

Subject: Free Swimming Programme

Status: For Publication

Report to: Cabinet

Date: 22 October 2008

Report of: Deputy Chief Executive

Portfolio Holder: Communities and Partnerships

Key Decision: No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 To consider the Council's response to the Government's Free Swimming Programme.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.
- Delivering Quality Services to Customers (Customers, Improvement)
 - Promoting Rossendale as a cracking place to live and visit (Economy)
 - Improving health and well being across the Borough (Health, Housing)

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- 3.1.1 Government funding is for a two year period and does not cover the full cost of providing free swimming as detailed in the report. When the scheme comes to an end in two years a robust communication plan would need to be developed in order to ensure customer expectations are managed effectively.
- 3.1.2 As a consequence of implementing the scheme the number of customers aged 60 and over and under 16 who take advantage of free swimming may well increase and this would need to be monitored carefully.

4. BACKGROUND AND OPTIONS

- 4.1 Members may be aware that earlier this year, the Government made an announcement regarding the introduction of free swimming for those aged 60 or over and those aged 16 or under. The Council received a Circular from the DCMS (Department for Culture, Media and Sport), which provided details of how the Free Swimming Programme should operate and the associated grants that will be made to encourage Local Authorities to participate.
- 4.2 The grants are provided for free swimming schemes and the evaluation of these schemes will be used to determine future funding and delivery arrangements. As such there will be a need to quantify the success of the scheme through local monitoring and therefore, the grant will be ring-fenced in order to allow evaluation of the funding.
- 4.3 The grant is not subject to separate auditor certification procedures. This ring-fencing will be temporary and will not continue beyond the financial 2010/11.
- 4.4 The Government's Free Swimming Programme is also designed to help Local Authorities achieve successful delivery of a number of National Indicator targets and will help contribute to at least three indicators within the Local Area Agreement including:
- NI 55 - Obesity among primary school age children in Reception Year
 - NI 110 - Young people's participation in positive activities
 - NI 137 - Healthy life expectancy at age 65
- 4.5. Payment of Grant Conditions - Local Authorities who wish to participate in the Free Swimming offer for those aged 60 and over or aged under 16 must agree to spend the grant on free swimming. Free swimming for those aged 60 or over or under 16 years, means that people in that age group who wish to swim at any time throughout the year, when they would normally be admitted to the pool for public swimming and in accordance with local programming, should not be charged for doing so.
- 4.6. Funding for Capital Projects - In addition, the Government is providing a total of £60 million capital for capital projects, designed to modernise pool provision, which are integrated with providing free swimming.

£10 million for this pot will be made available in 2008/09 to reward those Authorities which sign up to both schemes, as outlined above. Those Authorities will receive a pro-rata population-based share of the £10 million capital in 2008/09 and may submit bids for the remaining funding from financial year 2009/10 onwards. These funds can be used as project development costs for bids for financial year 2009/10 and 2010/11. Sport England will assess bids in the first instance on behalf of the Government and will publish a prospectus for bids for funding from financial 2009/10 onwards.

4.7 Grant Allocation

£15 million will be provided to those Authorities who choose to provide free swimming for those aged 60 or over. This results in an allocation to Rossendale of £18,362.

Nationally £25 million will be available to provide free swimming for those aged 16 or under. This results in an allocation to Rossendale of £36,024.

4.9 Response to the Government's Free Swimming Programme.

There is evidence to demonstrate that increased physical activity has a positive impact on an individual's health, and swimming as well as being a life skill, is also an excellent form of exercise. However, there is a need to ensure that the costs of introducing the scheme are met by the Government's grant. The grant will not cover the loss of income plus the costs of administering the scheme and this is detailed in section 5 below.

4.10 Members could choose to supplement the government grant. The table in section 5 identifies the potential additional financial impact ranging £48.6k per annum to £4.5k per annum for the over 60's and £42.5k per annum to £12k for the under 16's. It is difficult to estimate what the increased take-up will be but consider should members wish to proceed that an additional £38k per annum for two years (total 76k) be identified in order to support the scheme (based on 30% take up by over 60s and under 16s).

In addition, if the scheme is approved a robust monitoring system will be instigated and should there be a significant variance in terms of costs a further report will be presented to cabinet.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

5.1 Officers have consulted with the Borough's two leisure trusts: Rossendale Leisure Trust (RLT) and Community Leisure Association of Whitworth (CLAW). The following table indicates the revenue received by each of the two organisation during the latest available 12 month periods as:

Age group 60 and over

	£000
CLAW	
Whitworth Pool	3.6
RLT	
Marl pitts	9.6
Haslingden	9.7
Total	22.9

Age group 16 and under

	£000
CLAW	
Whitworth Pool	12.7
RLT	
Marl pitts	25
Haslingden	10.3
Total	48.0

- 5.2 However, RTL have indicated a number of other pool related activities in which the over 60's participate, amongst other things, Aqua Aerobics, Health Suite, Pool Pilates. The annual value of this revenue source being:

	£000
RLT	
Marl pits	2.5
Haslingden	8.6
Total	11.1

- 5.3 A risk exists that should free swimming be available that the over 60's will move away from these existing paid for activities.
- 5.4 In addition the new Haslingden lifestyle centre has recently opened which may again impact on the over 60's appetite to sign up for long term membership. RTL have indicated an adverse impact on revenue growth of up to £7.3k.
- 5.5 Should free swimming be introduced the increased demand could be such to adversely impact on the revenue streams of other users within different age demographics. In addition if total usage of pool facilities increases there may be some increase in running cost – though with such uncertainty this would be difficult to quantify at this stage. However, it is predicted there would be significant increased usage for the under 16 age range especially during school holidays.
- 5.6 Administration costs will be incurred in identifying those who are eligible for free swimming. The most obvious method of identification for over 60's would be the NowCard Concessionary Travel cards. The estimated over 60s population for Rossendale is 19,400. 51% of the over 60s Rossendale population (9,900) currently have a now card.

