



CHESTERFIELD
BOROUGH COUNCIL

Overview and Performance Scrutiny
Forum

Scrutiny Project Group

report on

Concessions on Fees and Charges

Date: December 2015

PROJECT GROUP MEMBERS:

Councillors:

Lead	Jeannie Barr
Group Members	Ray Catt Kate Caulfield Kate Sarvent Andy Slack

1.0 INTRODUCTION AND REVIEW AIMS

- 1.1 This review looked at how Chesterfield Borough Council offers concessions on the fees and charges it makes on chargeable services.
- 1.2 The services which the council charge for, where concessions are also offered include pest control, bulky waste collection, leisure services, theatres and venues. Other services do make charges such as parking but do not offer concessions. Charging for services can, and does only take place on non-statutory functions which the council is not obliged to provide
- 1.3 The review aimed to look at the consistency, fairness and objectives in the provision and application of concessions across these services.
- 1.4 The project group set out to achieve the following objectives:
 - To produce recommendations and guidance that will contribute to the development of a clear corporate policy on setting concessions that ensures equality of access to services but which also does not harm the financial position of the Council.
 - To ensure that services use a consistent approach to setting concessions on fees and charges.
 - To ensure equality of access to Council services to all residents and visitors.
 - For the policy on concessions and fees and charges to be informed by, and to reflect the changes to benefits happening with the introduction of Universal Credit in Chesterfield.

2.0 REASONS FOR THE REVIEW AND LINK TO PRIORITIES

- 2.1 This issue of how the Council offers concessions on fees and charges was originally raised by Environmental Health Management as an area for Scrutiny to look at in 2012. The issue was again raised as an area for Scrutiny work in 2015 by the Deputy Leader of the Council, Councillor Terry Gilby and Executive Director, James Drury.
- 2.2 There is currently no corporate policy on the application of reduced rates (concessions) for chargeable services regarding the rate of discount or eligibility criteria. There is also no guidance available to managers on when it is appropriate to apply concessions.
- 2.3 Services have historically developed their own concessionary rates and criteria on how these rates are set. It is therefore opportune to review these in light of the need to raise income and reduce service costs in the current climate of increasing financial pressure on local government, and to ensure appropriate concessions are offered.
- 2.4 The review links into the following priorities in the Chesterfield Borough Council Corporate Plan 2015 – 2019:
 - I. To improve the quality of life for local people .To reduce inequality and support the more vulnerable members of our communities.
 - II. To provide value for money services. To deliver this, we will focus on a single objective: To become financially self-sufficient by 2020, so we can continue to deliver the services our communities need.

3.0 INTRODUCTION TO RECOMMENDATIONS

- 3.1 Throughout the group's research stage and during their discussions with members and officers, the project group were always conscious of the Chesterfield Borough Council Corporate Plan 2015 – 2019 objective of providing value for money services and the aim of becoming financially self-sufficient by 2020, so that services can continue to be delivered to the community.
- 3.2 The Council's transformational programme "Great Place Great Service" also identifies critical performance needs relating to income

generation. Within this it is acknowledged that a more commercial approach to service delivery should be considered where appropriate. The need for price balance and community wellbeing priorities being met should however be maintained in the charging philosophy.

3.4 Project group members were keen to discover how Cabinet Members and officers were working towards these objectives of increased commercialisation and financial self-sufficiency. The project group noted significant differences between services in their approach to generating income and reducing the need for subsidies.

3.5 With regard to these objectives the project group makes the overarching recommendation:

That concessions made on fees and charges should be used as part of a dynamic and agile pricing approach for services, where the overall objective is that total costs are covered.

3.6 All the services provided where a concession is offered on the full charge are non-statutory services and the project group does not see a situation where non-statutory services are subsidised as sustainable in the long, or even the short to medium term.

