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19 March 2008

To: All Members of the Cabinet

Dear Member,

Cabinet - Tuesday, 18th March, 2008

I attach a copy of the following report for the above-mentioned meeting which was not available at the time of collation of the agenda:

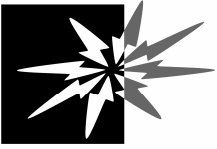
**25. NEW ITEMS OF URGENT BUSINESS – SUBSIDY AND PRICING
POLICY REVIEW PRICING SCHEDULE AMENDMENT**

(Report of the Director of Adult, Culture and Community Services – To be introduced by the Cabinet Member for Leisure, Culture and Lifelong Learning): To provide feedback from consultation on the implementation of the new subsidy and pricing policy, agreed by Cabinet on 22 January 2008 and to seek approval to the proposed pricing amendments for Borough 65+ resident users, to take effect from 7 April 2008.

Yours sincerely,

Richard Burbidge
Cabinet Committees Manager

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Haringey Council

Cabinet**on****18 March 2008**

Report Title: **Subsidy and Pricing Policy Review – Pricing Schedule Amendment**

Report of: **Director Adult, Culture & Community Services**

Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose

- 1.1 To provide feedback from consultation on the implementation of the new subsidy and pricing policy, agreed by Cabinet on 22 January 2008.
- 1.2 To seek Member approval to the proposed pricing amendments for Borough 65+ resident users, to take effect from 7 April 2008.

2. Introduction by Cabinet Member

- 2.1 We have previously considered and endorsed the policy revision, and in particular moving to charging based upon the 'ability to pay'.
- 2.2 We also recognised that, whilst the change provides significant price reductions for residents on low income, it introduces charges for 65+ users who currently have free access to facilities and services.
- 2.3 We have subsequently consulted 65+ users on the implementation of the revised policy, and in particular how we might assist the transition from free to charged use. Clearly the overwhelming response sought the maintenance of free access.
- 2.4 Having considered the representations made by individual users, resident groups, Age Concern and the Older People's Forum, I am proposing the pricing schedule amendment as set out in paragraph 8.4 of this report.

3. Recommendations

- 3.1 That this report is accepted and considered under Urgency Powers, on the basis set out in paragraph 4. below.
- 3.2 That Cabinet Members acknowledge the feedback and strength of feeling from 65+ residents and groups.
- 3.3 That Cabinet approves the fees and charges schedule amendment as set out in paragraph 8.4 of this report.
- 3.4 That a progress report be presented to Overview and Scrutiny Committee in six (6) months time.

4. Reasons for Urgency

- 4.1 To enable the implementation of the revised pricing structure from 7th April 2008

Report Authorised by: **Mun Thong Phung,**
Director Adult, Culture & Community Services

Signed:

Contact Officer: **John Morris, Assistant Director – Recreation Services**
Tel: 020 8489 5602 john.morris@haringey.gov.uk

5. Director of Finance Comments

5.1 This change will reduce the level of income estimated, however there are a number of assumptions made in terms of the impact of all of the original tariff and scheme changes that will need to be closely monitored and it is expected that the overall budget position will be managed within that previously approved

6. Head of Legal Services Comments

6.1 The Head of Legal Services has been consulted and comments that the power to provide recreational facilities under Section 19 Local Government (Miscellaneous Provisions) Act 1976 confers a very wide discretion including power to provide facilities without charge or subject to such charges as the authority thinks fit.

6.2 The exercise of its discretion by the authority should be reasonable in all circumstances. The report sets out relevant considerations to be taken into account by the Council in reaching its decision. Such considerations would include the consideration of any representations made to the authority by interested parties.

6.3 The Head of Legal Services notes that this report amends the pricing structure agreed at the meeting of Cabinet on 22nd January and notes that with the agreement of the Chair of Overview and Scrutiny Committee the report will be taken under special urgency powers.