5.7 There is a potential gap of 9,500. The estimated minimum cost of producing a bespoke free swimming card is c £2 (this is based on the cost of producing internal IDs and free access for the armed services). In addition to the unit production costs RBC or the individual trusts will have administration costs to absorb.

The estimated under 16's population for Rossendale is 12,260 a large number of whom would need to be issued with a bespoke free swimming card. The Council's Service Assurance Team have recently assessed the additional administration of card production at 30% of the unit production costs. Including these additional costs less the anticipated grant gives the following sensitivity

Financial Analysis for over 60s

	A	B	C	D	E	F
	100% impact £000	0% Impact £000	10% Impact £000	20% Impact £000	30% Impact £000	40% Impact £000
CLAW						
Whitworth Pool	3.6	3.6	3.6	3.6	3.6	3.6
RLT						
Marl pits	9.6	9.6	9.6	9.6	9.6	9.6
Haslingden	9.7	9.7	9.7	9.7	9.7	9.7
Aerobics	11.1	-	1.1	2.2	3.3	4.4
Lifestles	7.3	-	0.7	1.5	2.2	2.9
Total lost income	41.3	22.9	24.7	26.6	28.4	30.3
Card Production	19.8	-	2.0	4.0	5.9	7.9
Card Admin	5.9	-	0.6	1.2	1.8	2.4
dcms Grant	(18.4)	(18.4)	(18.4)	(18.4)	(18.4)	(18.4)
Total net cost	48.6	4.5	8.9	13.3	17.7	22.2

Financial Analysis for under 16s

	A	B	C	D	E	F
	100% Usage £000	0% Usage £000	10% Usage £000	20% Usage £000	30% Usage £000	40% Usage £000
CLAW Whitworth Pool	12.7	12.7	12.7	12.7	12.7	12.7
RLT Marl Pitts Haslingden	25 10.3	25 10.3	25 10.3	25 10.3	25 10.3	25 10.3
Total Lost Income	48.0	48.0	48.0	48.0	48.0	48.0
Card Production	24.5	0	2.5	4.9	7.4	9.8
Card Admin	6	0	0.6	1.2	1.8	2.4
Dcms Grant	(36)	(36)	(36)	(36)	(36)	(36)
Total Net Cost	42.5	12.0	15.1	18.1	21.2	24.2

5.8 In the above scenarios:

5.8.1 Column A indicates the worst case cost scenario

All Current Pool related income is lost (over 60s and Under 16s)

All Non Nowcard holding customer require a new card (over 60s)

All under 16s require a new swimming ID Card (cost £2 per card)

5.8.2 Column B indicates no loss other pool related income streams and no requirement to produce new ID cards – The funding gap to the Council in scenario being £16.5k (£4.5k over 60s & £12k under 16s)

5.8.3 Columns C to F varying degrees of negative impact (10% to 40%) in the loss of other pool related income and requirement to issue new ID cards.

5.9 The range of the above cost scenarios is therefore wide and uncertain.

5.10 Any decision by Members should be taken in the context of the leisure provision within Rossendale as a whole and the Councils overarching priorities. In particular Members should be aware of cost and market pressures facing both of the trusts over the short to medium term.

6. MONITORING OFFICER

There are no legal issues arising from this report.

7. HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT (ON BHEALF OF THE HEAD OF PAID SERVICE)

No issues to note.

8. CONCLUSION

- 8.1 The introduction of free swimming could help to increase the number of residents within the Borough who take part in regular physical activity. However, there are uncertainties in relation to the costs as detailed in section 5 and the funding shortfall is significant.

9. RECOMMENDATION

The Cabinet are recommended to either:

- 9.1 Not to proceed with the government initiative in relation to swimming due to the fact there would be a significant financial shortfall as detailed in section 5 but to explore and develop swimming related projects utilising existing health funding.

or

- 9.2 Approve participation in the Free Swimming offer for those aged 60 years or over to the Department for Culture, Media and Sport (DCMS), and in doing so agree maximum supplementary funding of £35.4k from existing council budgets (based on a 30% take up for two years).
- 9.3 Approve the participation in the Free Swimming offer for those aged 16 years or under and in doing so agree maximum supplementary funding of £42.4k from existing council budgets (based on a 30% take up for two years).

10. CONSULTATION CARRIED OUT

- 10.1 Discussions have been held with both Rossendale Leisure Trust and CLAW who operate swimming facilities on behalf of the borough council.

11. EQUALITY IMPACT ASSESSMENT

Is an Equality Impact Assessment required
(Will be undertaken depending on decision) Yes

Is an Equality Impact Assessment attached No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required Yes / No

Is a Biodiversity Impact Assessment attached Yes / No

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Either

Background Papers	
Document	Place of Inspection

Or

No background papers (*delete where applicable*)