4.0 RECOMMENDATIONS

The Project Group recommends:

4.1 **That the concession on bulky waste and pest control services be reduced from 50% to 20%.**

- This would bring the concession into line with the concessions offered by leisure services (average 16% concession) and by theatres (between 10 – 20% concession), and thereby help to make these services more financially sustainable.

4.2 **That the cost of providing concessions along with the provision of less popular or costly services should be supported by higher demand and popular services, along with revenue generated from services paid for at the full rate.**

- 4.3 That Leisure Services and Theatres should continue to have the freedom to vary the rate of concessions offered to manage demand. The project groups notes with approval the approach taken by these services to offering concessions and their focus on the overall cost of providing all services.**
- 4.4 That services should establish the unit cost of providing a service before setting a price. The costing of services should include all possible applicable costs, both fixed and variable involved in delivering a service such as buildings, staff, materials and IT.**
- 4.5 That where appropriate, services should only advertise that concessions are available rather than listing all concessionary categories at the point of a service being enquired about. Also, that those services should only grant concessions after entitlement of eligibility has been confirmed.**
- 4.6 That the concessionary categories for all services should be updated to include the categories of:**

- I. Universal credit, with no earned income**
- II. Universal Credit with a housing element included**

to reflect the changes to benefit delivery created by the introduction of Universal Credit.

- 4.7 That the Sports and Leisure Manager should review the published list of categories giving entitlement to concessionary rates so that the list is shorter, clearer and easier to understand by service users.**
- 4.8 That concessions should not be offered on the basis of being aged 60 or over. The project group notes that in the current climate of local government cuts, this category of concession is neither sustainable nor fair. Anyone who is financially disadvantaged who is 60 or over would still receive a concession based on one of the other concessionary categories.**
- 4.9 That a member and officer working group be established to develop a corporate policy on concessions.**

- To produce a corporate policy on concessions that managers should use when setting concessionary rates for their services so that a corporate approach is taken when setting concessions
- A corporate policy on the application of concessions would ensure greater consistency and fairness in the application of discounts, and greater transparency on the extent to which service costs are covered by the charges.
- That a corporate policy on concessions on fees and charges includes all the recommendations made by the project group.
- That the members of the scrutiny project group on concessions on fees and charges be included in the member and officer working group.

5.0 REVIEW APPROACH

5.1 The review was carried out by:

- a) Reviewing and analysing the current range of concessions and the type of entitlements to concessionary rates offered by Chesterfield Borough Council.
- b) Reviewing and analysing the current range of concessions and the type of entitlements to concessionary rates offered by comparable authorities (North East Derbyshire, Bassetlaw, Mansfield and Gloucester).
- c) Project group meetings to review findings.
- d) Meetings and discussions with Cabinet Members and officers including:
 - Councillor Sharon Blank, Cabinet Member for Governance
 - Councillor Chris Ludlow, Cabinet Member for Health and Wellbeing
 - Councillor Amanda Serjeant, Cabinet Member for Town Centre and Visitor Economy
 - Mick Blythe, Sports and Leisure Manager
 - Anthony Radford, Arts and Venues Manager

- Fran Rodway, Customer Services and Revenues Manager

e) Consultation with residents via a questionnaire which was sent to all Community Assembly members asking for their views on how Chesterfield Borough Council offers concessions. This allowed the group to gain the views of residents so that these could be fed into the group's considerations. **(The Community Assembly feedback form can be found at Appendix A and a Summary of responses at Appendix B)**

5.2 The Project Group members met with Chesterfield Borough Council officers and used the council's website to gather primary data on concessions offered by the council. This data was then collated and analysed both quantitatively and qualitatively.

5.3 Cabinet and Council reports on Fees and Charges and the Council's budget, as well as the Council's Equality's policy were used to inform the project group's considerations.

5.4 The project group selected four other comparable local authorities from Chesterfield's "family group" to gather data from on how they offered concessions and on what services they offered concessions. This data was then analysed both quantitatively and qualitatively. The data that the project group used can be found at **Appendix C**.

