

CULTURE, RECREATION & TOURISM CABINET MEMBER MEETING

Agenda Item 47

Brighton & Hove City Council

Subject:	Sports Facilities Contracts – Fees & Charges 2012/13		
Date of Meeting:	6 December 2011		
Report of:	Strategic Director – Communities		
Contact Officer:	Name:	Ian Shurrock	Tel: 29-2084
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Key Decision:	Yes	Forward Plan No: 1	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report sets out the proposed changes to fees and charges for 2012/13 for the Sports Facilities Management Contract with Freedom Leisure and the Golf Courses Management Contract with Mytime Active.
- 1.2 This report is one of several that are being considered in relation to fees and charges for the next financial year (2012/13) across the wide range of services within the portfolio of the Cabinet Member for Culture, Recreation and Tourism. While services positively engage in collaborative working, at the moment each report has been considered individually and recommendations made in relation to the specific issues of the service being provided.
- 1.3 For the financial year 2013/14 an overall review will be undertaken with the wide range of fees and charges considered together rather than individually. The intention being to achieve a more consistent approach to the increases that are proposed across the wide range of services.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet Member approves the proposed fees and charges for 2012/13 for the Sports Facilities Management Contract.
- 2.2 That the Cabinet Member approves the proposed fees and charges for 2012/13 for the Golf Courses Management Contract.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Six council sports facilities and two golf courses are operated on behalf of the council by social enterprises, Freedom Leisure and Mytime Active. 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.
- 3.2 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. Once this maximum charge is set the contractor may not charge more than this (unless agreed by the council) but is able to charge less.
- 3.3 The process of setting charges is a collaborative one in which the council and contractors meet to discuss and agree the proposed charges.

Sports Facilities Management Contract

- 3.4 The annual movement in RPIX as at 1 October 2011 was 5.75% and this is the rate that has been applied in setting the level of charges for 2012/13 for the six council sports facilities operated under contract by Freedom Leisure.
- 3.5 Appendix 1(a) shows the proposed charges for a selection of the most popular activities at these facilities. A comparison with other local authorities is also shown.
- 3.6 There are some charges which are proposed to be increased above the rate of 5.75%. These are as a result of the King Alfred Leisure Centre having been previously operated directly by the council rather than part of the wider Sports Facilities Contract. Now that the King Alfred Leisure Centre is included in the contract with Freedom Leisure there is an opportunity to bring these in line to provide greater consistency in charges across the city. Details of these above inflation charges are listed in Appendix 1(b) together with a comparison with other local authorities.

Golf Courses Management Contract

- 3.7 Appendices 2 (a) and 2 (b) show the proposed fees and charges for the two council golf courses, Hollingbury Park Golf Course (HPGC) and Waterhall Golf Course (WGC), operated under contract by Mytime Active.
- 3.8 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). As with the Sports Facilities Contract, these are controlled by a mechanism within the contract which allows for an uplift linked to RPIX so the same rate of 5.75% applies.

