

WARWICK DISTRICT COUNCIL

TO: LEISURE COMMITTEE - 21st SEPTEMBER 1999

SUBJECT: FEES AND CHARGES 2000/2001

FROM: FINANCE AND LEISURE and AMENITIES

1 PURPOSE OF REPORT

- 1.1 To decide upon the Fees and Charges that the Committee wishes to recommend to Strategy Committee to operate in respect of the 2000/2001 financial year.

2 BACKGROUND

- 2.1 At its meeting on 1st July 1997 the Strategy Committee formulated the Council's Financial Strategy for the three years 1998/1999, 1999/2000 and 2000/2001. The Strategy comprised three major elements relating to the target level of revenue spending, the level of capital expenditure and the increase in income to be sought by increasing fees and charges associated with using Council facilities.
- 2.2 In addition, the Financial Strategy required that committees identify service options to reduce net expenditure by 15%, in real terms, over the three year period identified above. This has been achieved through the establishment of Service Plan Groups whereby each service committee has appointed a small sub-group of members to draw up service plans for their committee.

3 FEES AND CHARGES - GUIDELINES

- 3.1 In respect of fees and charges committees should seek to increase income by the rate of inflation which, for 2000/2001, is anticipated to be 2.5%. Any income generation above this level can be counted towards the service plan options to reduce overall net expenditure referred to in paragraph 2.2.
- 3.2 This report is concerned with determining the levels of fees and charges under the responsibility of this committee in light of the Financial Strategy guidelines outlined above.

- 3.3 In addition to the 2.5% guideline, it is appropriate to consider certain other factors when deciding what the Council's fees and charges should be:
- (a) The impact of the fees and charges levels on the implementation of the Council's overall Corporate Strategy, including the Key Issue Strategies, and the requirements of this committee's individual service plans.
 - (b) The level of prices the market can bear including comparisons with neighbouring and other local authorities and privately run local facilities.

4 MAIN ITEMS

- 4.1 The majority of fees and charges have been revised to cover the 2.5% increase referred to in paragraph 3.1 above and then rounded to a convenient figure which, in most cases, has led to an increase above 2.5%. Areas which require separate comment are detailed below.

5 APPENDIX 'E': PARKS - CAR PARKING

- 5.1 The car parking charges for St. Nicholas Park and Myton Fields are based upon those charged at other Warwick District Council car parks. These charges are set by Development Committee when it considers its fees and charges which, at the time of writing this report, have not yet been decided. The income estimates for 2000/2001 shown in Appendix 'E' are based on current charges. Once the new charges have been agreed an appropriate adjustment will be made. (For information purposes a 10p increase in all charges would produce an estimated extra income of £9,000).
- 5.2 The one exception to the above charges is the 2 - 3 hour charge at St. Nicholas Park, which has no corresponding charge in any other car park within the District. It is recommended that if Development Committee increase the short stay charges that this charge be increased to £1.40, otherwise it should remain at £1.30.

6 APPENDIX 'F': GOLF COURSE, etc

- 6.1 Ticket sales at Newbold Comyn Golf Course were at a four year high in 1997/1998, due to a large extent in a good summer and a mild winter. However, the Easter 1998 floods had a large impact on the 1998/1999 attendances and, as a consequence, estimates of likely attendances for 1999/2000 were based on the previous three years, excluding 1998/1999 as being unrepresentative. This has

led to a shortfall in income levels compared to the original estimate. Prices were also increased above the required increase of 3%.

- 6.2 At the committee's last meeting it was agreed to implement a package of special offers and discounts to try to encourage customers back to the course. Whilst it is too early to quantify the impact of the special offers, early indications are encouraging.
- 6.3 The nearest public course to Newbold Comyn is at Brandon Wood, Coventry and, when recommending charges, comparison is always made with their prices. Recommended charges for the main users - adult 18 holes - of £8.75 (weekdays) and £11.75 (weekends) compared with current prices of £9.40 (weekdays) and £12.50 (weekends) at Brandon. The price gap between the two courses has been narrowed over recent years, however, it is not intended to narrow them further at present since, although they are considered to be comparable courses, Brandon does offer better facilities, such as a clubhouse.

7 APPENDIX 'L': ROYAL PUMP ROOMS

- 7.1 The proposed charges at the Royal Pump Rooms have been increased where it is considered that the market will bear them (and comparing them to the charges at the Royal Spa Centre).
- 7.2 There is not expected to be as much income generated as previously in respect of commissions on paintings sold after exhibitions, as it is intended to change the type of exhibitions to be held at the Royal Pump Rooms from those held at the old Art Gallery.

8 APPENDIX 'M': MISCELLANEOUS CHARGES

- 8.1 The large increase in the hourly charge for the Victoria Park Bowls Pavilion Room is to reflect the amount of work required to open up the Pavilion for an hourly letting, plus it is considered that, with the opening of the Royal Pump Rooms and existing Royal Spa Centre provision, there is adequate similar facilities elsewhere.

9 APPENDIX 'N': MAXIMUM SPORTS AND LEISURE CONTRACT FEES

- 9.1 This committee sets the maximum fees that can be levied by the Sports and Leisure contractor, although the contractor can charge lower fees if so desired. The income generated from the facilities is retained by the contractor.

- 9.2 The Sports and Leisure Contract uses the Retail Price Index as a factor in determining new fees and charges levels, although there is the facility for negotiation between the contractor and the Head of Leisure and Amenities.
- 9.3 The use of the Retail Price Index coupled with a rounding to the nearest 5p would produce very few price increases and none on individual charges. Accordingly, proposed charges have been determined using the same criteria and considerations applied to the other charges within the report.

10 SUMMARY

- 10.1 The total income for 2000/2001 is estimated at £1,230,380 compared to an original estimate of £1,181,030 for 1999/2000 - an increase of £49,350 or 4.2% exceeding the increase of 2.5% on the original estimate by £19,825. This "surplus" income can be used towards the service plan reduction in net expenditure.
- 10.2 It should be noted that the above figures include estimates for car parking charges at the current rate. If Development Committee increase car parking charges then the "surplus" referred to in paragraph 10.1 above will increase.
- 10.3 The revised estimate for 1999/2000 shows a small increase in income of £10,600. The £21,000 shortfall in income on golf has been offset by increase income at the crematorium of £25,000 and £8,000 on car parking charges.

11 KEY ISSUES

- 11.1 The setting of Fees and Charges is covered by Social Key Issue Strategy SO3.

12 DECISIONS REQUIRED

- 12.1 The appendices attached detail the suggested fees and charges for this committee for 2000/2001. The committee is requested to recommend to Strategy Committee the fees and charges it wishes to see operate from 1st April 2000.

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Finance

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Leisure and Amenities

Background Papers:

Key Issues Strategies 1999 - 2001

Leisure and Amenities Service Plans

Strategy Committee 1st July 1997: "Financial Strategy/Service Plan Processes"

Strategy Committee 8th September 1998: "Financial Strategy 1999/2000 - 2001/2002"

Leisure Committee 22nd September 1998: "Fees and Charges 1999/2000"

Leisure Committee 20th July 1999: "Newbold Golf Course - Promotional Pricing Activities"

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Areas in District Affected:

All