

**PROSPERITY POLICY DEVELOPMENT GROUP - 21 OCTOBER 2009****REVIEW OF CHARGES AND INCOME – COMMUNITY PARKS, OPEN SPACES, OUTDOOR SPORTS AND RECREATION****Report of Head of Landscape & Leisure**

**Statutory Powers:** Local Government (Miscellaneous Provisions) Act 1976 and Local Government Act 1972

**Financial Implications:** This report sets out a number of opportunities for making savings, or generating additional income, within the scope of community parks, open spaces, outdoor sports and recreation. The extent of any additional savings and additional income depend on the member view on the proposed changes to existing practice outlined in this report and the priority and timescale with which they are implemented.

**Purpose**

The purpose of this report is to provide members with an overview of opportunities for income generation or saving efficiencies within the scope of the two budget heads of “Community Parks and Open Spaces” and “Outdoor Sports and Recreation”. The report addresses the core priorities of CP5 and CP6 in improving core service performance and access to services in a cost effective way, whilst setting a balance against CP3 – maintaining the Districts distinctive environment and the cross cutting themes of healthy lifestyles and young people.

**Recommendations**

**That the Executive be recommended;**

- i. To maintain Outdoor Recreation Charges and increase Boat Park Charges as set out in Appendix A, and**
- ii. To introduce events, memorials and sponsorship charging structure as set out in Appendices B,C and D and;**
- iii. To secure lease or licence arrangements which deliver best value to the Council in relation to the facilities identified at Para 28 and 29 and;**
- iv. To review existing leases and licences as they come up for review, with a view to achieving best value for the Council as detailed at Appendix F and;**
- v. Investigate opportunities to increase boat park facilities as detailed at para 32 and;**
- vi. Undertake further scoping work on opportunities for additional concessions, franchises or further facilities within parks and gardens and recreation areas.**

## **Background**

1. South Hams District Council owns in excess of 400 sites identified as public space (and which are managed by the Landscape & Leisure Service). These range from prestigious parks through to minor road verges. The strategic management and the development of projects on these sites is undertaken through the Landscape and Recreation team and the day to day grounds maintenance is undertaken by the Green Space Management team.
2. In light of the following circumstances, it is considered expedient to present members with a review of opportunities for income generation and savings:-
  - i. There is an annual requirement to review outdoor recreation charges which would be brought to Prosperity PDG in any case.
  - ii. Financial pressures on the Council warrant a comprehensive appraisal of the situation in anticipation of required budget reductions.
  - iii. Members' queries at a previous PDG about the overall picture of expenditure and income against which to make decisions for outdoor recreation.
  - iv. Queries raised by internal audit about the effectiveness of management of some of the Council's land assets.
  - v. Inefficiencies in the current arrangements
  - vi. Opportunities to streamline a number of operations for on site and online promotion and booking.
3. Undertaking this review has demonstrated the complexity of historic arrangements, partnerships, leases, licences, established working practices and embedded community expectations. A number of proposals in this paper will directly impact on frontline Council services and will need careful consideration.

## **Current Practice**

### Charges for Outdoor Recreation

4. The Council provides numerous sport and recreation facilities across its estate. These include grass sports pitches, tennis courts, bowling greens, an all weather pitch and putting greens. These are charged for either on a "pay per play" basis, or through season tickets or block bookings. The current charges for the year 09/10 are given at Appendix A.
5. The total income generated from these bookings in 08/09 was £20,061. A more detailed analysis of the generated income, alongside estimated maintenance costs and replacement costs, is given at Appendix E. It should be noted that the figures for maintenance are estimates only and that current timesheet systems don't allow for a more detailed costing. Such detailed costings are currently being undertaken as part of the parallel review of Grounds Maintenance costs that is currently underway.

## Events

6. SHDC owns a range of attractive and accessible sites well suited to the running of events. These range from large scale events such as circus and regatta at Coronation Park, through to fetes, festivals, balloon launches and wedding receptions.
7. Some events are for private individuals, some are for community or charitable groups and some for commercial organisations. The Council has no formal events charging policy and currently charges for events are based on an event assessment undertaken by Property Services. Events income in 08/09 was £120.

