

# **BROMSGROVE DISTRICT COUNCIL**

## **CABINET**

**3RD SEPTEMBER 2008**

### **FREE SWIMMING SCHEME/GRANT – 2009/10 & 2010/11**

Responsible Portfolio Holder	Cllr Roger Hollingsworth
Responsible Head of Service	Mike Bell - Street Scene & Community
Non-Key Decision	

#### **1. SUMMARY**

1.1 The report outlines the Government's Free Swimming Scheme proposals for 2009/10 & 2010/11 and BDC's proposed response to this offer.

#### **2. RECOMMENDATION**

2.1 That the Cabinet recommend to the Council:

- (a) that officers be requested to implement the Governments Free Swimming Scheme including coaching/instruction sessions for over 60's for the financial years 2009/10 and 2010/11;
- (b) that the availability of free swimming places for over 60's be restricted to BDC residents only;
- (c) that agreement be given to limit the availability of free swimming places and based on the definition contained within 3.11;
- (d) that officers be requested to decline the offer of free swimming for under 16's for the reasons contained within this report and to not express an interest to the Government;
- (e) that officers be requested to not put forward a bid for capital funding due to the limited life expectance of its swimming pool stock; and
- (f) that the implementation and management of this scheme be delegated to the Head of Service for Finance and the Deputy Head of Street Scene & Community to ensure that the scheme is established in order to minimise risk and the Medium Term Financial Plan.

#### **3. BACKGROUND**

3.1 On the 29th July 2008 Paul Bolt, Director for Sport & Leisure at the Department of Culture, Media & Sport (DCMS) wrote to the Chief Executive

Officers of all local authorities in England to provide an overview of the proposed scheme. This can be found as appendix A.

- 3.2 The letter sets out the summary and background of this proposal and the technicalities of accessing the funding available. It should be pointed out that unlike normal funding streams relating to sports provision this proposal has not been circulated via the Sport England delivery system and as such local authorities have not had the opportunity to be consulted on its content.
- 3.3 Furthermore it should be noted that at present no performance measures have been agreed to monitor the delivery of the scheme or any outcomes identified. Although a link has been established to the new national indicators NI 8, NI155, NI156, NI110 & NI137 it is understood that the DCMS will request performance information at some point in the future.
- 3.4 The scheme will also provide a contribution to the wider agenda of the Worcestershire Partnerships Local Area Agreement (LAA) National Indicator set including NI 56, NI121 & NI195 and in particular it will support/assist the work of the Primary Care Trust due to the well established links between physical activity and health & well being.
- 3.5 The grant settlement for **Pot 1** (*over 60's*) in Bromsgrove is £31,160 and is pre-fixed, based on the authority's population of those aged 60 and over. It is important to note that this calculation does not reflect actual usage at the sites and is set based on a predetermined available budget amount, set centrally (£15 million).
- 3.6 The grant settlement for **Pot 2** (*under 16's*) is as of yet unknown as the funding streams are roughly running one month beyond the other. The total available funding across England is £25 million. At this stage we do not have a date for a grant figure but it is the understanding within the County that the figure will be based on a similar calculation to that outlined at 3.4 with the based budget being influenced by the number of authorities who choose not to accept their over 60's allocation.
- 3.7 In order to access the Pot 1 funding stream the Council are required to confirm by the 15th September 2008 that it wishes to enter the over 60's scheme. To access Pot 2 (under 16's funding) the Council is required to express an interest by the 15th September 2008 and accept the offer when it is received by the 15th October.
- 3.8 As members will be aware over 60's swimming (pot 1) is already discounted at a rate of 50%, as such the Council will be able to expand it's free of charge offer to include for example free over 60's swimming lesson. Officer's are currently working up these schemes in order to develop and deliver a more diverse scheme that reflects local need, rather than a one size fits all approach that only offers free swimming to all public sessions.

3.9 Members should be aware that a number of issues and operational concerns that remain outstanding with in this proposal which include:

- The sessions within the programme which are applicable (a definition is contained within this report).
- The approach taken by other local authorities and the potential need to control cross boarder usage.
- The potential impact on members' packages that include swimming and potential loss of membership sales/pay back period for Phase 2 investment.
- The fact that the scheme is not means tested and is a blanket approach.
- The use of lockers at the centre which are coin retain.
- The potential for particular sessions for example early morning swimming to become very popular with the target group and the possibility that paying users will be “locked out”, thus impacting upon income generation.

