

Taunton Deane Borough Council

Executive: 12 November 2008

Report of Strategic Director – Brendan Cleere

National Free Swimming Programme

(This matter is the responsibility of Executive Councillor Richard Lees)

Executive Summary

The Government has announced a package of grant funding to enable local authorities to offer free swimming to residents in their areas.

Grant funding will be available for over 60s and under 16s. Councils will be able to use the grants to offer free swimming either to over 60s or a combination of over 60s and under 16s. Councils will not be able to use the grant to support under 16s free swimming alone.

The funding will be available for the financial years 2009/2010 and 2010/2011. Funding beyond this period will depend on the outcomes of a national evaluation of the free swimming programme.

The Chief Executive has confirmed an intention to participate in both elements of the free swimming scheme. This intention is subject to a final decision being taken by the Executive at its meeting on 12 November 2008. Grant funding to this Council will be £37.4k and £52.8k for the over 60s and under 16s elements of the scheme respectively. In addition the local PCT have offered a grant of £31.5k to support the Council's participation in the scheme over two years.

If the Council decided to participate in both elements of the scheme, the annual funding gap is estimated at £76k, of which it is proposed TDBC would fund up to a maximum of £45k. This assumes a 50% increase in take-up across both age groups. The funding gap for the over 60s element of the scheme would be largely funded by Government/PCT grant, again assuming a 50 increase in take-up.

This report proposes a model for operating the free swimming scheme in Taunton Deane which shares the financial risk between the Council and Tone Leisure, in view of the many uncertainties and unknown factors.

In addition to revenue support, there is potential for capital funding to modernise swimming pool provision, if the Council takes part in the over 60s and under 16 elements of the scheme.

1. Purpose of Report

1.1 The purpose of this report is to:

- (i) Outline the Government's free swimming 'offer' to local authorities.
- (ii) Provide an estimate of the costs that would be incurred in providing free swimming for over 60s and under 16s.
- (iii) Propose a model for operating a free swimming scheme in Taunton Deane.

2. The Government's Free Swimming 'Offer'

2.1 The Government Department of Culture, Media and Sport (DCMS) announced on 6 June 2008 that it intends to fund councils to provide free swimming for over 60s and under 16s for the financial years 2009/10 and 2010/11.

2.2 The grant is provided to enable participating local authorities to offer:

- a.) either free swimming for those aged 60 or over
- b.) or free swimming for those aged 60 and over and free swimming for those aged 16 or under.

2.3 For authorities that choose option b.) above, the Government is also providing a total of £60million under the *Free Swimming Capital Modernisation Programme*. £10 million will be available in 2008/09 and £25 million in each of 2009/10 and 2010/11. The programme aims to support capital projects designed to modernise pool provision, which are integrated with providing free swimming.

2.4 The Government also intends to stimulate ambitious authorities to maximise and sustain uptake through other initiatives such as free lessons for adults who cannot swim, and free swim co-ordinators which will be a key component to the effectiveness of both free swimming schemes.

2.5 Government guidance states that the revenue grant funding available nationally will cover 75-100 per cent of the revenue costs to local authorities of providing free swimming to these age groups.

Over 60s

2.6 The amount of the grant offered to TDBC for this element of the free swimming programme has been fixed by DCMS at **£37,420 per annum**. This figure is based on the resident population of over 60s in Taunton Deane. In addition the local PCT has offered a grant of £31.5k over two years, to part fund the Council's participation in the scheme.

PCT funding can be used to assist with the cost of both the over 60s and under 16 elements of the scheme.

- 2.7 Under this part of the programme over 60s 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.

Under 16s

- 2.8 The amount of the grant offered to TDBC for this element of the free swimming programme has been fixed by DCMS at **£52,766 per annum**. This figure is based on the resident population of under 16s in Taunton Deane.
- 2.9 Under this part of the programme under 16s who wish to swim, out of normal school hours through the year, when they would normally be admitted to the pool for public swimming, should not be charged for doing so.
- 2.10 The Chief Executive has confirmed an intention to participate in both elements of the free swimming scheme. This intention is subject to a final decision being taken by the Executive at its meeting on 12 November 2008.

Payment of Grants

- 2.11 The Government circular states that revenue grants to participating authorities will be paid to participating authorities as early as possible in the financial years 2009/10 and 2010/11.

Ring-fencing and Monitoring

- 2.12 Any Government funding for free swimming is ring-fenced solely for this purpose until the end of 2010/11. Local monitoring and evaluation of the success of free swimming schemes will be used to determine future funding and delivery arrangements.

Capital Funding – modernising pool provision

- 2.13 A share of a £10 million one-off capital reward grant will be available in 2008/09 to those authorities who sign up to both over 60 and under 16 elements of the scheme. This Council's share of the grant, if we sign up to both elements of the scheme, will be £24,440. This one-off money is designed to be used to meet swimming related project development costs for capital bids for 2009/10 and 2010/11.
- 2.14 Local authorities who have signed up to both elements of the free swimming programme will also be able to bid for further capital funding for 2009/10 and 2010/11. The funding is for development of capital

infrastructure, which can be taken to contribute to the costs of new build, modernisation and major fixed equipment. Local authorities may supplement the resources available under the scheme, either from their own resources or other sources of funding such as sponsorship. The closing date for bids for a share of capital funding for 2009/10 (round 1) was 24 October 2008. Closing dates to apply for a share of the £25 million available in 2010/11 (round 2) will be published in April 2009.

- 2.15 Officers are currently working with Tone Leisure colleagues on the possibilities of a bid under round 2 of the capital programme. This would fit well with previous exploratory discussions around new swimming facilities for Taunton.

