

Item No.	Classification Open	Date: July 2013	Decision Taker: IDM – Cabinet Member for Transport, Environment & Recycling
Report title:		Setting Fees and Charges for Burgess Park BMX Track	
Ward(s) or groups affected:		Faraday	
From:		Strategic Director of Environment & Leisure	

RECOMMENDATION

1. That the Cabinet Member agrees the proposed non-statutory fees and charges for the Burgess Park BMX track for 2013/14 with an implementation date of 6 August 2013.

BACKGROUND INFORMATION

2. Phase 1 of the Burgess Park revitalisation project was completed in the summer of 2013. Included within the delivery of phase 2 of the revitalisation project is the delivery of a national standard sized BMX track to replace the smaller cycle track that was removed as part of the phase 1 works. The new track will make an important contribution to the Olympic legacy in Southwark and will be open on the 6 August 2013.
3. This report sets out proposals for the fees and charges for the new BMX track which are to be set out for 2013/14.
4. The Medium Term Financial Strategy (MTFS) and the corporate income policy require that:
 - Fees and Charges are set to a level, at a minimum, that is appropriate except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients
 - Income generation is maximised by seeking income streams in line with council policies and priorities.

KEY ISSUES FOR CONSIDERATION

5. The proposed fees and charges for the use of the BMX track are set out in table 1 below. The fees have been arrived at following consideration of a number of factors, including; operation costs, volume assumptions, benchmarking data, market forces and sensitivity i.e. the impact that the fees charged will have on the customers' ability to pay and the take-up of services. This facility will provide a unique opportunity for young people to participate in an exciting new sport. The new BMX track at Burgess Park is an Olympic Legacy project that aims to increase participation in sport. The Benchmarking activity (See Appendix 1) has been undertaken and we believe that the pricing strategy will enable the Council to strike the balance between income generation and fulfilling the objectives of the Olympic Legacy programme, in particular the free Rock up and Ride slots will

ensure access for all and increased participation.

Table 1: Proposed fees and charges 2013/14

Session	Track Hire Fee	Fee per qualified coach	Maximum Participants	Bike & helmet Hire	Access
Book and Ride (off peak)	£35/hr	£25/hr	30	£3	Restricted
Book and ride (peak)	£125/hr	£25/hr	30	£3/pp	Restricted
Schools* - up to 15 riders - 15 to 30 riders *An additional 10% discount is applicable for Southwark schools	£95/hr £165/hr	Included Included	15 30	Included Included	Restricted
	LBS sessions	Fee per qualified coach	Maximum Participants	Bike and helmet Hire	Access
Rock up and Ride	Free	N/A	30	£3	Open
Holiday Clubs	£10/pp	Included	30	Included	Open
Novice coaching (towards accreditation)	£3/pp	Included	15	£3	Open
Strider sessions	£2.50/pp	Included	10	Included	Open
	Club				
Clubs- -first 700 hours per annum -additional hours	Free £25.	N/A	As per club rules	£3	Open

Resource implications

6. There are a number of costs related to the operation of the BMX track including staffing, track and grounds maintenance costs, running costs (including utilities). The cost of first year of operation starting from August 2013 is estimated to be approx. £109k and for future financial years is expected to be between £120k and £128k.
7. The proposed fees and charges are expected to generate £20k in the first year of operation, 2013/14. The minimum full year income for future financial years is expected to be approx. £50k.
8. The Head of Service has confirmed that the net costs of operating the BMX track, estimated to be around £89k for the current financial year and reducing to some £70k in future years can be absorbed within the overall budget provision of the Parks and Open Spaces Business Unit within Public Realm division. In addition, the business unit will be preparing a business plan with the primary aims of increasing income and driving down costs by critically evaluating various options available.

Community impact statement

9. One of the key considerations in arriving at the proposed fees and charge levels was price sensitivity i.e., the impact that increases will have on customers' ability to pay and the take-up of services. As this report relates to a new service, no specific evidence is available. The level of fees is comparable to similar facilities elsewhere. Officers have given particular consideration as to the decision sought in this report might affect individuals and groups having a protected characteristic under the Equality Act 2010, and have concluded that the adoption of the proposed fees and charges does not discriminate against any group in the community, either directly or indirectly. An equality analysis has been undertaken prior to proposing the fees and charges. The primary focus of the equality analysis and consultation has been placed on those individuals and groups who are most likely to use the track and facilities and as such the main focus of the consultation was with the Peckham BMX club.

