

Portfolio Holder for Leisure and Public Realm

14 March 2025

REPORT OF THE ASSISTANT DIRECTOR FOR ECONOMY, LEISURE AND TOURISM

Economy, Culture and Leisure / Sport and Leisure - Proposed Fees and Charges for 2025/26

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek the Portfolio Holder's concurrence to the proposed schedule of fees and charges 2025/26 for Economy, Culture and Leisure / Sport and Leisure

EXECUTIVE SUMMARY

- This report sets out the proposed fees and charges for 2025/26 for Economy, Culture and Leisure / Sport and Leisure. They continue to be considered against a number of key principles that form part of the long-term financial forecast approach which are summarised later on in this report.
- Any amendments to income budgets that are required to reflect changes to fees and charges will be set out within the next general financial performance report as early as possible this year.

RECOMMENDATION(S)

That the Schedule of Fees and Charges 2025/26 for Economy, Culture and Leisure / Sport and Leisure set out in Appendix A be agreed.

REASON(S) FOR THE RECOMMENDATION(S)

To enable the implementation of a revised fees and charges schedule for 2025/26.

ALTERNATIVE OPTIONS CONSIDERED

Please see the considerations / reasons behind the proposed fees and charges later on in this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The forecasting and budget setting process, including fees and charges, will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the 10-year approach to the forecast seeks to establish a sound and sustainable budget year on year where maximising income, including income raised from fees and charges, will continue to be an important element of this approach.

OUTCOME OF CONSULTATION AND ENGAGEMENT

The Council has recently adopted a new Sport and Activity Strategy which was subject to widespread consultation. Although this was not specifically in relation to the fees and charges set out in Appendix A, the strategy set out a plan for the future of the Sports Facilities. The covering report included the following passage:

‘Through the strategy, the Council should also consider sustainability of its leisure stock. Operating leisure centres is a significant financial challenge for Local Authorities, requiring increasing subsidies over recent years to pay for rising energy and service costs. In respect of these significant challenges and substantial investment required on ageing stock, the Council needs to consider what public sports facility offer can be provided and sustained into the future.’

Taking this into consideration, Cabinet supported the Portfolio Holder's approach to commission a feasibility study into the future of the Council's Sports Facilities. The schedule of fees and charges set out in this report, form an important element of supporting the necessary balance in terms of delivering financial sustainability including responding to cost pressures across the leisure stock such as energy costs and ongoing maintenance works in operating buildings/assets of significant ages. This includes Clacton Leisure Centre, part of which is over 50 years old.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	No	If Yes, indicate which by which criteria it is a Key Decision	☐ Significant effect on two or more wards ☐ Involves £100,000 expenditure/income ☐ Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	N/A

These decisions are to record the Schedule of Fees and Charges for Executive functions only.

The general power to charge is set out in the Local Authorities (Goods and Services) Act 1970 and the Local Government Act 2003 – Section 93 respectively. The latter also requires that charges for discretionary services should be on a cost recovery basis. Trading powers can only be exercised through a separate company and are not relied upon for the purposes of this report. In terms of the pricing set out in this report however, the Council has power under section 19(1)(a) of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA 1976) to provide a recreational facility such as a swimming pool in its area. A local authority may wish to charge for use of that pool. Section 19(2) of the LGMPA 1976 contains an express power for a local authority to charge whatever payment it considers to be appropriate. A local authority wishing to charge users of the pool would use the express authority to charge in section 19(2) of the LGMPA 1976 rather than the section 93 charging power.

Under Schedule 3 of the Council's Constitution - Responsibility For Executive Functions - Para 4.4: Delegation of Executive Functions to Officers - General Responsibilities Delegated To Officers 4.4.1 (8) Part 3.45 of the Council's Constitution, all Assistant Directors, in consultation with the relevant Portfolio Holder, Management Team Member and the Director (Finance & IT), are authorised to decide the level of the annual discretionary fees and charges for their service (including any in-year changes that may be required) for inclusion within the Council's corporate schedule of fees and charges. Following the above consultation, an Officer decision must be published.