3. Financial Implications

- 3.1 The main financial implications of the free swimming programme in Taunton Deane are:

- Lost income to Tone Leisure(TL) for which they would require some form of recompense
- Increased costs, through, for example extra life-guarding, utility costs and cleaning
- The level of external funding to cover the scheme
- An unknown level of take-up of the scheme in either age group.

- 3.2 The expected annual costs of providing free swimming to both age groups, based on an estimated 50% increase in usage, are shown in the table below:

| Heading | Over 60's £000 | Under 16's £000 | Total £000 |
|----------------------------|-------------------|-----------------------|---------------|
| Lost Income | 41 | 94 | 135 |
| Additional Staffing Costs | 4 | 35 | 39 |
| Cleaning/Water costs | 3 | 5 | 8 |
| Total Cost | 48 | 134 | 182 |
| PCT Grant | (8) | (8) | (16) |
| DCMS Grant | (37) | (53) | (90) |
| Net Cost to TDBC/TL | 3 | 73 | 76 |

- 3.3 Government funding is offered for an initial 2 year period only. Funding beyond this period will depend on the outcomes of a national evaluation of the free swimming programme. If funding was withdrawn, the Council would have to reconsider whether or not to continue the scheme and fund it entirely itself. The expected annual cost of

providing free swimming to both age groups, in the event of all external funding being withdrawn, would rise to £182,000. If the scheme was discontinued at the end of the two year period, there needs to be recognition that casual swimming for over 60s and under 16s could suffer a detrimental decline in participation.

- 3.4 As shown in the table above, Officers expect the Government funding and PCT grant to fully cover the cost of the over 60s free swimming but that the under 16s swimming would run at a deficit and would have to be paid for by the Council/TL.
- 3.5 The budget gap reported to the Overview and Scrutiny Board at its last meeting did not include anything for this new initiative and therefore this would increase the gap.
- 3.6 The Executive is advised that any agreement to participate in the Free Swimming programme could only be for the years 2009/10 and 2010/11, due to the current uncertainty over future Government funding of the initiative. Sign up to the scheme must be for the two year period.

4. Proposed Model for Operating Free Swimming in Taunton Deane

- 4.1 The table above predicts a net cost of the scheme for both over 60s swimming and under 16s swimming of £76,000. Officers have been discussing with Tone Leisure a suitable model which could be used to operate the scheme in the Borough. The main consideration has been one of spreading the financial risk between the partners in the face of no reliable data being available on the increased participation in swimming that such a scheme will generate.
- 4.2 At the time of writing this report it is not clear whether the other Somerset District Councils will be supporting free swimming in their own areas. Because the scheme cannot be restricted to Taunton Deane residents only, there is the probability of people coming from outside of the Borough to swim and the Council not having any additional resources to meet the extra costs. A verbal update on the stance of neighbouring authorities will be provided at the meeting.
- 4.3 Taking account of the above factors and uncertainties, it is proposed that for 2009/10 the Council reimburse Tone Leisure for the lost income that free swimming will cost them at a rate of 60p for a 0-5 age group swim, £2.10 for 5-15 age group swim, £2.40 for a fun swim and £2.50 for an over 60s swim. This liability, after taking into account the external Government/PCT grant would be capped at £45,000. This is the equivalent of £1.12 on a Band D Council Tax (0.85%). This assumes an increase in usage of 50% over current levels. For TDBC this equates to 60% of the expected net cost of the scheme – with Tone Leisure bearing the remaining 40%, including full liability for all additional costs (ie staff), which the scheme may incur.

- 4.4 Tone Leisure would need to review its swimming programme in to accommodate an introduction of free swimming in April 2009. The current programme of restricted swimming sessions to over 50s will need to be looked at as part of this review. If the Executive decides to introduce free swimming, officers would work closely with Tone Leisure on this issue. There are no plans to extend opening hours at swimming pools to accommodate free swimming.
- 4.5 During 2009/10 the Council would work with Tone Leisure to develop a model for 2010/11 which more accurately shares the additional costs, and risks based on actual usage data. However, any commitment to offer free swimming will be for the two years up to and including 2010/11. It is therefore proposed for budget setting purposes that the Council's share of the financial risk for providing free swimming to both age groups in 2010/11 should not exceed £46,350, pending development of a model based on actual usage. Considerations for such a model could include:
- Auditable usage data across all age groups
 - Scheme review frequency, probably quarterly
 - Actual costs incurred
 - Actual income lost by TL
 - Income gained by TL (such as increased vending and participation by paying adults accompanying free swimmers)
- 4.6 Should the Council decide to participate in either element of the free swimming scheme, Tone Leisure advises the introduction of a simple 'card entry' system for eligible members of the public from April 2009, to assist with the administration of the scheme and to provide reliable data for the Council and Government. Tone Leisure will charge a small one off fee to eligible customers wishing to take part in free swimming, to cover the cost of introducing this card system.

5. Views of the Overview and Scrutiny Board

- 5.1 At its meeting on 30 October 2008, the Overview and Scrutiny Board decided to recommend the Executive to support the proposal for the National Free Swimming Programme for both the over 60s and the under 16s for the 2009/10 and 2010/11 Financial Years. Members were however concerned that it was a difficult recommendation to make without knowing how the Executive intended to reduce the current budget gap.

6. Recommendations

- 6.1 The Executive is **recommended**:
- (i) to consider the proposed model for operating free swimming in Taunton Deane and decide whether or not the Council should

participate in the free swimming programme for the years 2009/10 and 2010/11:

a.) for those aged 60 or over.

b.) For over 60s and under 16s

(ii) to note the position in respect of capital funding, as described in sections 2.13 – 2.15.

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