## Memorials

8. There are numerous memorials on District Council land. These range from civic and military memorials to benches and trees with individual memorial plaques attached to them. To date, civic and military memorials have been provided space by arrangement with the enquiring group. Benches and trees have also been accommodated to meet individual requests on a largely adhoc basis, with a charge usually being levied to cover basic costs.
9. There is pressure to replace existing memorial benches and to provide significantly more memorial benches and trees across the district. This matter was considered by Asset Management Group in 2006 and at that time, it was considered appropriate to instigate a formal charging approach to memorials.

## Sponsorship

10. There is currently no formal approach to the sponsorship of council assets. As with events and memorials, it is anticipated that there is opportunity for certain District Council sites to be sponsored. Although considered on a number of occasions over the years, no formal current system exists (it was awaiting a corporate approach) and there is no income from sponsorship of Public Space.

## Existing Leases and Licences

11. Across the c.400 public spaces there is a wide range of leases and licences to commercial operators, private individuals and community organisations. These broadly fall into two categories (A and B below) with total annual income in 2008/09 being £91,247.

### A. Sports and Recreation Leases and Licences

12. These include, for example, Ivybridge Town Football Club, Totnes Bowling Club at Borough Park and Dartmouth Bowling Club at Victoria Road. A full range of leased facilities is set out in Appendix F. Total rental income from these sports related leases is £18,116.

## B. Other Leases and Licences

13. There are a wide range of other leases and licences across the Council public spaces and these are also detailed in Appendix F. Total rental from these other leases is £73,131.

### Boat Parking

14. The District Council provides boat parking facilities on the open spaces at Coronation Park, Dartmouth and New Bridge, Kingsbridge. The current charges for boat parking are set out in the first column of Appendix A and the 08/09 income was £12,996.61.

### Other Income

15. There are two further primary areas of additional income to the budget codes under consideration:

- i. Miscellaneous payments.
- ii. Adhoc payments. In recent years, payments have come into the budget from adhoc arrangements such as easements for services across Council land or for access across Council land. These can individually be significant figures (in recent years £54,000 in 07/08 and £20,000 in 08/09) but clearly cannot be planned for.

### Summary of Current Situation

16. While some of the Council Public Space services are well defined, and have clear charging procedures (albeit with an opportunity for a review) a number of the work areas are less well defined and there is opportunity to review these to seek to generate an income or savings.

## **Proposals**

### Outdoor Recreation Charges

17. It has been normal practice for a number of years to increase outdoor recreation charges in line with inflation. For the last five years there has been no substantial change to the nature of the charges and there has always been a concern that if charges are increased to any great degree then they may deter use, with a resulting decrease in income. Based on the income at paragraph 5 it can be seen that a 1% increase gives an estimated additional increase of £200. Given this low level of potential income from gradual increases it is considered that for 2010/11 the current charges be held (see Appendix A) and that there be a marketing campaign aimed at increasing income through additional use rather than additional charges. This could promote the following:

- i. Charges held by SHDC to acknowledge current economic climate.
- ii. Benefits of sport and active lifestyles for all ages in conjunction with Tone Leisure.
- iii. Upgrade of Council facilities through capital programme – particularly tennis.
- iv. Targeted publicity and promotional events where discounts may be offered to bring in new users.

### Events Charging

18. Whilst some Councils maintain an adhoc approach to charging for events on their land, many have adopted a structured approach to charging. It is proposed that South Hams District Council trials such a charging regime and a scheme of charging is set out for members' consideration at Appendix B.
19. The proposed scheme embeds a differential charging scheme for community users and commercial users. The charges have been bench marked against other authorities and are felt to be pitched at a reasonably consistent level. Flexibility is also proposed within the charging scheme to respond to adhoc types of events and to allow for discounted rates in special circumstances.

### Memorials

20. The potential for memorial charging was investigated previously by the Asset Management Group. A detailed analysis was undertaken which concluded that it was appropriate to set charges in relation for benches and memorial trees. The proposed charging regime, which again is similar to other local authorities, is set out in Appendix C.
21. There is already a significant existing backlog of requests for memorials on Council land and standardising the approach to the sites, the charges and the types of memorial bench or tree is considered by officers to be a helpful step forward. There would be no intention to levy a charge for civic or military memorials and these would be considered on a case by case basis, with local ward members, as and when requests are brought forward.
22. The costs outlined in the Memorials Policy cover purchase, installation, maintenance, repairs and the provision of plaques. The memorials would be secured and retained in the position for 10 years, (in the case of benches). In the case of benches, those who make an initial contribution to the memorial cost will be offered a chance to renew at the 10 year stage (or when a bench is removed if earlier).

