
REVIEW OF CORPORATE CHARGING POLICY – LEISURE AND ARTS PILOT

Responsible Cabinet Member(s) - Councillor Lee Vasey, Leisure Services Portfolio

Responsible Director(s) - Cliff Brown, Director of Community Services

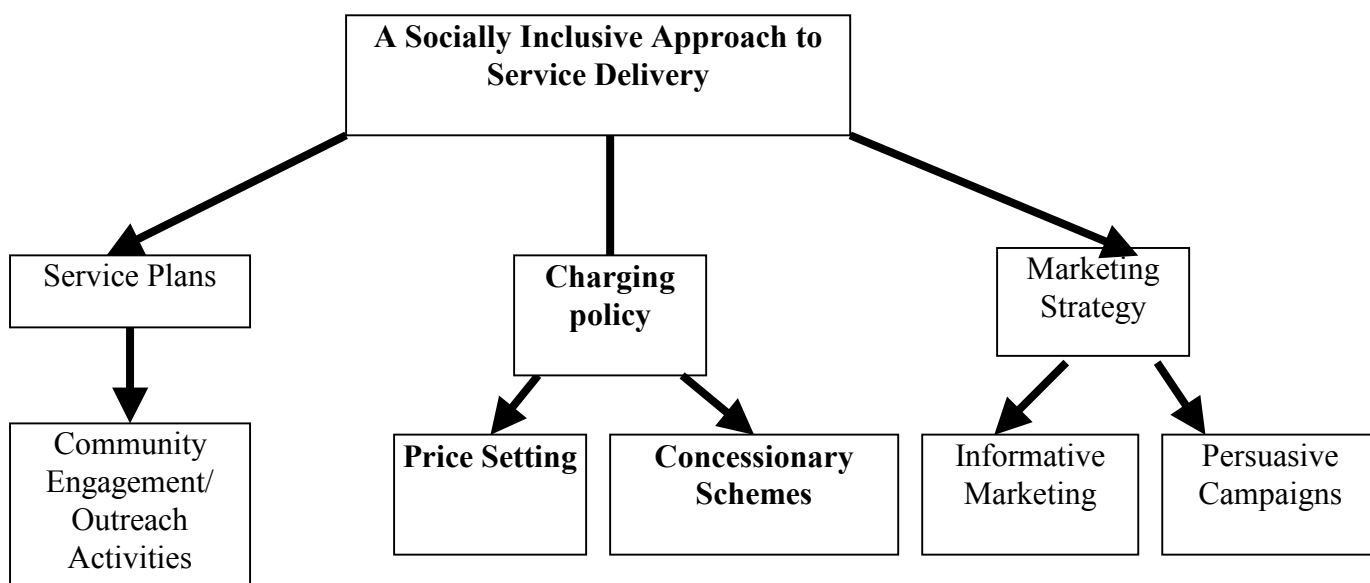
Purpose of Report

1. To present the outcome of the Leisure and Arts charging policy review.

Information and Analysis

Strategic Context

2. This review of charging policy emerges from aims articulated in both the Community Strategy and “All Together Now: A Social Inclusion Strategy for Darlington”. These strategies commit the Council to a socially inclusive approach to service delivery. The diagram below shows some of the different tools that can be used in developing such an approach. This paper focuses on a Leisure and Arts’ approach to the processes highlighted in bold.



3. It is anticipated that lessons learnt from this pilot can be applied as appropriate across the organisation in the future.

Background

4. One of the action points arising from the Best Value Review of Culture completed in 2003 was to review Leisure Service pricing policies, to give greater focus to using pricing to achieve corporate objectives. At present, there is no corporate policy so this pilot forms part of the process of developing a Corporate Charging Policy as a useful tool for the furtherance of the Council's ambitions for social inclusion. Specifically, a Leisure Pricing Policy will help the Council to improve the life chances of those who are suffering or at risk of suffering disadvantage (All Together Now: a Draft Social Inclusion Strategy for Darlington).
5. The Audit Commission identifies the potential of charges to deliver corporate and service priorities as falling into the following categories:
 - (a) Targeting subsidy at top priorities
 - (b) Improving services
 - (c) Delivering corporate priorities
 - (d) Generating income
 - (e) Managing demand for services
 - (f) Communicating a message

Discretionary Charges

6. Overall, the Council has a significant number of services with discretionary charges which include:
 - (a) Land searches
 - (b) Parking
 - (c) Building regulations
 - (d) Cemeteries and crematoria
 - (e) Social Services
 - (f) Nursery provision
 - (g) Theatre and Arts Centre
 - (h) Dolphin Centre
 - (i) Stressholme Golf Course
7. Discretionary charges accounted for around 8% (or £8.8m) of the Council's income in 2003/2004. Although customers are not always able to distinguish easily between statutory and discretionary charges, customers are particularly sensitive to some changes.
8. An officer working group looking at charging concluded that the best way of testing a new approach to corporate charging was to run a pilot involving Leisure and Arts, with a view to incorporating lessons learned into a revised Corporate Charging Policy which could take effect from 1 April 2006.