7. Local Government (Access to Information) Act 1985

7.1 Subsidy and Pricing Policy Review – Cabinet 22.01.08

8. Report

8.1 Cabinet considered the Recreation Subsidy and Pricing Policy Review on 22 January 2008, and resolved the following:

- a) That approval be granted to the new subsidy and pricing policy for Recreation Services as detailed in the interleaved report (see 7.1 above)
- b) That approval be granted to further consultation being carried out on pricing for club/group use of facilities, as outlined in the interleaved report (as above).
- c) That approval be granted to the proposed fees and charges as set out in the interleaved report (as above).

The report recognised both the challenge regarding 65+ user related implementation and the need for phased introduction (paragraphs 7.7 to 7.10).

8.2 Following the statutory 'call in' period, Recreation Services initiated implementation as set out in the Communications and Promotion Plan of the above report. The latter included targeted consultation with 65+ users and the Older People's Forum, on the implementation of the revised policy and prices, and in particular how the Council could support the transition from free to charged use.

8.3 The key concerns / feedback and response, are as follows:

- 'Users and stakeholders have expressed concern regarding the lack of consultation upon policy principles'.
The 'ability to pay' principle is central and fundamental to the revised policy, and Members have previously agreed to focus on implementation consultation.
- 'Concern as to how "means testing" will be managed'.
It is not the Council's intention to introduce a new and additional process. Ability to pay will be determined through reference to and use of existing Council Tax Benefit claims/ assessment. This will be done through a sensitive and properly managed procedure, including information and advice on the Benefit assessment criteria and process.
- 'Collective impact of a range of Council and/or partner change actions e.g. Housing rent increases'.
Clearly services to residents are provided in a number of settings, by a range of public and voluntary sector providers, and within a value for money environment. The Council has actively sought to respond to these demands by targeting price reductions and public subsidy to the most financially disadvantaged, whilst recognising the need to make specific interim arrangements for 65+ users, and at the same time improving income generation through premium prices and payment options.
- 'A common strength of feeling amongst older users as to the eligibility and authenticity of some other unwaged/ low income users'.
Clearly there will be individuals who seek to 'bypass the system', particularly where there is direct financial gain. The Council uses existing thorough means/status testing assessment processes in determining leisure discount eligibility. Clearly status can and does change, and thus unwaged status will now be checked every 6 months rather than annually.
- 'Possible negative impact/ increased demand and cost for health and social care services'.
The Council and PCT are already piloting a GP Exercise/ Physical Activity Referral Scheme which could provide the blueprint for more joint effective/ targeted use of public subsidies. The Council subsidy contribution is reflected in the pricing policy e.g. Swim retail price £3.50, Advantage /Advantage+ rate of £1.00/£1.50 = £2.00 to £2.50 subsidy.
- 'Concern as to how user and usage patterns will be monitored and reviewed, and whether prices will be further amended'.

User numbers, frequency and patterns of use will be monitored through the Active Card and associated Leisure Management IT System. This information will be used to assess the impact of the new pricing policy and 65+ discount arrangements, to determine what, if any, further amendments might be required, whilst monitoring information will be reviewed at least monthly. Overall evaluation will be considered through the 2009/10 Business Planning process.

- 'Support for further targeted concessions for 65+ users, particularly for users just above the 'Advantage' (maximum discount) threshold'.
A number of ideas have been put forward, and a package is proposed below:

8.4 The following 65+ resident user package is proposed as an amendment to the fees and charges approved by Cabinet on 22 January 2008 and highlighted at 8.1 c) above.
For 65+ users:-

- Monday – Friday 9am – 5pm = Free access to all activities excluding specialist classes and pre-booked courses. Haringey residents only.
- Charges outside these times are on a flat day rate:
 - £1.50 Advantage+ = residents not eligible for Council Tax Benefit, and non residents.
 - £1.00 Advantage = residents eligible for Council Tax Benefit.
- Haringey residents may also opt to pay monthly by direct debit at £10 per month.

9. Financial Implications

9.1 The previous Cabinet decision assumed a total level of additional income of £215k per annum, a proportion of which related to income from the new fees and charges to the over 65's. The overall estimate of additional income included a number of different assumptions in respect of take up and demand, which as previously reported, will need to be closely monitored once implemented. The change outlined in this report will have the impact of reducing the additional income by an estimated £35k to £40k, however this will be managed within the overall existing approved budget for the Leisure Service.