### Sponsorship

23. Many Councils exploit the opportunities for sponsorship of their assets. Such schemes tend to be most successful when they are undertaken by unitary authorities which can make use of opportunities across both the

wider public realm and on highways sites. Within South Hams ownership there are a limited number of sites that lend themselves to sponsorship and it is possible that some of the Devon County Council managed sites could also be brought in within a South Hams Scheme, however, there would need to be a discussion about the way the income is distributed.

24. Sponsorship would pay for the basic cost of maintenance including an enhancement charge for the provision of a sign and the sponsorship of the space. The budget thus freed could be used for other projects within Landscape and Leisure to enhance or improve public or community well being. The proposed scale of charges is at Appendix D.

#### Existing Leases and Licences

25. The existing leases and licences are set out in Appendix F. There are clearly some variations in the levels of charge for the lease in relation to similar types of facilities (although some of these do relate to varying terms and conditions within the arrangements). Nevertheless, there is clearly opportunity, as and when leases and licences come up for renewal, to ensure that the Council is achieving best value and maximum reasonable returns for the use of facility.

26. It is suggested that when considering renewals, that Officers give weight to the extent to which the lease arrangement facilitates delivery of the Council's priorities. The extent of delivery of Council objectives, the geographical range of that delivery and the number of users from within the South Hams will influence the level at which the lease might be set. The financial arrangements for a lease for a not for profit organisation delivering a number of council objectives might well be pitched at a lower level than a lease to a commercial operation. Members must note that many of the leases already contain conditions and clauses which may constrain the Council's ability to significantly renegotiate a position within the lease. These issues will all be reviewed at renewal, or break clauses, of any leases.

27. It is also the case that the Council leases in (or rents) a number of sites. When these leases or arrangements come to fruition, the Council's decision over whether to renew them will again be judged against the degree to which any particular site delivers against Council's priorities.

#### New Leases and Licences

28. Whilst there is some variance in existing leases and licences it is clear that there are operational and financial benefits in leasing or licensing out appropriate facilities and properties within the public realm. There are opportunities to bring in new tenants and organisations to take on sites and properties. In particular, Officers will seek to establish lease or licence arrangements with appropriate organisations for the following sites:-

1. Outdoor sports facilities at Borough Park, Totnes
2. Tennis facilities at Coronation Park, Dartmouth
3. Outdoor sports facilities at Ermington.
4. Outdoor sports facilities at Norton, Dartmouth

5. Outdoor sports facilities at Wembury
  6. Outdoor sports facilities at Newton Ferrers.
29. In pursuing arrangements officers will need to be mindful of any impact on the arrangements with Tone Leisure. Officers will obviously capitalise on any other opportunities that arise for additional lease or licence arrangements over other sports facilities, or indeed, other property or assets within the Landscape & Leisure estate. Opportunities for disposals will also be investigated where appropriate and consistent with delivering the South Hams Public Space Strategy.
30. It is suggested that in negotiating any such leases or licences, the principle set out above in relation to negotiation over existing leases and licences also apply – and therein that the extent of public benefit and delivery of council priorities play a strong role in negotiating the level of any specific financial arrangement.

### Boat Parking

31. Significant income is generated from the current boat parks at Coronation Park and New Bridge. These boat parks provide a much needed local service and there are known to be pressures for additional boat parking.
32. There are opportunities to either increase or intensify the number of chargeable parking spaces on these two sites, and to consider additional boat parking facilities at the following sites:-
1. Beesands
  2. Warfleet Creek, Dartmouth
  3. Brittons Field, Kingsbridge
  4. Gypsy Meadow, Noss Mayo.
33. Further research is required to identify the extent of likely use in these localities, any legal constraints on establishing boat parking on public space in those locations, and the costs of establishing it, along with the feasibility of effective management of any imposed charging regime. Provision of the infrastructure to manage or rack boats may require subsequent bids for funding on the basis of invest to generate income.
34. Given the level of income from boat parking, and anticipated suppressed demand, a rounding up of the charges is proposed in a range of 7% to 10% increases as shown in Appendix A.