9. The Leisure and Arts Service maintains a broad customer base, comprising representatives from all sections of the community, including some whose needs are highlighted in the draft Social Inclusion Strategy. These groups comprise:
- (a) Young people in the care of Darlington Borough Council
 - (b) Those over the age of 85 and those under the age of 5
 - (c) People with long term illness
 - (d) Disabled people
 - (e) Black and minority ethnic communities
 - (f) Minority faith groups
 - (g) People who are unemployed or receiving a low income
 - (h) People with spent criminal convictions
 - (i) Carers
 - (j) Lesbian, gay, bisexual and transgender people
 - (k) Refugees and asylum seekers
 - (l) Gypsies and travellers

Review of Pricing Policy

10. The Leisure and Arts Service comprises a wide range of events, services and venues, which provide the variety required for a pilot project. The following key action points were identified to take the review forward:
- (a) Research the best practice of other local authorities with regard to a socially inclusive approach to pricing.
 - (b) Establish the principles of fair pricing in order to eliminate current discounts and concessions that do not progress the Council and Darlington Partnership's aims for social inclusion.
 - (c) Recognise that customers who are both receiving a low income and are a member of one of the other target groups are likely to be at a higher risk of social exclusion.
 - (d) Review Leisure and Arts Pricing Policy to identify whether price should be used to prioritise the access needs of the twelve groups highlighted above, paying particular attention to carers.
 - (e) To consider how targeted marketing may work in conjunction with charging policy to support the access needs of target groups. This may involve work with Sure Start, Gay Advice Darlington, County Durham and Darlington Race Equality Council and other specialist agencies.
 - (f) Investigate the feasibility of establishing an electronic card based discounting scheme.
 - (g) Provide cost neutral solutions.
11. For the purpose of this review, the groups of service users who may benefit from reduced charges are mainly those listed in paragraph 9. This comprises the groups who may be at risk of exclusion or in receipt of low incomes. Where price is not a barrier to participation, it is essential that the charging policy works in conjunction with other initiatives to promote inclusion and other Community Strategy priorities.

12. However, in concentrating on the priorities for social inclusion, there is a risk that other Community Strategy objectives are not given full consideration. For instance, Leisure Services have had a considerable agenda over the years both from a direct marketing perspective and in partnership working with the PCT and health organisations in promoting improved health and wellbeing amongst senior citizens generally. There are also linkages with other key services such as Adult Social Care and Housing, where there is a very proactive approach to health promotion amongst people who, from a Darlington perspective, are classed as older. This review, therefore, also takes account of these other corporate priorities.
13. A clear distinction is also made in this review between the use of marketing initiatives and concessionary pricing. In marketing terms, pricing is viewed as part of the marketing mix along with promotion, place (distribution), product and (for services) people and processes. It is intended that the current marketing strategy which is due for review in December 2005, is revised to reflect the Leisure and Arts 'equalities impact assessment' outcomes. Therefore, whilst maintaining the key objectives of communication and income generation this will also ensure that marketing assists in achieving an inclusive approach to service delivery.

Setting charges

14. Currently, the Council agrees the standard or core activity charges for both Leisure and Arts annually as part of the budgetary process. The current process of price setting presents a set of incremental inflationary increase scenarios with the proposed charges being suggested by Directors. However, within the documentation presented, it is not evident that an Equalities Impact Assessment or the Community Strategy key objectives have influenced or been reflected in this charge setting process. Therefore, a revised document format requesting written evidence is suggested and this will demonstrate that pricing decisions have been taken in full consideration of the social inclusion agenda.
15. Outside of the standard list of core activity charges, managers negotiate with individual groups and associations and develop events that involve a certain amount of management discretion in setting of charges. The price will be based on such things as facilities required, length of booking, staffing and any other associated costs. Whilst this process is essential to generating income and meeting the varied requirements of service delivery, to allow managers to determine discounts that determine an individual assessment of Council priority could lead to indirect discrimination. Therefore, in future, any organisation requesting reduced prices within Community Strategy priorities should only be assessed using the terms and procedures already established as the Community Grant and Strategic Funding criteria already adopted by the Council. This provides a clear framework for non-commercial organisations to receive financial assistance in furthering the Council's Community Strategy priorities.