The Council offers its leisure facilities not as a commercial venture but to support residents to boost their physical activity, aiming to improve health and deliver broader social benefits. The detailed rationale for the setting of fees and charges is set out in full in Background to the section of this report titled '*annual review process and reasoning behind the fees and charges proposed.*'

Fee and Charge	Legislative Power Being Relied Upon
Sports Facilities fees and charges	<u>Section 19(1)(a) of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA 1976)</u> This is the same power to set charging as in the previous year of 2024/25

☐ **The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

No further comments to be added in addition to those set out in the report

FINANCE AND OTHER RESOURCE IMPLICATIONS

Finance and other resources

Fees and Charges have been reviewed against the key principles that underpin the long term forecast, which includes the generation of income whilst balancing strategic and external market conditions.

Given the significant on-going financial challenges faced by the Council from 2025/26, a key underlying principle is to consider inflationary increases wherever possible to support corresponding increases in the Council's own costs in delivering the associated service(s). Although set against the current inflationary environment, any proposed increases in fees and charges must be balanced against other considerations / market conditions, whilst also recognising the restrictions placed on local authorities in terms of setting fees and charges as set out within the legal section above. Further details relating to any proposed increases to fees and charges is set out below.

Any changes to income budgets resulting from any changes in the level of fees and charges agreed, will be considered as part of the next general financial performance report as early as possible this year. It is also recognised that there may be advantages to allocate some or all of any additional income to associated investment / expenditure, which will also need to be considered within the same report.

Following the development of a new 3G Artificial Grass Pitch at Claton Leisure and funding from the Football Foundation, the Council was initially required to set aside £25,000 annually for a sinking fund. Due to inflation, this amount has now increased to £32,000. This sum needs to be

ring-fenced and set aside annually from Sports Facilities to ensure the pitch can be resurfaced at the end of its life. This has been factored into the revised fees and charges for 2025/26.

Yes	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
-----	---

There are no further comments over and above those set out elsewhere in the report.

The volumes / demand for activities set out within this report, including the financial impact is based on the information held by the Service.

As highlighted elsewhere within this report, the impact on the budget in 2025/26 and associated budget adjustments is subject to a delegation, where there is a further opportunity to reflect the most up to date information as necessary.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services.	Please see relevant comments elsewhere in this report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY

Fees and Charges for 2025/26 form part of the wider budget setting process with fees required to be agreed ahead of the financial year to which they relate.

ASSOCIATED RISKS AND MITIGATION

Volume versus value. There is a risk in setting fees that if the cost of a service is too high for customers, fewer will use the service, and as a result, the overall income for the service will fall. Leisure facilities have seen a substantial increase in customers as fee levels fell during the pandemic, once lockdowns eased. As such despite inflation, it is important to consider the potential impact on the number of customers when setting fees and charges.

Fee levels versus service offered. The council needs to ensure when setting fees that the quality of service is commensurate with any increased fee level, so that the service maintains sufficient custom. Otherwise, there could be a reputational hit to the Council if residents were to see rising fee levels and falling service levels.

EQUALITY IMPLICATIONS

The fees and charges have been designed to ensure that a broad spectrum of individuals can access the Council's leisure facilities. This includes providing discounted rates for concessionary leisure memberships, such as for the elderly and those on means-tested benefits. A full up to date list of criteria has been included as Appendix B.

SOCIAL VALUE CONSIDERATIONS	
Providing affordable leisure and theatre provides positive social value, including health and wellbeing benefits to customers.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050	
Fees and charges for leisure services help fund their operation. High energy demand is recognised in leisure estates. By setting sustainable fees, the council may have opportunities to support associated investment in the facilities along with energy usage from an operational perspective.	
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	The Council's Sports Facilities have the potential to be a diversionary activity which can impact on crime and disorder in the district
Health Inequalities	Recreational services contribute to reducing health disparities by offering cost-effective facilities for sports and activities. The Council has maintained affordable fees and given discounts to those that meet the concessionary criteria.
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	There are no subsidy control issues.
Area or Ward affected	Although the facilities are located in St Pauls, Dovercourt All Saints & Walton respectively, the Council's Sports Facilities impact on all wards.