Officers are however confident that these can be overcome and addressed as part for the managerial implementation process based on case studies on this matter where usage figures are not shown to increase dramatically without a targeted approach to programming. In real terms it means that existing users simply use it more often. However as part of the funding stream officers are allocating a sum of money to administer and promote the scheme to ensure all residents have the opportunity to access the scheme.

3.10 The under 16's proposal (pot 2) however does fall into the one size fits all category and the Council would be expected to offer free swimming to all public sessions where residents can “walk in” to the centres and pay for a swim. There are a number of potential implications with this scheme that cannot be addressed at present due to the lack of information available including:

- Loss of income, should under 16 usage be very popular and “lock out” paying customers.
- The Level of usage generated could exceed the grant funding and in effect we would as a Council then be subsidising a Government Scheme.
- The impact on the centres in terms of maintenance, cleanliness & hygiene that will increase operating costs and shorten the life expectancy of facilities and equipment.
- The impact on other users (those outside the swimming programme) & income streams generated for example activzone which includes swimming.
- The overall effect on the service provision if the centre becomes very popular with under 16's and staff time has to be dedicated to providing this service or managing the issues it presents.

- Impact on the performance management of the site and customer satisfaction levels.

3.11 A meeting has been held by the County Sports Partnership to discuss this proposal with Senior Sport & Leisure Officers across the County. It would be appropriate to say that there is a high level of anxiety about this proposal and a degree of frustration with the implementation dates and information provided. At present although unconfirmed there are a number of proposals that are being put forward by the District Authorities from complete acceptance to complete rejection. This does pose a potential issue for Bromsgrove as the grant settlement is based on the number of over 60's who reside in the boundaries of BDC. Should cross board usage occur as another authority rejected the proposal the issue highlighted above will be increased and more likely to occur, as such officers have recommended to restrict access to the scheme to BDC residents only. Proof of residence will be required in the form of utility bill (no more than 3 months old) or Council Tax invoice, once this is presented the sports centres will then issue a passport to leisure swipe card for all residents who access the scheme to track their usage patterns and provide statistical information as required.

3.12 In order to establish a robust operating system that meets the objectives of the scheme and minimise risk to BDC the scheme will need to be closely administered and operated. As such the following definition is proposed to control access/availability within the existing and future programmes.

“Free of Charge swimming is available for residents of Bromsgrove who are 60 years of age or more, access is available to any open public session on a walk in basis and/or any additional promotional session implemented in to the swimming programme to support the objectives of this scheme”.

This means that Free swimming is in effect restricted to non bookable public sessions and excluded from membership packages, it does however allow the Centres to programme additional promotional or package sessions to support the objectives of the programme on a time limited basis.

3.13 The Government is also providing two capital funding pots (*pot 3 & pot 4*) which have £60million and £25 million available respectively to support pool modernisations which in turn support the free swimming scheme, however due to the age of the current pool stock and the limited life expectancy of the site this funding stream is not applicable to Bromsgrove.

3.14 After March 2011 there is no commitment from the DCMS to continue funding either Pot 1 or 2 of this scheme as it will be subject to the outcome of the next spending review. The Outcome of the 2 completed years will be used to inform further funding however as stated above no details exist at this stage on any performance measures that will be implemented.

#### **4. FINANCIAL IMPLICATIONS**

4.1 The financial implications of this report relate to the acceptance of the Government's funding for Pot 1 (£31K) as previously mentioned in section 3 and the funding section of appendix 1. Members are reminded that the current proposal expires in March 2011 with no firm information available regarding the potential for future funding.

4.2 Due to the timescales involved in this scheme a fully costed scheme is not yet available however the current cost of providing concession swimming for over 60's at the Dolphin Centre is £13.5k per annum. This equates to 8693 usages per year, a user figure cannot be provided as we do not currently issue swipe cards to this category of user.

Officers will endeavour to ensure that when developing the scheme that expenditure/loss of income does not exceed £31k per annum grant settlement to ensure that the Council does not incur additional costs over and above existing budgets.

4.3 The impact of the additional usage will also impact upon secondary spend and may increase income generation, However these figures will be minimal as the current level of secondary spend per user is less than 1p per visit.

4.4 The current income generation for walk in under 16 swimming is £35k, this equates to 27,687 visits.

Although we do not currently know the grant settlement proposed for Pot 2 it can be assumed that that this amount would be insufficient to meet BDC's loss of income, if the envisaged increase in usage occurs. Although it is very difficult to predict the increase a conservative estimate would be 20% across a 12 month period, this would increase the loss of income to £42,000 and/or usages of 33,224.