5.5 The information received from the responses from the questionnaire that was sent to Community Assembly members, was collated and analysed for trends. The information received was then considered by the project group members and assisted them in formulating their recommendations.

5.6 The project group also referred to and used as a basis for their research, the 2008 Audit Commission report "Positively Charged". This report, subtitled "Maximising the benefits of local public service charges", sought to assess the effectiveness of the approach taken by councils to charging for services. A summary of the report can be found at **Appendix D**

6.0 REVIEW FINDINGS AND ANALYSIS

6.1 The project group members carried out research to collate and determine information on the level of charges made and the amount

and type of concessions offered by both Chesterfield Borough Council and by the comparator authorities. The information received was then analysed with members looking at the reasons concessions were offered as well as the amount of the concessionary discount.

- 6.2 Concessionary discounts varied greatly between different services and different authorities. Chesterfield theatres and leisure services had variable concessionary discount amounts, but the range of concessionary reductions was 10 – 20% for theatres and there was an average reduction of 16% offered by leisure services. Pest control and bulky waste collection offered a fixed 50% concessionary discount across all services.
- 6.3 The comparator authorities looked at had several different approaches to concessions. Notable differences included Bassetlaw District Council who did not offer a pest control service, and who did not offer any concessions on bulky waste collection (however the full charge was lower than other authorities) and Mansfield District Council who offered variable concessions of 20 – 30% off the full charge for pest control services and 50% off peak discount for leisure services to residents on income related benefits or aged over 60.
- 6.4 Project members were keen to discover the reasoning on how and why concessionary rates were arrived at. The concessionary discounts for Chesterfield theatres and leisure services were set with regard to encouraging participation, but also with regard to market forces, with prices and concessions set at what the local market could stand. For pest control and bulky waste collection services the 50% concession had been in place for many years and had not been reviewed. On speaking to the comparator authorities, group members found that the concessionary discount rates offered on these services were also long established and had not been changed for many years.
- 6.5 The large differences in the amount of concessionary discount offered by services at Chesterfield prompted members to consider whether a uniform rate of concessions should be offered across all services at a fixed rate. However from discussions with the Sports and Leisure Manager and the Arts and Venues Manager, the project group acknowledged that this would be impractical and financially detrimental for the council. As previously noted concessions for leisure services and theatres are set and reviewed with a focus on managing demand, and with regard to prices that the market can

stand locally, with activities priced accordingly. Having a fixed concessionary rate for these service areas could also limit potential income generation opportunities from services where the market can stand a lower concessionary reduction being applied. For example some classes provided by leisure services are more popular than others and therefore provide an opportunity to generate income as they will be fully subscribed or oversubscribed without the need to offer large discounts.

- 6.6 There is no statutory duty upon the Council to provide a pest control treatment service and a 50% reduction for residents in receipt of housing benefit and council tax support is currently applied to the charges made for treatments.
- 6.7 The report to Cabinet on 10 March, 2015 on Environmental Health Fees and Charges estimated that for pest control, income for 2015-16 would be £19,000 with a further £4,000 received from commercial work. The service costs about £46,000 per annum to operate including all support costs. For example the treatment of rats at a domestic property typically costs the customer between £45 and £65. With VAT, full cost-recovery would mean a charge of £54 to £78.
- 6.8 The prices charged by pest control, even at the full rate do not cover the costs of providing the service and just over half of full operating costs are recovered over a year. Changes introduced to the pricing of pest control services have shown that charges made at the full price are sensitive to customer choice and have resulted in a proportional increase of all treatments being carried out at the concessionary rate. (Report on Environmental Health Fees and Charges 2015/16 to Cabinet 10 March, 2015)
- 6.9 Bulky waste collection charges are also subject to a 50% reduction for residents in receipt of housing benefit or council tax support. The charges made for the collection of bulky waste depend on the number of items collected with one item costing £14.20 and six to ten items costing £28.60 (full charge). The council makes a small surplus on the cost price on charges made to collect items of bulky waste; however this does not offset the loss made by offering a 50% concession.
- 6.10 With the cuts in the council's budgets and the requirement for all departments to make savings, the practice of offering a reduction of

