BUDGET AND INCOME PRESSURES – LEISURE AND SPORT AND CULTURAL SERVICES

1. Purpose of Report
The purpose of this report is to present Members with the results of the information and customer engagement exercise recently undertaken in relation to the current budget and income pressures within Leisure and Sport and Cultural Services. The report also presents Members with proposals for the re-design of services to deliver a balanced budget moving forward.

2. Recommendations
Members are asked to:

2.1 consider the results of the information and customer engagement exercise detailed at sections 3.6 to 3.11 and at Appendix 1; and

2.2 agree to implement the proposals as detailed in Appendices 1 and 2, in order to deliver a balanced budget for Leisure and Sport and Cultural Services in 2016/17 onwards.

3. Considerations

Background
3.1 Community and Customer Services Committee received a report in October 2015 which illustrated the financial pressures within the Leisure and Sport and Cultural Services revenue budgets. These pressures have been created by changes in customer trends and lower levels of income being generated in specific areas of business over recent years. At that meeting these pressures were detailed as £268,647.

3.2 At the December 2015 meeting of Community and Customer Services Committee, officers presented to Members a range of specific proposals which were designed to allow services to achieve a balanced budget position by increasing levels of income, or reducing overall costs associated with delivering services.

3.3 At the same meeting Members remitted officers to implement operational actions from the proposals which had no direct impact to the public, but would result in achieving moderate levels of efficiency. These measures will realise £35,100 from the £268,647, leaving a net balance of £233,547 of actual financial pressure to be managed through proposals which would result in a low level of impact to the public.

3.4 Also at the December 2015 meeting of the Community and Customer Services Committee, Members agreed that officers should undertake an information and customer engagement exercise linked to the proposals which would result in low levels of impact to the public, and to receive a future report providing details and conclusions from the exercise along with recommendations for measures to deliver a balanced budget in Leisure and Sport and Cultural Services in 2016/17 onwards.

3.5 The recommended measures developed to deliver a balanced budget within Leisure and Sport and Cultural Services are based on the current revenue budget allocation and current service delivery, and not part of the Council’s budget setting process for 2016/17 and should therefore be viewed as a separate exercise.
Information and Engagement Exercise

3.6 The information and customer engagement exercise was undertaken with both users and non-users of the facilities and services detailed within the proposals. The conclusions of this exercise are summarised at paragraphs 3.9 and 3.10, with the full results detailed within Appendix 1.

3.7 The engagement exercise offered two distinct questionnaires, one focusing on Cultural Services options and the other on Leisure and Sport options. These were available for completion by users and non-users electronically through survey monkey and in hard copy. They were promoted digitally through web pages, social media and direct email contact. Hard copy questionnaires were available in Leisure Centres, Libraries and Customer Service Centres and promoted by front of house staff to customers. Direct contact with facility user groups was also undertaken to gain the maximum number of responses possible. Whilst it is acknowledged that there was a tight timeline between Committee preparation dates the survey response was very high, particularly when compared with other engagement examples. A total of 959 responses were received.

3.8 Within the December 2015 report presented to Community and Customer Services Committee Members agreed there would be a public information and engagement exercise on the options contained within Appendix 1. The public engagement exercise requested public feedback on the detail of these options which now influences the recommendations to Members. However, for items 6 and 11 within Appendix 1 the engagement exercise sought a view on the concept of re-designing opening hours and did not specify specific examples. This report at Appendix 2 now details specific re-design options by ward which have been presented based on evidence of significantly low use, following local staff input and consideration of any effect on programming or repeat bookings.

3.9 Cultural Services summary: Of the seven proposals detailed in Appendix 1, the majority of respondents were supportive of six of the seven proposals for Cultural Services. However, proposal seven to reduce the level of spend on library lending items by 10% was not supported by 57.2% of respondents. Therefore, and as a consequence of 42.8% of respondents being supportive of a reduction in spend on lending items, Members are requested to consider an alternative level of reduced spend. It is put to Members that an overall reduction in spend on lending items of 5% would realise a £12,500 efficiency, which would in turn would create an additional £12,500 to be found from within the original raft of proposals. Should Members agree to increase non-statutory registration fees by 17.5% and not 15% this additional £12,500 of efficiencies can be achieved. Furthermore, and prior to the implementation of proposal six detailed in Appendix 1, which outlines the re-design of facility opening hours where there is evidence of low demand, contact with local Ward Members has been undertaken to outline any affect within their ward area. A full breakdown of the proposed re-design of facility opening hours is detailed at Appendix 2. In addition, officers will continue to work with local communities to identify areas where services can be enhanced by partnership working with local stakeholders.

3.10 Leisure and Sport summary: The majority of respondents were supportive of five out of the six proposals. However, whilst a majority of respondents to the Culture Services survey supported re-designing opening hours on periods of low demand, this was different with Leisure and Sport facilities where 62% felt that leisure facilities should continue to operate on periods of the week where there was low demand. However, this option to re-design leisure facility opening hours is still included within the proposals detailed in Appendix 1, but with a focus only on periods with a significantly low public demand, which
have involved local staff opinion and support and which have the least impact on the user groups and not negatively impact any community organisations, thus ensuring a planned approach to achieving a balanced budget moving into new financial year. Similar to the proposals for Cultural Services contact with local Ward Members has been undertaken to outline any affect within their ward area. A full breakdown of the proposed re-design of facility opening hours is detailed at Appendix 2. Furthermore, with regards pricing changes to reflect the national average price for that service the majority of respondents were supportive on five out of six options, the only exception being use of a fitness suite where 56% did not support a charge to reflect the national average.

3.11 Informed by the results of the engagement exercise, Members are asked to agree to implement the proposals detailed within Appendix 1, acknowledging that the detail on the re-design of facility opening hours, as shown in Appendix 2 has been shared with local Members to outline any local impact. All feedback from Members will be made available to the Community and Customer Services Committee on the day of the Committee.

3.12 It should be noted there remains an element of risk in achieving efficiencies through increased income as this requires the services to maintain or increase customer levels. To this end there is a degree of variance accounted for within the efficiency totals targeted in the Appendix 1, identifying a marginally higher level of efficiencies to counter any risk in not achieving increased income targets.

4. Governance Assurance
The Head of Finance and Procurement has been consulted and is in agreement with the contents of the report.

5. Impact Assessment
The measures detailed within this report have been considered using the Council’s Impact Assessment Toolkit. The following impacts were identified:-

5.1 Three positive impacts in the areas of health and well-being and health inequalities; economic and social sustainability and environmental sustainability; and climate change and energy management.

5.2 Nine no impacts in the areas of age; disability; gender reassignment and transgender; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sexual orientation; and human rights.

5.3 Three negative impacts in the areas of sex; health and well-being and health inequalities; and economic and social sustainability.

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Appendices – Two
1 – Results of the information and customer engagement exercise
2 – Proposed changes to Facility Opening Hours by Ward

Background Papers
Community and Customer Services Committee 15 December 2015 – Income Pressures – Leisure and Sport and Cultural Services (Item 9)

Community and Customer Services Committee 20 October 2015 – Income Pressures – Leisure and Sport Facilities and Cultural Services (Item 7)

Community and Customer Services Committee 3 September 2015 – Community and Customer Services Revenue Monitoring Report 2015/16 (Item 6)