This situation would be worsened should activity packages and child schemes be included within the scheme (swimming element) as they currently generate income up to £17k per year with swimming approximately as a third of this figure.

4.5 The grant payment for this scheme will be drawn down each year as a one off cost in line with the DCMS guidance. It is stated at present that this is expected to be as early as possible in each financial year, however dependant upon the timing of the grant payment BDC will need to be aware that we will be expected to provide the service as from the 1<sup>st</sup> April each year not at the point of payment. In cases where the full grant amount was not used the authority can roll 25% over into the following year if the DCMS agree or they may be required to return the grant funding in line with the funding agreement.

4.6 Members should also be aware that when the trust goes live at the Sports Centres then the financial risk may increase as the trust will expect the Council to under write any additional usages incurred over the Pot 1 & 2 grant funding.

## **5. LEGAL IMPLICATIONS**

5.1 There are no legal implications contained with in this report that refer to legislation. The funding conditions have been reviewed by the legal section and no concerns expressed.

## **6. COUNCIL OBJECTIVES**

6.1 The proposal to implement an over 60's free swimming scheme supports the Council's Vision and Values. It further supports the specific objective of Sense of Community and Well Being by providing enhanced opportunity to a major section of our community to access sports provision and its associated health benefits.

## **7. RISK MANAGEMENT**

7.1 The main risks associated with the details included in this report are:

- Potential criticism of the Council for not implementing the Under 16's free swimming element (pot 2).
- Dependant upon what neighbouring authorities decide, differential approaches being adopted across the County for example increased cross boarder usage.
- Additional costs (bottom line) being incurred by the authority in relation to this project should the scheme be extensively used.
- Loss of funding after March 2011 from DCMS and the implication of funding the scheme going forward or reintroducing charging. This would be a major concern and with doubt have an implication for the Council in terms of its reputation should a charge be reintroduced in April 2011 or the Council would have to accept the lose of income in the MTFP.

7.2 These risks are being managed as follows:

- *Criticism of the Council:*
  - Communications Plan developed to address these concerns based on the business risks identified in this report.
  - Members & Staff briefed on this situation, the justifications for the decision and the implementation on the communications planner.

- Differential Approaches:
  - Discussion to be held across the County to look for a potential joint approach.
  - Potential implications built into the planning of the scheme based on the recommendations contained with in this report and implementation of a monitoring system to identify issues as they arise.
- Additional costs Incurred:
  - As per above comments.
- Loss of DCMS funding going forward:
  - At present this is an unknown and as such can not be commented upon, however as highlighted above this would be a major concern going forward.

7.3 Currently the risk identified in the above bullet points in 7.1 is not addressed by any risk register and will be added to the SS&C risk register accordingly.

## **8. CUSTOMER IMPLICATIONS**

8.1 By accessing the over 60's scheme only there are not believed to be any negative implications for our customers.

## **9. EQUALITIES AND DIVERSITY IMPLICATIONS**

9.1 There are no equality & diversity implications contained with in this report.

## **10. VALUE FOR MONEY IMPLICATIONS**

10.1 The only VFM implication contained with in this report will relate to an increase in users satisfaction with in the 60 plus age group who access this service.

## **11. OTHER IMPLICATIONS**

Procurement Issues - None
Personnel Implications - None
Governance/Performance Management - None
Community Safety including Section 17 of Crime and Disorder Act 1998 - None

Policy - None
Environmental - None

**12. OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	<b>N</b>
Chief Executive	<b>Y</b>
Executive Director - Partnerships and Projects	<b><u>Y</u></b>
Executive Director - Services	<b><u>N</u></b>
Assistant Chief Executive	<b><u>N</u></b>
Head of Service	<b><u>Y</u></b>
Head of Financial Services	<b><u>Y</u></b>
Head of Legal, Equalities & Democratic Services	<b><u>Y</u></b>
Head of Organisational Development & HR	<b><u>N</u></b>
Corporate Procurement Team	<b><u>N</u></b>

**13. WARDS AFFECTED**

All Wards.

**14. APPENDICES**

Appendix 1 Letter from Paul Bolt DCMS dated 29th July 2008.

**15. BACKGROUND PAPERS**

Letter from Paul Bolt dated 29th July 2008.

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