50% which results in the council incurring a significant loss is not sustainable in the long term. The project group acknowledges concerns that increasing charges or withdrawing services could increase incidents of fly tipping or pest infestations but is of the opinion that residents who are going to act irresponsibly by fly tipping or allowing infestations would do so regardless of the charges made. The project group discovered from their research that many authorities have withdrawn pest control as a service altogether and do not offer any concessions on bulky waste collections.

RECOMMENDATION

That the concession on bulky waste and pest control services be reduced from 50% to 20%.

- **This would bring the concession into line with the concessions offered by leisure services (average 16% concession) and by theatres (10 – 20% concession) and thereby help to make the services more financially sustainable.**

6.11 As part of the project group's research of this council's services, members analysed the amount of concessionary discounts offered by different services in order to ascertain if there were any trends in the discounts offered. Bulky household waste and pest control had a uniform discount of 50% on all services; however the situation was very different for leisure and theatres. Leisure offered concessions varying from 10 to 50% with no concessions on some services at all. The project group notes the wide range of diverse services offered by leisure including the councils' leisure centres as well as outdoor playing pitches. Theatres and venues also offered varying rates of concessions on tickets as well as for the hire of different venues.

6.12 The average concessionary discount offered on leisure services was 16%, with concessions offered by theatres and venues ranging from 10 -20%. For theatres concessions are offered to both hirers of the venues, and to customers who purchase tickets for the programme of arts and entertainment.

6.13 There are three tariffs for venue hire: the Community rate, Private Dance School rate and the full Commercial rate. The general principle for the setting of these charges is that the Community hire fees are

set at a minimum level to cover the direct costs of operation such as staff and heating costs. The Private Dance School tariff is set at a higher level than the Community hire charges. The Commercial hire fees are set at a level to generate a surplus over the direct costs of operation. The setting of the tariffs also takes into account local competitor pricing and wider Council budget requirements.

- 6.14 Concessions offered on ticket prices are agreed with the external promoter of the event, if a concession can be negotiated concessions are offered using the concessionary categories set by Chesterfield Theatres. The amount of concession offered can vary from production to production as well as by varying between the different venues. For visiting productions the Council will only receive between 20% and 30% of the ticket income with the balance going to the production company, and depending on the level of business, the Council's share of the income can be more or less than the cost of providing the venue. Concessionary rates do not cover all the costs of operating a venue; however the charges are set with a minimum objective to cover the marginal costs of opening up a venue to hire, such as staffing, and utility costs. Market factors, competition and local benchmarking are also considered when setting ticket and venue prices.
- 6.15 Despite the theatres and venues operating at a loss the project group noted with approval the reduction in subsidy required by the venues over recent years and the mindfulness to the full costs required of providing services shown by the management team.
- 6.16 Leisure services provide the largest number and greatest diversity of charges for services, and subsequently the greatest number of concessions of any of the services looked at by the project group. Investigations by the project group showed a situation and approach to managing costs, prices and concessions that was considerably different to the approach taken by some other council services in both its flexibility and in the amounts of the concessionary reductions offered.
- 6.17 Concessions on leisure services are offered not only to make them more accessible to those residents who may be financially disadvantaged, but also to promote healthy lifestyle choices for residents by trying to positively influence behaviour. With the significant variances in deprivation, and consequently health and life

expectancy across the borough the project group understands the need to promote healthy lifestyles, and that offering concessions on leisure services is one way of addressing this. The creation of the cabinet member position for health and wellbeing, and the formation of the corporate health and wellbeing group highlights that improved health and increased activity levels for residents are a high priority for the council.