### Concessions and Franchises

35. There is opportunity to look at offering additional concessions within some public spaces. For example, whilst Coronation Park in Dartmouth already has a refreshment kiosk, there are now no equivalent facilities either at Borough Park in Totnes, or the Recreation ground in Kingsbridge. Concessions might be viable on sites for temporary refreshment facilities. There may be other sites where commercial uses appropriate to the character and quality of the site, may be considered appropriate. For example, recently a licence had been granted to a Canoe company

operating on a trial basis out of New Bridge at Kingsbridge. Whilst income is limited during this trial period, a longer term relationship with the operator might be established to mutual benefit.

36. Other income uses on Council land will also be investigated. The opportunity for green burials, memorials or cemeteries will also be investigated along with opportunities for allotments and gardens.

### **Prioritising the Options**

37. Paragraphs 17 to 36 set out a range of opportunities for either achieving savings or increasing income. Some are relatively easy to achieve, and with low risk, whereas some will be more complex and have high inherent risk. Table1 attached sets out a brief risk assessment of options.
38. Clearly under many of the proposed actions, there is further work to be undertaken prior to implementation. Equally, a number of the estimates for costs are broad brush and will only be refined as approaches are introduced and the reaction of users, communities and the commercial sector are tested.
39. It should also be noted that whilst there are clearly opportunities, current staffing levels are at capacity within the Landscape & Recreation and Grounds Maintenance teams in delivering the current work programmes. Whilst the implementation of, for example, increased charges for boat parking is a straightforward and simple matter, some of the other proposed operations and actions will take some careful framing and presentation and require publicity, promotion and setting up of administration. Some of the actions also require input from Property Services and Legal Services and implementation is bound to be constrained by current workloads in all three sections.

### **Summary**

40. South Hams District Council has a strong track record of providing and managing a wide range of parks and gardens, recreation fields, play areas, nature areas and outdoor youth facilities. The vast majority of these are provided and maintained for the public at no charge.
41. Over the years, certain facilities have been charged for and offered out through lease and licence arrangements. This report sets out a range of opportunities that officers consider to be feasible for consideration. These opportunities are wide ranging and offer opportunity to drive out savings or to drive up income. Some of them may be unpopular and there will need to be a clear political support to deliver them if chosen to be taken forward.

Ken Carter  
Head of Landscape & Leisure

Prosperity PDG  
21 October 2009

Ross Kennerley  
Leisure & Recreation Manager

**Table 1**

<b>Operation</b>	<b>Proposed action</b>	<b>Possible level of income</b>	<b>Risk</b>	<b>Opportunities</b>	<b>Suggested Priority</b>
Charges for outdoor recreation	Maintain charges as per Appendix A	Moderate	No increase in facilities use	Likely to sustain and hopefully increase current level of use with active promotion	High
Events	Introduce charging as per Appendix B	Minor	Unpopularity of charging regime. Loss of events	New income stream. Simplified procedure minimising administration.	Medium
Memorials	Introduce charging as per Appendix C	Moderate	Sensitivity of charging for memorials. Adverse publicity and reaction.	Income stream to support work undertaken. Streamline administration and management process	High
Sponsorship	Introduce charging as per Appendix D	Minor	Adverse reaction from site users. Low take up	New income stream. Standardised administration process.	Medium
Existing leases and licences	Review	Moderate	Adverse reaction from existing user groups.	Standardised level of income sought from comparable users.	As reviews occur.
Additional Leases and licences	Seek new arrangements	Moderate	Adverse reaction from proposed and existing user groups to formalise arrangement	Refusal to take on a lease leaving local authority to run facility. Standardised income, minimise ongoing administration of facility.	Medium (or as opportunities arise)
Boat parking	Introduce new charges as per Appendix A	Minor	Resistance to new charging facilities. Lack of management and monitoring	Increase existing income stream	High
	Intensify existing sites and undertake feasibility on new sites as per Para 32	Moderate	Legal complexities of new sites Public resistance	New funding opportunity	Low
Concessions and franchises	Seek additional income	Moderate	Resistance to new facilities or uses.	Depends on appropriate sites being identified and being desirable to market	Low (or as opportunities arise)

