

Subject:	Fees & Charges 2018/19 Sport & Leisure, Venues and Libraries.		
Date of Meeting:	11 January 2018		
Report of:	Executive Director for Economy, Environment & Culture		
Contact Officer:	Name:	Ian Shurrock Kerry Taylor	Tel: 292084 292701
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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 contractual increase calculated for 2018/19 is 4.08% for service providers under the terms of contracts.
- 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 five service areas: Seafront, Sports Facilities (including golf courses), Venues (The Brighton Centre), Outdoor Events and Libraries. The changes would be implemented from April 2018 unless otherwise stated.
- 1.4 The proposals should be viewed in the context of the very challenging financial position facing the council, with an estimated savings requirement of a further £23.4m over the next 2 years. A number of the proposals in the report to increase fees and charges above the inflation rate are to achieve more realistic market rates and generate income.

2. RECOMMENDATIONS:

- 2.1 That the committee approves the fees and charges for the Seafront for 2018/19 in Appendix 1.

- 2.2 That the committee notes the fees and charges for the Sports Facilities for 2018/19 in Appendix 2a.
- 2.3 That the committee approves the fees and charges for the Golf Courses for 2018/19 in Appendix 2b.
- 2.4 That the committee approves the fees and charges for the Brighton Centre for 2018/19 in Appendix 3.
- 2.5 That the committee approves the fees and charges for Outdoor Events for 2018/19 in Appendix 4.
- 2.6 That the committee approves the fees and charges for Libraries for 2018/19 in Appendix 5.
- 2.7 That the committee grants delegated authority for officers nominated by the Executive Director 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 8 February 2018 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 1)

- 3.2.1 There are a range of fees and charges linked with the Seafront including those for the beach chalets, boat lockers, volleyball, Volk's Railway and the Bandstand. The proposal is to increase the charges by the corporate rate of inflation of 2% except for the beach huts, Volk's Railway and ceremony hire fee for the Bandstand (2018 & 2019).
- 3.2.2 The 2018/19 charges for the Volk's Railway & the Bandstand will remain at the rates already agreed at the Economic Development and Culture Committee in January 2017 due to the HLF funded restoration project and the lead in times for

bookings respectively. The proposed charges for the Seafront for 2018/19 are included in Appendix 1a.

- 3.2.3 The proposal detailed below identifies an above inflation increase for the beach hut licence fee and transfer fee. An overview explaining the differences between beach huts and beach chalets is included in Appendix 1b.
- 3.2.4 There are 459 wooden beach huts on Hove seafront that are privately owned by Brighton & Hove residents. The licence fee to place the owner's hut on Council land is currently £367.20 inc. VAT (£306.00 excl VAT) for the year 2017/18 giving an annual income to the Council of £140,454 (net of vat).
- 3.2.5 A beach hut can be sold on when it has been owned for three years but only to other Brighton & Hove residents. The transfer fee is currently £82. In 2016 there were 37 transfers and so far in 2017 there have been 45 transfers.
- 3.2.6 In recent years, the value of a beach hut on the seafront has risen well above inflation and more in line with the increases in the local property market. Huts sold this year have ranged in price between £16,000 - £22,500 depending on the location and the condition of the hut. There is a hut currently on the market at £25,000. Sale evidence suggests an increase in values of between 45-50% over the 5 year period since 2012.
- 3.2.7 Several other local authorities in East and West Sussex have beach huts on the seafront and the comparable evidence below shows that the licence fee charged by BHCC is lower than the other local authorities in the area. The transfer fee charged by BHCC is markedly lower than most other authorities.

Local Authority	Location	Licence Fee (inc VAT)	Transfer Fee	Beach Hut sales
Rother District Council	Bexhill	£500 pa	3 x licence fee or 10% of sale price whichever is greater	£10,000 - £25,000
Adur and Worthing	Worthing Lancing/Shoreham Beach	£560 pa £420 pa	3 x licence fee or 10% of sale price whichever is greater	£5,000 - £10,000
Arun District Council	Felpham and Littlehampton	£498.76 pa	£500	£5,000- £10,000
Wittering Estates PLC (private estate)	West Wittering	£445 pa	10% of sale price	£50,000
Havant District Council (Hampshire)	Hayling Island	£600pa (non-residents £1,200pa)	£500 (currently subject to Committee scrutiny)	£8,000- £11,000
Seaford Town Council	Seaford	£394.66- £500pa	£25 transfer fee	£30,000- £40,000
Hastings Borough Council	Combe Haven and Glyne Gap	£375.17 - £560.36	£120 transfer fee	£8,000 - £25,000
		Licence Fee (inc VAT)	Transfer Fee	Beach Hut sales
Brighton & Hove City Council	Current	£367.20	£82.00	£16,000 - £25,000
Brighton & Hove City Council	Proposed	£404.00	3 x licence fee or 10% of sale price whichever is greater	£16,000 - £25,000

3.2.8 The proposal for the annual licence fee for the year 2018/19 is for an increase of 10% to £404. Furthermore, the transfer fee is proposed to be charged at three times the licence fee (£1,212) or 10% of the sale price, whichever is greater. These changes will bring Brighton & Hove in line with charges made by other neighbouring authorities.

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

3.3.1 The proposed charges for the Sports Facilities for 2018/19 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 2018/19 fees and charges the uplift is 4.08%. 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 fees and charges for the sports facilities operated by Freedom Leisure (on behalf of the council) are adjusted according to the contract. The contract stipulates that the maximum charges are annually calculated in line with the percentage movement in the RPIX. The council are required to review and confirm the charges in line with the variation that is clearly laid down within the contract documentation.

3.3.5 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 4.08% (including rounding to the nearest 5p, up or down as per contract).