- 6.18 Prices for leisure services and the subsequent concessionary rates are all set individually and reflect market sensitivity to the different services offered. Benchmarking is also carried out with other authorities and also with private sector provision to assist with the setting of charges and concessions. When prices are reviewed some will go up, some will decrease and others will remain the same as a reflection of benchmarking and market considerations
- 6.19 Across leisure services there is no set percentage rate of concession, with concessionary discounts ranging from 10 – 50%. On very popular services, the concession offered is less with larger discounts offered on less popular activities. The Sports and Leisure Manager advised the project group that figures showed that users who have a concession tend to use facilities more during off peak times, therefore the offering of concessions can encourage the use of facilities and generate income at times when they could otherwise be empty.
- 6.20 Leisure services, like many council services require a subsidy to function, however it should be noted that the subsidy received by leisure to run its services has reduced by half in recent years. The introductions of policies such as reducing hall bookings from 1 hour to 45 minutes have also increased income. The pricing of services and the monitoring of numbers accessing services, along with the number of concessions granted has been an integral part of the reduction in subsidy needed. In leisure there is a major focus on encouraging and maintaining memberships as these not only encourage participation and healthy lifestyle choices but also provide a sustained and predictable income level that allows for effective planning and budgeting. Leisure services are also aiming to reach the council plan objective of being financially self-sufficient by 2020.
- 6.21 At the outset of the project, members considered that having a uniform rate of concessionary discount across all council services would be a clear and transparent way of offering concessions, this

solution however would not be suitable for leisure as it could mean offering larger concessions than were needed to encourage participation for services, and therefore reducing the opportunity to generate income.

- 6.22 The project group notes with approval the dynamic and agile approach taken to concessions and the consequent understanding and focus on all the costs of providing services taken by the Sports and Leisure Management team.
- 6.23 In leisure services the cost of providing some services such as swimming pools will never be able to be covered by charges made due to high fixed costs, and in this situation the project group acknowledges the need for surplus income to be generated on other services where market factors allow, offsetting the losses made on costly services. In order to maximise revenue on popular services it is important that the setting of prices and any concessionary reductions is flexible in order to achieve maximum revenue to enable the leisure services to continue to reduce the subsidy it receives and to support the provision of the most costly of services.

RECOMMENDATION

The cost of providing concessions along with the provision of less popular or costly services should be supported by higher demand and popular services, along with revenue generated from services paid for at the full rate.

and the subsequent recommendation of:

That Leisure Services and Theatres should continue to have the freedom to vary the rate of concessions offered to manage demand. The project group notes with approval the approach taken by these services to offering concessions and their focus on the overall cost of providing all services.

- 6.24 Chesterfield Borough Council has guidelines referred to in the annual fees and charges reports, which govern the Council's approach to charging and includes the requirements for departments to consider the following principles:

- I. Fees and charges should aim to recover at least the full cost of the service except where:
 - a. there is an opportunity to maximise income;
 - or
 - b. Members determine a reduction or subsidy should be made, for a specific reason.

- II. To make a charge wherever non-statutory services benefit an identifiable group as opposed to the entire community.

The Council states its approach to fees and charges is now principally focussed on ensuring that services are sustainable, and operated in a business-like manner, to maximise delivery efficiency and affordability. This more business-like approach to charging is welcomed by the project group; however the group is concerned that not all costs are being fully considered by all departments when setting charges and any subsequent concessions.

- 6.25 As noted previously the project group approves of the business-like approach taken by leisure services with regard to the setting of both charges and the subsequent concessions. Members were also impressed with the firm grasp, good understanding shown regarding consideration of all the fixed and variable costs involved in providing services.

