


Executive – 20th June 2012		Agenda Item No. 7
		
Title	Concessions and income generation	
For further information about this report please contact	Jenny Clayton Tel 01926 456013 Andy Crump Tel 01926 456810	
Wards of the District directly affected	None	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	No	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes
Equality & Sustainability Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	Date	Name
/Deputy Chief Executive & Monitoring Officer	1 st May 2012	Andrew Jones
Head of Service	18 th May 2012	Mike Snow
CMT	24 th May 2012	Chris Elliott
Section 151 Officer	18 th May 2012	Mike Snow
Finance	18 th May 2012	Mike Snow
Portfolio Holder(s)	25 th May 2012	Councillor Mobbs
Consultation & Community Engagement		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 To inform Executive of the work that has been undertaken by the Income Maximisation Working Group and to seek Executive approval of the Concessions Policy.

2. **RECOMMENDATION**

- 2.1 Executive notes the work undertaken by the Income Maximisation Working Group.
- 2.2 Executive agrees that the Senior Citizen concession (for any service) should be consistently labelled as such and be for people who are 60 and over.
- 2.3 Executive agrees the 'Concessions Policy' at Appendix A that has been produced by the Income Maximisation Working Group.
- 2.4 Executive agrees that a Register of Concessions is created and maintained by the Head of Finance and that this Register should be reviewed periodically by the Income Maximisation Working Group.
- 2.5 Executive agrees that specific proposals are brought forward within the Fees & Charges Report, in October to Executive for where further pricing flexibility may be appropriate to delete to Heads of Service.
- 2.6 Executive supports the continuation of Concessions to encourage usage of Council facilities by people who would not normally do so, in turn creating positive health benefits for them and the District, as well as having a beneficial effect on income at these locations.

3. **REASONS FOR THE RECOMMENDATIONS**

- 3.1 The Income Maximisation Working Group, which comprises Members (Councillors Knight, Syson, Pratt, Edwards and Williams) and Officers, has met periodically over the last 2 years. The group's remit was to find ways of increasing income from existing fees and charges as well as prompting service areas to find new areas of income. Several Service Areas have embraced the process and there have been reports to Executive (e.g. charging for events in Open Spaces, Bowls Facility Income Maximisation, Abbey Fields) describing how these areas will generate additional income. The Group continues to encourage Service Areas to carry on with this work but acknowledges that in the current economic climate it is often difficult to gain additional income. In fact, Service Areas have to be creative and work extra hard to maintain and retain current levels of income.
- 3.2 Concessions Policy – Currently the Council does not have a policy regarding how it applies its concessions for its services to the public. A policy is needed that ensures that the Council treats customers fairly and consistently. The proposed policy is attached at Appendix A. The Income Maximisation Working Group has approved this policy and an Equality Impact Assessment has been carried out (See Appendix B).
- 3.3 Labelling – When a customer visits some Council facilities he/she encounters several categories of concessions. For the older members of society these may be described as "60+" or "Senior Citizen", whilst younger customers have

categories such as "U18", "youth", "student" etc. to contend with. This is not uncommon amongst Councils as the Income Maximisation Working Group discovered. However, there should be more consistency, just using the Category "60+" as there is less ambiguity as to who qualifies for this concession. The group will undertake further work on the younger "categories" although it does not consider that this category creates confusion.

- 3.4 Register of Concessions – although the Council publishes its Fees and Charges on its website and in the Budget Book, these media do not appear to capture all concessions offered by the Council, especially 'local' concessions offered by Managers to long-term users of Council Facilities e.g. sporting organisations. In order to promote equity and fairness as well as transparency, a Register of Concessions is needed, with the Head of Finance in conjunction with Service Areas being responsible for creating and maintaining this Register, which will be published on the Council's website.
- 3.5 The Income Maximisation Working Group felt that there was a need for some limited delegation to Managers to give them a certain amount of flexibility on pricing, especially when negotiating with customers who are regular customers or who want to book for a longer period of time. The Spa Centre Manager already has this flexibility and has found it useful as he sought to generate additional income from the venue. The delegated powers would enable Heads of Service to make decisions more quickly without having to refer back to Members for approval. It has been argued in the past that potential income opportunities have been lost due to this delay. It should also be noted that the Head of Culture already has delegated authority to price flexibly and has had the power to do so for a number of years. It would be necessary for the delegations to be clearly defined, being sure how these may need to be reflected in the Council's Constitution.
- 3.6 The Income Maximisation Working Group discovered that in places such as the Leisure Centres, income received from 'groups that received some form of concession' was a significant proportion of that location's income. In fact, these groups were increasingly using the centres at a time when other usage was either static or falling. The Head of Culture reports that students find the package offered to them very competitive and attendances from this group continue to be encouraging despite the economic climate.
- 3.7 Health Benefits – the concessions offered by this Council encourage some people to undertake events and activities that they wouldn't normally do if the concession was not available. Some of these activities have positive health benefits that are good not only for the individual but also for the wellbeing of the District.
- 3.8 Corporate Memberships are deemed to be outside the scope of this policy as they have a commercial element about them. They are negotiated to ensure both parties receive benefit, with the Council getting increased customer take up, especially at off peak times.

4. **POLICY FRAMEWORK**

4.1 **Policy Framework**

This report is in accordance with the Council's Financial Strategy as last approved by the Executive in February.

4.2 **Fit for the Future**

One of the key elements of Fit For the Future is ensuring that the Council achieves the required savings to enable it to set a balanced budget whilst maintaining service provision. This report updates Members on issues concerning income generation, labelling and marketing, which will be useful when the Council sets its Fees and Charges, later in the year, for 2013-14.

5. **BUDGETARY FRAMEWORK**

- 5.1 The Council needs to find financial savings of approximately £2.5m over the next five years on a net General Fund Budget of £17m, as reported to Members as part of the council Tax and Budgets in February of this year. Income generation and 'smarter' working are part of a series of measures designed to meet this target.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 To avoid confusion about entitlement, raise the Senior Citizen concession age to parity with the Bus Pass age. The Bus Pass could then be used as an easy way of proving age/identity, although some Senior Citizens, who are entitled to one do not claim one, by choice. Thus it would not always be possible to use it as proof of age.

This may not generate any additional income (and may even cause it to fall as customers patronise other local authority establishments that remain with 60). Also, this would be unpopular for those falling within this group, especially those that are no longer in work and on limited income. Furthermore, as the gradual increase in the bus pass eligibility age is quite complex it would be extremely difficult to administer. This may be something the Council wishes to revisit in the future but at the moment resources that would currently be needed to investigate this further would be better used in other areas of income generation

- 6.2 Not to have a Concessions Policy. However, this leaves the Council open to challenges of favouritism and inconsistency, if it does not have a clear and transparent Concessions Policy.
- 6.3 The inconsistent labelling of concessions is left in place and any marketing opportunities foregone. This does not help customers readily identify whether they are entitled to a concessions or give clear guidelines to staff who collect the income.
- 6.4 The Concessions Register is not created and the Council is left with no clear idea of who it gives concessions to and the types of concessions.
- 6.5 The Council could choose not to give Heads of Service limited delegation on price flexibility and potentially miss opportunities to gain new customers and income, retain long-term users or make better use of facilities during off-peak periods when operational costs are still being incurred.
- 6.6 By not maximising the usage of its facilities, especially sporting, by the usage of concessions, potential health benefits to the District, are lost. The positive effect on Council income from Concessions would be lost too.