3.3.6 Some proposed prices across the sites have been held or increased below inflation while all the others have been increased up to the contracted amount.

Golf Courses (Mytime Active contract)

3.3.6 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).

3.3.7 The fees and charges for Hollingbury Park and Waterhall Golf Courses remain below the regional average. The golf courses face huge challenges with 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.

- 3.3.8 The increases proposed (in Appendix 2b) assist in pricing the courses at a realistic market rate and to provide greater consistency with the other Mytime Active regional sites. Waterhall still remains the cheaper alternative with both season tickets and green fees still much lower than the regional average. As with Freedom Leisure there is a contract in place that sets the maximum charge annually in line with the RPIX.
- 3.3.9 Mytime Active's pricing policy aims to retain and attract new members 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 add 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. This all helps to encourage pay and play golfers to change to a more cost effective and rewarding membership.
- 3.3.10 Membership/season tickets are all being increased below the contractual amount and are more in line with the councils 2% corporate increase.
- 3.3.11 However, some of the green fees are proposed to be slightly higher percentage than the contracted maximum, although when compared to the average price the courses still offer very good value for money. The increases will enable the courses to encourage pay and play/non members to 'join' Mytime Active by becoming registered users or annual members. Simply by providing their contact details customers are immediately entitled to a 10% loyalty discount off green fees. This reduces the proposed green fee costs but enables Mytime Active to improve the data held on their customers and will provide better tracking of usage and golf patterns/behaviour.
- 3.3.12 The green fee that by percentage has increased the most is the junior weekday fee at Waterhall (7.14%). For a number of years this cost has remained at £7.00 although the other junior green fees on both courses are £8. It was recognised that a £1 increase would be too great to bring this in line so a staged approach is suggested to enable the prices to increase by 50p each year over a two year period.
- 3.3.13 As part of their commitment to increase access to the golf courses Mytime Active are looking to expand the current Leisure Card offer that they trialed last year. This is to offer 40% discounted Leisure card prices on Fridays at Hollingbury Golf Course and to provide a reduced 'Get Active in Golf' six week course at the discounted rate too.
- 3.3.14 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.

3.4 BRIGHTON CENTRE (please see Appendix 3)

- 3.4.1 Proposed charges for the Brighton Centre for 2018/19 are included in Appendix 3. These proposed charges are in line with the corporate rate of inflation of 2%.
- 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 2018/19 are included in Appendix 4. These proposed charges are in line with the corporate rate of inflation having been uplifted by 2.0%.

3.6 LIBRARIES & INFORMATION SERVICES (please see Appendix 5)

- 3.6.1 Proposed charges for Libraries for 2018/19 are included in Appendix 5.
- 3.6.2 Brighton & Hove Libraries provide unique free to use public spaces and services, which are open and available to all communities of all ages:
- Free to join at any age
 - Free to go into and spend time in
 - Free loan of books and 'e' books
 - Free access to consult books, read newspapers and magazines
 - Free access to information
 - Free unlimited Wi-Fi use
 - Free story times
 - Free class visits
 - Free space for community run activities
 - Free promotion/outreach to schools and other community partners
- 3.6.3 Charges are currently made for a range of facilities and services.
- There are concessions on charges based on low income or disability
 - There are commercial and community rates around the hire of spaces.
- 3.6.4 Current charges for facilities and services are:
- Overdue charges for late return of books and other materials
 - Loan of audio-visual materials - audio books, music compact discs, films on DVD, music score sets
 - Reserving stock
 - Photo-copying and printing
 - Room hire and exhibition spaces
 - Use of public computers after the first free hour per day
 - Some events and activities
- 3.6.5 As many Library Service charges are only a few pence it is not possible to increase them annually by inflation. Instead, most prices are left unchanged for a number of years until an increase in real prices can be adopted. It is proposed that for 2018/19 all of the Library fees and charges should remain the same for the following reasons:

- New charges and some increased charges above the rate of inflation were introduced in 2017/18
 - In comparison with other similar or neighbouring library authorities, Brighton & Hove already has high fees and charges
 - Commercial charges were increased last year, and in comparison with similar commercial services in the city, Library charges are high, for instance for room hire, so any further increases could drive away business
- 3.6.6 In order to meet the annual increase in income targets for inflation and to help address the budget gap for the coming year, additional income will be achieved through increased commercial activity and more actively seeking donations from the public.
- 3.6.7 The comprehensive range of concessionary and exemption arrangements for disadvantaged borrowers will be maintained
- 3.6.8 Concessions on charges - usually half price will be available to:
- People receiving job seekers allowance, employment and support allowance, income support, pension credit, and those on Universal Credit.
- People receiving disability living allowance, personal independence payment or with other verification of long standing disability.
- 3.6.9 There are also reductions or exemptions on charges for Home Delivery Service clients, those in residential accommodation, and for those who are unable to use printed materials due to visual impairment or physical disability.
- 3.6.10 People with learning disabilities, for example Compass Card holders, are exempt from charges.

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 or contractually determined. 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 & 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 and reported through the Targeted Budget Monitoring reports throughout the year.

Finance Officer Consulted: Rob Allen

Date: 5/12/17

Legal Implications:

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: 5 December 2017

Equalities Implications:

- 7.2 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:

- 7.3 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:

- 7.4 None

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1a – Seafront Fees & Charges 2018/19
2. Appendix 1b – Overview of Beach Huts and Beach Chalets
3. Appendix 2a – Sports Facilities Fees & Charges 2018/19
4. Appendix 2b – Golf Course Fees & Charges 2018/2019
5. Appendix 3 – Brighton Centre Fees & Charges 2018/19
6. Appendix 4 – Outdoor Events Fees & Charges 2018/19
7. Appendix 5 – Libraries Fees & Charges 2018/19

Documents in Members' Rooms

None

Background Documents

None