- 6.26 If council services are going to be sustainable into the future it is vital that this understanding of costs is used by all departments. Any subsequent concessionary charges made may indeed not fully cover the cost of provision if deemed that a concession has a benefit to residents, but it is essential that services know the full cost of service provision first so that costs can be controlled and monitored. The project group notes that all costs involved in providing a service should be reviewed annually so that decisions regarding prices and any concessions are based on up to date figures. This is especially important with regard to the calculation of "overheads" or "on-costs" and these must be based on a regularly reviewed consistent calculation and information.

- 6.27 It was not clear from cabinet reports on fees and charges, or from discussions with service areas at both Chesterfield and at the comparator authorities that all possible costs of providing a service

were factored in when arriving at a unit cost. For a true unit cost of providing a service to be established all possible costs, both fixed and variable need to be included. Costs that should be factored should include, but should not be limited to; buildings, staff, IT, all materials, equipment, heating and other utility provision, vehicles and all related running costs, depreciation of assets and insurance .

- 6.28 This approach would provide services with a better understanding of the real costs related to service provision, and also show that if the provision of a service had very high fixed costs per unit, that action may be needed to increase service up-take to help spread this cost and help ensure the service remains sustainable.

RECOMMENDATION

That services should establish the unit cost of providing a service before setting a price. The costing of services should include all possible applicable costs, both fixed and variable involved in delivering a service such as buildings, staff, materials and IT.

- 6.29 The project group's initial research involved contacting departments within the council and also at the comparator authorities to enquire about the concessions on fees and charges that they offered. Whilst conducting this research the project group noted different approaches taken by different services and councils to informing customers that concessionary rates were available.
- 6.30 Chesterfield services were notable for listing all possible concessionary categories on the council website and on leaflets, with concessionary categories ranging from two for pest control and bulky waste, to eighteen for leisure services. Other authorities such as Mansfield District Council and North East Derbyshire District Council used much broader terms regarding concessionary categories, such as "disabled" or "claiming certain benefits", which encouraged those residents who may be entitled to a concession to contact the service for more details. The project group considers this a much better approach in regard to income based concessions as it simplifies published information, making it clearer and easier to understand.
- 6.31 The project group acknowledges that for concessionary discounts designed to positively influence behaviour, especially with regard to

leisure services it may be appropriate to publish fuller details of the concessionary categories to encourage certain groups to participate, for example concessions aimed at the young, students or those with health problems.

- 6.32 With regard to considerations of fairness and equality and to ensure that only those entitled to a concessionary reduction receive a discount, the project groups considers that proof of entitlement to a concessionary rate is confirmed at the point that a service is requested, and that a concession should not be granted if entitlement cannot be confirmed.
- 6.33 For services requested via the council's contact centre, the customer service adviser will check entitlement to a concession by using the council tax and housing benefit systems, this is a simple and straightforward method of confirming entitlement. For other services such as leisure and theatres checking entitlement is more difficult as these services do not have access to the same systems as the contact centre. Also as other benefits are paid directly into bank accounts, residents may not have an up to date award letter regarding their benefits. In such situations the project group notes that some documentary proof confirming entitlement for concessionary rates based on receipt of benefits must be seen and before any concessionary discount is applied.
- 6.34 To ensure good customer service customers should not be repeatedly asked to prove entitlement every time they access a service, the fact that entitlement has been confirmed, and also how long this entitlement lasts for should be recorded by service areas. Information on the website and displayed in council buildings regarding concessionary rates should always state that proof of entitlement is required in order to receive a concession. The project group notes that information advising that proof of entitlement is required is not always stated by services.

RECOMMENDATION

That where appropriate, services should only advertise that concessions are available rather than listing all concessionary categories at the point of a service being enquired about. Also, that those services should only grant concessions after entitlement of eligibility has been confirmed.