Consultation/ Notification of Fees

10. Consultation was undertaken on the formulation of the fees and charges with British Cycling (the governing body for BMX) and also the Peckham Challenge BMX club whom will be based at the track.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

11. The Cabinet Member for Transport, Environment & Recycling is requested to approve the 2013/14 non-statutory fees and charges associated with the Burgess Park BMX track as outlined in this report. The recommendations will take effect on 6 August 2013 if approved.
12. The approval of the fees and charges sought in this report is a matter reserved to the Cabinet Member for individual decision in accordance with Part 3D paragraph 3 of the council constitution.
13. The proposed fees and charges are intended to be consistent with corporate policy, in particular the Medium Term Financial Strategy.
14. Section 93(1) of The Local Government Act 2003 enables the council to charge for providing discretionary services. The power in the Act is subject to the requirement that the council is not prevented from charging for the services by virtue of any other legislation. The Director of Legal Services is not aware of any specific legislative provision which would prevent the council from relying on these powers to charge.
15. The power to charge for a service under the Act is also subject to the duty to make sure that, taking one financial year with another, the income from charges made from a service does not exceed the cost of the provision of the service. The council is, therefore allowed to set the level of the charge for each discretionary service that it thinks fit and considers reasonable, subject to those charges not exceeding the costs of the provision.
16. Whenever a decision of this nature is made it is essential that officers should take into account the general duty contained within the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010. The report explains that

an equality analysis has been undertaken for the purpose of identifying particular sections or groups within the local community who are likely to use the track and its facilities and assessing the impact of the proposed fees and charges on potential users, especially those with protected characteristics as defined in the Act. Paragraph 9 indicates that the introduction of the proposed fees and charges would not have a discriminatory or other adverse effect on any section of the community.

17. The report also notes the consultation process which has been undertaken in order to inform the level at which the proposed fees and charges have been set.

Strategic Director of Finance and Corporate Services

18. The strategic director of finance and corporate services notes the implications outlined in paragraphs six to eight of this report and that costs can be contained within the public realm division in the current financial year.
19. The business case needs to be completed in order to inform the 2014/15 budget setting process. This will ensure resources are available for the continued funding of this BMX track.

APPENDICES

No.	Title
Appendix 1	Benchmarking data

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director Environment and Leisure	
Report Author	Des Waters, Head of Public Realm	
Version	Final	
Dated	26 July 2013	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	No	No
Date final report sent to Constitutional Team	1 August 2013	

APPENDIX 1

BMX Benchmarking Data

	Platt's Fields – Manchester		Perry Park – Birmingham		Cyclo Park - Gravesend		National Indoor – Manchester		Burgess Park		Herne Hill - Velodrome	
Open Session (rock up and ride)	U16 £3	Over 16 £4	Child £3	Adult £4.50	£5		Child £4	Adult £6	No charge		n/a	
Coached Session	U16 £3	Over 16 £4	£7	£7	Beginners £5	Expert £7	Child £4	Adult £6	Beginners £3		Child £3	Adult £6
Private Session (book and ride)	£40/hr w/out coach	£50/hr with coach	£40/hr w/out coach Floodlit plus £10	£65/hr with coach Floodlit plus £10	n/a	n/a	£80hr w/out coach	£100/hr with coach	£35/hr w/out coach	+£25/hr coach per 15 riders	£65/hr w/out coach	+£25/hr coach per 15 riders
School	£30/hr				£105/hr 15 pupils		£60/hr		£95/hr 15 pupils		£50/hr 15 pupils	
Birthday Party	£75		£100 2 hrs 8 children		£150 15 children		£150 16 children		£125		£60/hr 15 children	
Bike and Equip Hire	£1		£5		£8 child	£12 adult	£2		£3		included	
Corporate events	n/a		n/a		n/a		£120		£125		£125	