- 3.9 WGC season tickets are proposed to be increased below this rate (between 2 and 4.2%). For green fees at WGC it is proposed that the majority of them are not increased at all, some are reduced and one is increased.
- 3.10 It is well recognised that HPGC is a higher standard of course than WGC having been used in the past as a qualifying venue for The Open. This ex-championship course has also had the benefit of approximately £100K investment into the clubhouse to provide a new open-plan café/bar and pro shop downstairs with a refurbished function suite upstairs.
- 3.11 The cost of season tickets at HPGC is proposed to be increased by approximately 14% above inflation thereby creating a price differential between the two courses to reflect the higher standard of course and facilities at HPGC.
- 3.12 Mytime Active have invested approx £420K into new grounds maintenance equipment and improvements to the clubhouses, particularly at HPGC. They have also brought more green-keeping expertise to the operation through their experience of managing other courses. As a result, there has been plenty of positive feedback from golfers regarding the condition of the courses.
- 3.13 The current pricing structure has been inherited from when the courses were operated directly by the council. The price of season tickets is good value when compared with other courses as shown in Appendix 2 (a) and 2 (b). A better balance needs to be created (particularly at HPGC with the quality of course and facilities) between the price of green fees and season tickets. Hence the recommendation to increase season tickets below inflation at WGC, but to apply an above inflation increase at HPGC.
- 3.14 By allowing higher than inflation increases at HPGC, the intention is to help ensure the long-term sustainability of the courses by continuing to provide a good quality product but at a price that is more reflective of the market.
- 3.15 Further proposed changes to season ticket holder's booking privileges are as follows:
- Outside of the agreed club tee times, at least 5 tee times will be made available each hour for booking by Season Ticket holders in advance. This will be strictly on a first come first served basis.
 - The other tee times will only be bookable in advance by Pay & Play golfers subject to paying a deposit at time of booking. Any unreserved tee times will be available to all golfers (including Season Ticket holders) on a walk on basis on the day.
 - Season Tickets will no longer be valid at both courses (they provide very good value for use of one course let alone two). Holders of a season ticket for one course will receive a 20% discount off of the standard green fees at the other course. The current pricing structure allows season ticket holders at both courses to play at the other free of charge. In reality, the amount of 'cross-usage' of the courses is limited.
 - Season Ticket holders who book slots but then do not turn up or cancel with less than 24 hours notice may lose their booking privileges.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The ability to increase fees is prescribed within the contracts for the Sports Facilities and Golf Courses. Customers are used to the annual uplifts and are notified of them at least one month in advance of them being implemented.
- 4.2 Meetings are scheduled to take place with committee members of the clubs at HPGC and WGC to discuss the proposals further.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The proposed increases in fees and charges are in accordance with the inflation provisions within the contracts, except in the instances referred to in the report whereby alternative fees are being proposed for the reasons stated. The agreed fees are the maximum that can be charged and the income generated accrues to the contractor, in accordance with the terms of each contract.

Finance Officer Consulted: Michelle Herrington Date: 22/11/11

Legal Implications:

- 5.2 The proposed price adjustments being contractually permitted, there are no significant legal implications arising from this report.

Lawyer Consulted: Sonia Likhari Date: 18/11/11

Equalities Implications:

- 5.3 The aim of both the Sports Facilities and Golf Courses management contracts is to maximise participation by providing a fully inclusive service. The proposed pricing structure continues to provide flexible options for payment and discounted activities for concessionary use.
- 5.4 Although the proposal for the golf prices includes a higher than inflationary increase for HPGC season tickets, the charges still provide excellent value for money. Also, by only implementing an inflationary increase at WGC, golfers still have access to good quality golf at a cheaper rate than HPGC.

Sustainability Implications:

- 5.4 In order to ensure the long-term sustainability of the sports facilities and golf courses and to continue providing a quality service, it is necessary that the charges be set at an appropriate level. With regard to the golf contract Mytime Active have invested heavily in the courses to improve them and in order for this to continue for the remainder of the contract they need to be able to implement a pricing structure more closely aligned to the market.

Crime & Disorder Implications:

- 5.5 Increasing participation in sport and physical activity is recognised as having a positive effect on reducing crime and anti-social behaviour in young people. The proposal ensures that young people have the opportunity to play golf at a much lower cost than the market norm.

Risk and Opportunity Management Implications:

- 5.6 Any risk associated with increased charges is borne by our contractors Freedom Leisure and Mytime Active.

Public Health Implications:

- 5.7 Increasing participation in sport and physical activity is key to improving the health and well-being of the city's residents.

Corporate / Citywide Implications:

- 5.8 The proposal will continue to ensure the residents of Brighton and Hove have the opportunity to access to good quality and affordable sports facilities and golf courses whilst ensuring the long-term sustainability of these services.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 None.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To set charges that ensures the long-term sustainability of the council's sports facilities and golf courses and to continue to provide a quality service to the residents of Brighton and Hove.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1 (a) – Sports Facilities Proposed Core Charges 2012/13
2. Appendix 1 (b) – Sports Facilities Charges above inflation 2012/13
3. Appendix 2 (a) – Golf Courses Proposed Charges 2012/13 – Hollingbury Park
4. Appendix 2 (b) – Golf Courses Proposed Charges 2012/13 – Waterhall

Documents in Members' Rooms

None

Background Documents

None

