Concert will continue to receive favourable rates as in previous years to minimise the risk to Brighton & Hove Music Service for this important annual event.

3.5 OUTDOOR EVENTS (please see Appendix 4)

- 3.5.1 Proposed charges for Outdoor Events for 2017/18 are included in Appendix 4. These proposed charges are primarily in line with the corporate rate of inflation having been uplifted by 2.0%.
- 3.5.2 Filming in the city has seen a large increase in recent years. Prices are proposed to increase by 5% (excluding the rate charged for students) which is still viewed as a commercially attractive rate.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The rationale for the proposed increases in the fees and charges are indicated in the body of the report.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Consultation has been undertaken with Freedom Leisure and Mytime Active in relation to the Sports Facilities and Golf charges. Customers are used to annual uplifts and are notified of them at least one month in advance of them being implemented.

6. CONCLUSION

- 6.1 The proposed fees and charges across the four service areas are considered proportionate and reasonable. Where charges are proposed for increases above inflation there are sound business reasons.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The fees and charges recommended in this report have been reviewed in line with the Corporate Fees and Charges Policy, and budget assumptions approved by Policy, Resources and Growth Committee. The anticipated recurring financial impact of fee changes will be reflected within service revenue budgets and contribute towards the achievement of budget saving proposals. Income from fees and charges will be reviewed as part of the budget monitoring process.

Finance Officer Consulted: Steven Bedford

Date: 08/12/16

Legal Implications:

- 7.2 The Corporate Fees and Charges Policy has been properly applied in forming the recommendations set out in this Report.

It is not considered that the Report raises any adverse human rights implications.

Lawyer Consulted:

Hilary Woodward

Date: 8/12/16

Equalities Implications:

- 7.3 When fees and charges are proposed, a balance needs to be found to ensure services remain financially sustainable whilst still providing value for money. The proposed fees and charges provide a range of flexible pricing to minimise price being a barrier to participation.

Sustainability Implications:

- 7.4 In order to assist with the long-term sustainability of services and to continue providing a quality service, it is necessary that the charges be set at an appropriate level.

Any Other Significant Implications:

- 7.5 None

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1a – Seafront Fees & Charges 2017/18
2. Appendix 1b – Seafront Benchmarking information
3. Appendix 2a – Sports Facilities Fees & Charges 2017/18
3. Appendix 2b – Golf Course Fees & Charges 2017/2018
4. Appendix 2c - Golf Course Membership benefits
5. Appendix 3 – Brighton Centre Fees & Charges 2017/18
6. Appendix 4 – Outdoor Events Fees & Charges 2017/18

Documents in Members' Rooms

None

Background Documents

None