Concessionary Schemes

16. The main mechanism for providing a subsidy on core activities is the current Leisure Saver scheme. Leisure Saver does not operate in the Arts where separate show or event discount schemes operate. A full review of the Leisure Saver criteria has been carried out to establish the extent to which it currently achieves the identified objectives of the review. This is included in **Appendix 1**. The following key data is relevant to the scheme:
 - The current concession scheme has been operating for a considerable number of years.
 - The price of the concession card is £1.50 being last reviewed in 2004.
 - 2,018 Leisure Saver cardholders were senior citizens (October 2004).
 - Under the scheme any registered disabled person (covering a range of disabilities) has access to a Leisure Saver card. 144 (3%) leisure cardholders are registered as disabled.
 - 11% of the Leisure Saver cardholders are students.
 - 12% of Leisure Saver cardholders are not Darlington residents.
17. The Leisure Saver card is renewable on an annual basis, regardless of which criteria a person qualifies under, creating loopholes for certain groups. For example, those who are registered unemployed may only remain so for a matter of weeks before finding a job yet retain a concessionary card for a considerable time longer than that which they qualify for. Darlington currently has the lowest rate of unemployment within the Tees Valley at 2.7% (September 2004) and only 71.2% of cases remain unemployed for less than six months (Tees Valley Joint Strategy Unit 2004).
18. For current group bookings (e.g. 5-a-side football) only one person needs to have a Leisure Saver card to access a concession, resulting in the allocation of concessions to people who may not require it.
19. The current scheme is paper based, resulting in a lengthy renewal process. This also results in added difficulties when booking over the phone due to lack of proof and if a person forgets their card, there is no record of their proof, meaning they cannot access their concession.
20. The current scheme offers a vast range of concession discounts at differing rates. At the Dolphin Centre, discounts range from 47.2% to 22%, resulting in a confusing picture for customers on what discounts they are entitled to. There is also a range of peak/off-peak prices operating at Stressholme, each with concession discounts.
21. The Art Centre and Civic Theatre do not use the Leisure Saver scheme and both operate different concession categories (with senior citizens, students and Job Seekers Allowance-holders qualifying only) and different concession prices (£2 off the full price is the average discount offered).

22. Concessions are currently given to activities whose price already reflects reductions (due to marketing activity or initiatives offered by partner agencies), resulting in several discounts being offered on one service or activity. For instance, a Leisure Saver discount is currently applied to the 10 for 8 deal (by analysing this area in detail the clear effect on potential income equates to £11,422).

Exploring Best Practice for Eligibility Criteria

23. Research has been conducted into 22 local authority schemes throughout the country to identify the different types of Leisure Card schemes being operated. **Appendix 2** briefly lists the eligibility criteria that were found. The initial price on each varies from free (for 11 local authority schemes) up to £16.50 at Brent Borough Council, although the majority cost £3 and below. Within the concessions analysed the most frequently occurring criteria included:
- (a) Job Seekers allowance - 22
 - (b) Income Support - 19
 - (c) Student - 17
 - (d) Housing Benefit - 17
 - (e) Senior citizens - 16
 - (f) Severe Disablement Allowance - 7
 - (g) Working Tax Credit - 6
 - (h) Disability Working allowance - 4
 - (i) Government Training scheme - 3
24. Of the 22 schemes investigated 14 concession schemes were available for non residents residing outside of the Council boundary (most at a higher charge.) and 13 are available to other residents as part of a wider scheme.
25. The percentage discounts offered with a concessionary pricing scheme range from 15% - 100% (this includes activities such as free swimming). Several local authorities include concessions for people receiving war pensions, support under part 6 of the Immigration and Asylum act 1999, talented sports coaches, people receiving skill seekers allowance, people entitled to clothing/food grants and free prescriptions under NHS low income scheme.
26. There are several different types of benefits that people can claim. The current Leisure Saver Scheme does not take into account any person receiving either Council Tax or Housing Benefit, two benefits which are most widely subscribed to.
27. One reason for this may be that a person who has maximum job seekers allowance is automatically entitled to maximum council tax benefit, meaning there may be some overlap between the two with regards to people who are receiving the benefit. People who are in receipt of free NHS prescriptions are people who also qualify under other criteria e.g. income support, job seekers allowance. Therefore in order to make the criteria as simple as possible for people to apply to, only the most basic income-based criteria should be used.