- 6.35 Universal Credit (UC) was introduced in areas of Chesterfield by the Department of Work and Pensions (DWP) for new single claimants of working age previously eligible for Jobseeker's Allowance from March 2015. It replaces a range of benefits and tax credits for people of working age. It is a single monthly payment which will eventually replace income support, income related job seeker's allowance, income related employment support allowance, working tax credit/child tax credit and housing benefit. Council tax support will continue to be administered locally by the Council.
- 6.36 Universal Credit was introduced in Chesterfield in March, 2015 with initially just for those who would have made a single person's claim for income based job seekers allowance claim being transferred onto the new benefit; further changes to the scope of Universal Credit are expected in April 2016 and 2017. Currently in Chesterfield there are people claiming Universal Credit along with people claiming the benefits that Universal Credit will replace.
- 6.37 Services including pest control, bulky waste, leisure and theatres use entitlement to housing benefit, job seekers allowance, income support and other benefits that will eventually be replaced by Universal Credit as an entitlement to receive a concessionary rate on their services.
- 6.38 Leisure Services have taken steps to take into account the introduction of Universal Credit by updating their list of concessionary categories with the addition of the category of being in receipt of Universal Credit with no earned income.
- 6.39 Chesterfield Theatres have also taken the introduction of Universal Credit into account by updating their list of concessionary categories with the addition of the categories of being in receipt of 'Universal Credit with no earned income', and being in receipt of ' Universal Credit with a housing element included'.
- 6.40 Other services such as pest control and bulky waste have not amended their concessionary categories to reflect the changes to benefit delivery. The project group believes that it is very important that categories of entitlement to a concession reflect the current and changing benefit delivery system, and that all services offering a concession need to respond to these changes.

RECOMMENDATION

That the concessionary categories for all services should be updated to include the categories of:

- I. Universal Credit, with no earned income
- II. Universal Credit with a housing element included

to reflect the changes to benefit delivery created by the introduction of Universal Credit.

- 6.41 As part of their research the project group looked at the categories for entitlement to concessionary rates offered by Chesterfield Borough Council as well as those used by the comparator authorities. The categories for entitlement to concessions varied considerably between services and authorities, with just two concessionary categories offered by Chesterfield Borough Council for pest control and bulky waste collection to eighteen different concessionary categories offered to users of Chesterfield's Leisure Centres.
- 6.42 Concessions are offered by leisure to assist the less well-off and disadvantaged groups in society with prices and concessions set with regard to local demographics and to take into account that according to the 2015 indices of multiple deprivation, Chesterfield is the second most deprived area in Derbyshire. Leisure also offers concessions to clients referred from the Health Service to encourage participation and a healthy lifestyle. Though there hadn't been any specific study conducted, the project group was informed by the Sports and Leisure Manager that concessions, especially those offered to health referral clients, do improve attendance and use of facilities and classes during off peak times, and also that many of these users continue attending after their referral programme has ended.
- 6.43 The project group agreed that while concessions did increase participation in sport and leisure positively affecting the health and wellbeing of residents, the actual list of concessionary categories was too long and very confusing. The list of concessionary categories offered at Chesterfield's Leisure Centres was the longest list of categories for any service across the five authorities looked at.
- 6.44 The list of concessionary categories used by leisure services was adopted in 2014 when new categories were added. The list has also

been added to to take into account the introduction of Universal Credit in Chesterfield in March, 2015.

- 6.45 The list of concessionary categories for leisure services showed no separation of concessionary categories relating to income and of those relating to influencing behaviour, or targeting specific groups in society. Members reviewed other authorities' concessionary categories for leisure services and found them to be shorter and more concise, using broader terms such as "disabled", rather than listing individual disability benefits. The list used at Chesterfield included many benefits that have been superseded and that few people will now be claiming, such as Incapacity benefit, as well as its replacement Employment and Support Allowance being included on the list of concessionary categories.
- 6.46 The project group considered that such a long list could actually put service users off claiming a concession as the list was so lengthy and that a shorter list using broader terms would be clearer and easier to understand.

RECOMMENDATION

That the Sports and Leisure Manager should review the published list of categories giving entitlement to concessionary rates so that the list is shorter, clearer and easier to understand by service users.