**Key:-**

**Level of income** – minor anticipated less than £5,000

Moderate – £5-10,000

Significant – more than £10,000

**Suggested priority** – high

Implementation following agreement to executive – High

Implementation over the following twelve months – Medium

Implementation beyond twelve months – low

**Appendix A**

	Current	Proposed
<b>ACTIVITY</b>	<b>2009-2010</b>	<b>2010-2011</b>
<b>TENNIS</b>		
Coaches rate per hour per court	£3.80	£3.80
Adult per person per hour	£2.90	£2.90
Junior per person per hour	£1.00	£1.00
Hire of Rackets	£1.00	£1.00
Deposits	£5.00	£5.00
Hire of Balls	£0.50	£0.50
Annual ticket - Adult (Dartmouth)	£91.00	£91.00
Annual ticket - Junior (Dartmouth)	£21.00	£21.00
<b>PITCHES (Football, Rugby &amp; Cricket)</b>		
Per season (up to 20 games) adult*	£233.90	£233.90
Per season (up to 20 games) junior*	£113.80	£113.80
Per Match adult	£30.40	£30.40
Per Match junior	£15.20	£15.20
Marking out at cost		
Totnes Pavilion Changing	£25.70	£25.70
Erme Playing Fields Changing	£19.50	£19.50
* Exempt from VAT		
<b>BOWLS</b>		
Green Fees per person per hour (Adult)	£2.50	£2.50
Green Fees per person per hour (Junior)	£1.20	£1.20
Overshoes (per session)	£0.60	£0.60
Season Ticket Adult	£53.00	£53.00
Season Ticket Junior	£15.50	£15.50
Weekly Adult	£17.60	£17.60
<b>PUTTING</b>		
Adult	£1.90	£1.90
Child	£1.00	£1.00
Lost Ball	£1.00	£1.00
<b>ALL WEATHER PITCH</b>		
Full Pitch with lights per hour	£46.60	£46.60
Full Pitch with no lights per hour	£32.60	£32.60
Half Pitch with lights per hour	£25.70	£25.70
Half Pitch with no lights per hour	£19.70	£19.70
Junior rates - Half Pitch no lights	£11.60	£11.60
Junior rates - Half Pitch with lights	£15.10	£15.10
<b>DINGHY PARKING – CORONATION PARK</b>		
Per day	£6.50	£7.00
Per week	£31.80	£35.00
Per Season (Summer)	£72.00	£80.00
Per annum	£103.10	£110.00

**Events on Council Land – Proposed Charges**

Charity	No Charge
Community Events	
Commercial Events or Trading ☆	£240 per day ✖
Circus/Funfairs	£240 per day £60 per set up and stand down day Utility charges

☆ To include wedding receptions

✖ Can be reduced at discretion of Head of Landscape & Leisure where specific benefits to Council priorities are identified by the event organiser.

**Memorial Charging**

<b>Memorial</b>	<b>Charge</b>
<b>New Memorial Bench</b> including brass plaque, inscription, installation and 10 years maintenance	£1,400
<b>Commemorative Tree</b> Including plaque (wooden stake), inscription and planting	£200
<b>Sponsor a Bench</b> Refurbishment of an existing seat and memorial plaque / inscription (10 year period)	£550

## Sponsorship Charging

The spaces available for sponsorship are listed below and the reserve sponsorship costs per annum are listed:

<b>Site</b>	<b>Rates Per Site Each Year</b>
<b>Dartmouth</b>	
Royal Avenue Gardens	£750
The Embankment	£500
Coronation Park	£300
Norton	£300
<b>Salcombe</b>	
Batson Creek	£750
Whitestrans	£500
Cliff House Gardens	£300
Courteney Park	£300
<b>Kingsbridge</b>	
The Embankment	£750
Recreation Ground	£500
Brittans Field	£300
Duncombe Park	£300
<b>Totnes</b>	
Borough Park	£500
Vire Island	£500
Longmarsh	£500