The Proposed Concessionary Scheme

28. Having regard to the review of current concessions and best practise elsewhere, the Council's Community Strategy and Social Inclusion Strategy, a proposed scheme has been developed for consideration. This will give eligible people a concession standard discount of 25% on core activities at the Dolphin Centre, Eastbourne Sports Complex, Arts Centre, Civic Theatre and Stressholme Golf Course. Other proposals are: -
- (a) Core activities will include: those activities included in the list of charges presented and agreed by Council.
 - (b) Concessionary tickets will be available for every production at selected performances at the Arts Centre and Civic Theatre.
 - (c) New activities developed or designed to meet Community Strategy objectives will offer the concession (may be time bound.)
 - (d) Where junior prices apply, the equivalent percentage discount will be offered.
29. As the current Leisure Saver Scheme will remain valid until March 2006, it is proposed that the revised scheme will replace this, commencing April 2006. This will also allow for a full communication plan to be formulated to ensure that the new scheme is promoted throughout the Darlington Borough.

Eligibility

30. The new concession scheme will offer reductions to the following customers: -
- (a) Those in receipt of a means tested benefit, covering¹ the following:
 - (i) Housing Benefit
 - (ii) Council Tax Benefit
 - (iii) Working Tax Credit
 - (iv) Guarantee Credit part of Pension Credit
 - (v) Income Support
 - (vi) Income-based Job Seekers Allowance
 - (b) Senior Citizens over the age of 60 years.
 - (c) Disabled Persons.
 - (d) Asylum seekers.
 - (e) Full time students over the age of 16 years.
 - (f) Children in the care of the Council.
 - (e) Children under 16 years of age of customers who qualify under category (a).
31. An able-bodied person who is accompanying a person with any kind of disability, or an adult accompanying a child in the care of the Council, as their carer will be entitled to receive free admittance to the activity.

¹ These may be adjusted in line with Central Government policy.

32. Once an asylum seeker has been accepted in this country and granted leave to stay, they are entitled to work and claim benefits as any other citizen may. Their status changes to 'refugee' and they will be entitled to a concession card if, like other people, they claim one of the above benefits.
33. A concession card will be administered free of charge and automatically renewed for pensioners and disabled persons.

Proof of Eligibility

34. Proof of eligibility will be accepted as:
 - (a) A confirmation letter from the Inland Revenue, Jobcentre, Housing or Council Tax Division or Benefits Agency.
 - (b) Notification by Children's Services of looked after children in the care of the Council in line with current procedures.
 - (c) An entitlement book
 - (d) Students must get the completed application form stamped by the college/university with the appropriate seal to confirm eligibility.
 - (e) Asylum seekers must show an ARC card².
 - (f) Children under 16 years old whose parent(s) are eligible must apply with their parents present. Proof must be supplied of parent(s) acceptance on the scheme (membership card) and the child's birth certificate.
 - (g) Birth certificate.
 - (h) Entitlement to Disability Living Allowance, Disability Direct Payments, Blue Badge or Independent Living Fund.
35. A proof of address must be provided that clearly shows the individual's name and address, eg a current household bill or bank statement. Full time students between 16 - 18 year old with no house hold bills can provide a letter from their school or college confirming their address. For Travellers, the address of the site where they live will be acceptable.

Impact of revised eligibility

36. In all cases the card will be available for one year and a clear indication will be made to cardholders that it remains their responsibility to inform the Council of any change to their personal circumstances that may impact on their eligibility for the scheme.

² An Arc card is an ID card that has been rolled out in recent years to all Asylum Seekers. In Darlington all Asylum Seekers have this card.

37. Those registered disabled do not feature directly in the new concession scheme. However, where price is a barrier to participation these people will be eligible through one of the other qualifying categories.
38. When booking rooms/courts, all participating persons must be a cardholder under the scheme for the concession to apply to that booking and all persons must produce their concession card on admittance to the activity, otherwise the concession is forfeited.
39. A person making a telephone/on-line booking should provide their individual ID number (shown on the swipe card) to qualify for a concessionary discount. Another form of ID will be requested, for example postcode. This will be saved on the database for future reference when making bookings. The person must also produce their card when they arrive for the activity.
40. Concessions shall not be granted when any other discount already exists or that forms part of a marketing initiative or promotion e.g. Matinee performances, 10 for 8s (in Dolphin Centre), twilight ticket (Stressholme).