PART 3 – SUPPORTING INFORMATION

BACKGROUND
Income from fees and charges form an important element of the budget and the financial sustainability of the Council as highlighted earlier. Similarly to previous years, Departments have been asked to review their fees and charges on an individual basis as changes may need to be made to meet specific aims or strategic objectives or in some cases in response to external factors such as market forces. The review of fees and charges has been set against the following key principles: • general inflationary increases where possible or lower where appropriate / justified • amounts rounded for ease of application, which may result in a slightly above inflation increase. • on a cost recovery basis as necessary

- reflect statutory requirements.
- increases where market conditions allow
- to meet specific priorities or service delivery aims / objectives

As highlighted earlier in this report, the Council continues to face a number of significant financial challenges in 2025/26 and beyond. It is therefore important that fees and charges are considered against this context and to maximise income opportunities where possible, albeit whilst balancing the various issues highlighted above.

ECONOMY, CULTURE AND LEISURE / SPORT AND LEISURE - PROPOSED FEES AND CHARGES 2025/26

Set against the current fees and charges for 2024/25, **Appendix A** includes the schedule of fees and charges proposed for 2025/26, which have been developed by applying the key principles highlighted above.

Appendix A presents the proposed fees and charges for 2025/26, which have been formulated based on the key principles outlined earlier and are compared to the current fees and charges for 2024/25.

The service has re-evaluated its fees and charges for recreational activities, proposing increases that generally align with anticipated inflationary rises in the costs of delivering these services, such as staff expenses £95,000 and addressing ongoing repairs and maintenance cost pressures within the facilities of £219,000.

Element of This Year's Review	Comments
1. Background to the annual review process and reasoning behind the fees and charges proposed.	In September, the Council's Cabinet approved the new Sport and Activity Strategy to help achieve the goals outlined in the newly adopted Corporate Plan. This draft strategy establishes the Council's commitment to encouraging residents to be more physically active and collaborating with partners to enhance the quality of life for the community. Despite the changes mentioned above, there will still be a general budget subsidy in place, meaning that the proposed fees are not expected to generate more revenue than the cost of providing the service, as outlined below. The Council offers its leisure facilities not as a commercial venture but to support residents to boost their physical activity, aiming to improve health and deliver broader social benefits. The Council remains aware that Tendring has a lower percentage of active individuals compared to both the national and regional averages, as indicated by the most recent Active People Survey conducted by Sport England. While there is no single definitive reason why activity levels in the district have traditionally been low, the newly adopted strategy addresses some potential barriers and contributing factors. These encompass, among others: age demographics, transportation issues, employment rates, and areas of deprivation across the district. People who are inactive and unfit have nearly double the risk of dying from coronary heart disease. The latest health profile indicates several conditions where Tendring is below the

national average. Among these conditions, increased physical exercise could significantly improve health, wellbeing, and quality of life for local residents.

Boosting physical activity levels in the district holds the potential to enhance local health statistics, leading to better life outcomes and longer life expectancy for residents. Implementing a balanced activity programme, which includes a combination of formal and informal activities tailored to the needs of the community, could greatly increase participation rates. Given that sedentary lifestyles are a known contributor to poor health, this approach could lead to substantial improvements in local health and wellbeing outcomes.

With the exception of 2020/21, the number of 'active' residents in Tendring have increased each year over the sample period. At 56.1% in 2022/23, this is a 4% increase when compared with 2015/16. This is however approximately 7% lower than the regional and national averages for active people.

The Council's sports facilities contribute substantial social value to the broader community. Based on data from Sport England's 'Moving Communities' platform, it is estimated that the leisure provision in 23/24 generates over £2.8m in social value encompassing physical and mental health, personal growth, as well as social and community development.

The Department for Culture, Media and Sport is committed to enhancing participation and countering inactivity through the "Get Active" policy paper, which outlines a strategy for the future of sport and physical activity. According to the policy, "Our aim is to be unapologetically ambitious in making the nation more active, whether in government or in the wider sport and physical activity sector. It benefits an individual's physical and mental health, as well as fostering community cohesion."

This underscores the current outcomes observed in Tendring. Between 2018/19, the percentage of inactive residents rose from 28.6% to a peak of 36% over the next two years. Although this period encompassed the Covid-19 pandemic and associated national restrictions, resulting in over a third of local residents engaging in less than 30 minutes of activity per week, there has been a positive decrease of more than 4% in 2022/23, down to 31.9%.