Swipe Card Technology

41. The concession card shall be in the form of a swipe card that shall be granted to qualifying customers free of charge and will be accepted in all Leisure and Arts venues.
42. The usage of a swipe card, and swipe card technology shall mean that the individual's data can be stored electronically. A photograph shall also be taken of the individual and stored on the system, meaning that the card cannot be used by any other person, in turn preventing any abuse of the system that may arise. The storage of such information on computerised systems throughout all Leisure and Arts venues will assist during times of card renewals as the information will be easily and readily retrievable. Such storage shall also help in cases when the person does not bring the card with them to the venue, as their details can be confirmed on the system and verified through the stored photo.
43. The process for on-line and telephone customers wishing to use a concession card will be simplified by using swipe cards. The person can quote/input their individual ID number shown on the card, and will also have to show the card on attending the venue.
44. The concession card will also be swiped on each visit further aiding the ability to monitor who concessionary users are. With such ease of monitoring it will be possible for Leisure and Arts to analyse who the main concessionary users are, what facilities they use, at what time they use the facilities and how often. In turn this will also ensure equality of usage and access to facilities by all residents throughout the borough.
45. The storage of user details on the system will assist in the mailing to users of promotional information, time-bound incentives/marketing initiatives and other sport, recreation and cultural information.

Financial Implications

46. Careful considerations of the costs of the new scheme have been made using the following assumptions (**Appendices 3a and 3b**):

- (a) It is assumed that the number of concessionary users will increase with the introduction of the proposed scheme to 6,254 compared with the current take up of the Leisure Saver Scheme of 4,257. It is anticipated that there will be a gain of eligible juniors (of which there is estimated to be 617) and also those who will be claiming additional benefits not covered in the current scheme.
 - (b) The costing uses a 25% discount for each concessionary user.
 - (c) These assumptions are made for the leisure venues only (Dolphin Centre, Eastbourne Sports Complex and Stressholme Golf Club).
47. The current total cost per year of all adult concessionary users for all activities at leisure venues stands at £10,785. The proposed discount of 25% shall generate a cost of £10,008, creating a saving of £777 per annum.
48. Without concessions offered on the 10 for 8 promotional tickets a saving of £11,442 will be made.
49. Current income for full paying juniors within leisure venues stands at £11,846 and the proposed 25% discount for those juniors eligible for the scheme will mean that this shall fall to £9,625, generating a loss of income by £2,221.
50. In summary the financial predictions show there is a predicted income gain of £1,191. This includes the additional £11,442 that will be obtained through preventing concessions on the 10 for 8 promotional tickets.
51. Such savings allows the concession card to be given free of charge to those eligible users, and inevitably means that the scheme itself will be cost-neutral.

Legal Implications

52. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in this report.

Section 17 of the Crime and Disorder Act 1998

53. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

54. The issues contained within this report are required to be considered by Council.

Conclusion

55. At present it is evident that the current system is providing subsidies to people who may not need them while not necessarily reaching identified priority groups. Further, those that do need support are unaware of the scheme or unable to access the Leisure Saver card.
56. The criteria has therefore been reviewed and refined, with income and health promotion as the central focus of all of the eligibility criteria. The eligibility criteria have been narrowed down for any new concession scheme, and have been focused clearly upon circumstances that would apply to the Council's priority groups
57. In order to help focus more upon those people who really are most in need of a concession (those for whom the current pricing system acts as a barrier to participation) close attention has been paid to both the Social Inclusion Strategy and the Community Strategy. As a result the following groups are included in the proposed concessionary scheme:
- (i) Young people in the care of Darlington Borough Council.
 - (ii) Those under the age of 16 (whose parents qualify under means tested benefits).
 - (iii) Disabled people.
 - (iv) People who are unemployed or receiving a low income.
 - (v) Carers.
 - (vi) Refugees and Asylum Seekers.
 - (vii) Gypsies and Travellers (for whom income remains a barrier to participation).
 - (viii) Senior Citizens over the age of 60.
58. The new scheme will incorporate swipe-cards and swipe-card technology that has been installed within leisure venues. This will provide key data for performance measurement and effective use of a computerised system will also allow for monitoring both who the customers are, and the success of the scheme. The storing of customer information on computer systems shall ease online and telephone booking, aid in the card-renewal process and will help maintain concessions for those individuals who may forget their card.
59. A clear distinction is being made between promotional (marketing) activities and a pricing policy. A concession will no longer be offered alongside a promotion.
60. The scheme is predicted to be cost neutral.

Recommendation

61. Council are recommended to:
- (a) Adopt the proposed concessionary scheme for Leisure and Arts Services.

Cliff Brown
Director of Community Services

Background Papers

- (i) The price is Right – Audit Commission
- (ii) Community Strategy
- (iii) All Together Now: A Social Inclusion Strategy for Darlington

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