The Council offers a comprehensive range of activities to the public. Leisure services play a significant role in promoting a happier and healthier community. Beyond serving as venues for sports and physical activity, public leisure and sport centres also enhance overall community wellbeing. To remain relevant, the leisure sector must be adaptable and innovative in response to evolving participation trends, continually exploring new methods to keep individuals engaged in non-traditional ways. Investment opportunities are being explored to improve offerings throughout the district, as outlined in the newly adopted five-year Sports and Activity Strategy.

The DCMS "Get Active" policy paper states, "Our aim is to make sport and physical activity more inclusive and welcoming for all, so everyone can feel assured that there is a place for them in sports." The Council has numerous successful partnerships and initiatives with health-related programs, such as Sports for Confidence, the NHS, and Tendring Stroke Services. They also run several in-house health services like Cancer Rehab and Diabetes Rehab, along with an effective GP referral service for getting back to health. This has activity contributed to more people getting active across the district.

Although the Council is focussed on resisting price increases where possible, small inflationary increases are necessary to keep up with running costs, which in turn supports the sustainability of the Council's Sport and Leisure provision for local people and allow the Council to continue delivering on its health and wellbeing agenda.

2. Is the Associated Service Subsidised in 2024/25. (i.e. is there a budgeted deficit for the service the fee and charge relates to)

Sport and Leisure services necessitate subsidisation along with the suggested fee increases outlined in this report, helping to keep the expense to the public purse within the annual framework approved by Full Council. The Council manages its Sports Facilities according to the adopted Sport and Activity Strategy, which aims to promote residents' health and wellbeing, alongside offering broader benefits to the community.

3. Expected impact of the proposed fees and charges on the budgeted income position.

It is expected that increasing the fees between the range of 2% - 4% as proposed will increase estimated income from the budget in 2024/5 of £2,373,500 to £3,176,655 in 2025/6, providing an increase of £803,155. This also includes an acknowledgement that usage is higher than expected, also increasing income.

However, the overall estimated cost of the service is also increasing from, £3,088,970 in 2024/5 to £3,646,438 in 2025/6 which is £557,000 more.

4. Is it proposed to use of any additional income raised?

As set out in the Q3 Financial Report that is being considered by Cabinet at their 17 March 2025 meeting, a delegation is proposed to enable the 2025/26 budgets to be amended accordingly to reflect the estimated increases in income and expenditure highlighted above with no net impact in terms of the wider budget.

It is recognised that potential increases in expenditure not only reflect market conditions but are also 'driven' by increased usage. Potential increases in expenditure are likely to include the following:

- General supplies and services
- Contract costs e.g. cleaning / maintenance
- Preventative maintenance
- Business Rates
- Utility costs

5. Impact on the Net Budget

Budget Line	2024/25	2025/26
Expenditure	£3,088,470	£3,646,438*
Income	£2,373,500	£3,176,655
Net Position	£714,970	£469,783

- *Expenditure 25/26 includes one off virements agreed via Cabinet

As highlighted earlier, an overall net deficit / subsidised position remains, which therefore does not impact on the cost recovery requirements associated with the proposed fees and charges.

6. Other important issues to highlight.

As of October 2024, memberships for the leisure facilities have reached an unprecedented peak, with almost 5,400 members. However, without continued investment in these services and new offerings, there is a risk that this record high number of users may decline. This is both important to continue momentum with ensuring 'more residents and more active more often' and improving key health outcomes. Furthermore, it is important to support financial sustainability of the facilities.

As part of the proposals set out in the fees and charges, it is recommended to reduce the requirement for corporate membership access for those that need to join from 15 employees to 8 employees. This aims to encourage more businesses to take advantage of the offer and promote healthier workforces throughout Tendring.

As noted earlier, the benefit system has undergone changes, so a comprehensive and current list of criteria is provided in **Appendix A**. This list, compared to the previous accepted criteria, will ensure that concessionary leisure memberships remain accessible to the elderly and individuals receiving means-tested benefits.

PREVIOUS RELEVANT DECISIONS

Sport and Activity Strategy for Tendring:

[Sport and activity strategy for Tendring](#)

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

N/A

APPENDICES

Attached – Detailed fees and charges 2025/26 for Economy, Culture and Leisure, Sport and Leisure

REPORT CONTACT OFFICER(S)	
Name	Kieran Charles
Job Title	Sport & Leisure Operations Manager
Email/Telephone	kcharles@tendringdc.gov.uk 01255686684