- 6.47 Chesterfield Theatres and Leisure Services offer concessionary rates to people aged 60 and over who access their services. The rate of concession varies depending on the specific service offered, and for some theatre productions no concessionary rates are offered at all. Bulky waste and pest control do not offer any concession based on age.
- 6.48 The concession offered to those aged 60 and over by Leisure Services is only available to residents of the borough. The concession offered to those aged 60 and over by Chesterfield Theatres is available to anyone.
- 6.49 When the project group looked at the approach to offering concessions to those aged 60 and over by the comparator authorities, similarities to Chesterfield Borough Council were found with discounts

being offered to those aged 60 or over on both leisure services and theatres. There were however differences in approach, with Mansfield District Council offering a 50% off-peak concession to residents aged 60 and over on leisure services, and North East Derbyshire District Council, offering a discount to all over 60's, but also offering a larger discount to those aged over 60 in receipt of an income related benefit.

- 6.50 Regardless of these differences the principle of offering concessions to those aged 60 and over appears widespread and accepted as normal practice with concessions for those aged over 60 offered by many private providers of leisure and cultural services with concessions offered to over 60's at Chatsworth, Haddon Hall and the Midland Railway Centre, amongst many others. The National Trust does not offer concessions on admissions to those aged over 60.
- 6.51 The project group notes that while private businesses do offer concessions to over 60's this is a considered business decision in order to attract visitors and encourage additional spending while at the attraction, and that such concessions are not offered as a result of equalities considerations or assumptions that older people are financially disadvantaged.
- 6.52 On researching the reasons behind the practice of offering concessions, the project group were advised that for theatres the main concessionary groups had been established many years ago, and had been designed to make theatre more accessible to senior citizens and those on low incomes, as well as to encourage attendance from children and schools. There appears to be an assumption that the over 60's are financially disadvantaged and require a concession in order to access services. For leisure services, concessions are offered to address health problems and to improve the health and wellbeing of local people.
- 6.53 Leisure services and Chesterfield theatres both operate at a loss, requiring substantial subsidies from the Council to be able to provide services. The project group notes that both leisure services and Chesterfield theatres have reduced the amount of subsidy required greatly over recent years by reviewing charges, creating efficiencies and responding to local market conditions.

6.54 As part of their research the project group carried out a consultation with Community Assembly members to gather their opinions on how the council currently offers concessions along with how concessions could be offered. The group analysed the responses received and a clear trend regarding concessions being offered solely on being aged 60 and over became clear. A summary of the comments are shown below.

- **“Concessions should not be based solely on age but on disability and income, there are lots of well off pensioners.”**
- **“Concessions should be given on the basis of need by the customer.”**
- **“(Concessions should only be given to those on a) low income only. Although my wife and I are OAP’s we and many other elderly people can afford to pay the full price.”**
- **“There is at this time limited finances available (to local government), and we think that concessions should only be made available on necessities and then only to those who genuinely cannot afford them”**
- **“Concessions for those on low income. Seems to be an assumption that elderly are financially disadvantaged, this is not necessarily so. ”**
- **Concessions should only be offered to children and students in full time education on leisure and theatres.**
- **I don’t generally agree with concessions for the elderly. A large number of over 65s are better off than younger people. It does include, though, those who are living solely off of state pensions who should definitely receive concessions**

It should be noted that some respondents did think that concessions for those aged 60 and over were a good idea, but the services mentioned were services such as bulky waste and pest control where no age based concession currently exists.

6.55 The responses highlighted two issues to the project group. Firstly that many people aged over 60 were financially more secure than younger people, and secondly that in the climate of cuts in local government funding concessions should be targeted at essential services, young people and those on low incomes.

6.56 The Council’s Equality Diversity and Social Inclusion Policy statement advises that:

“Chesterfield Borough Council is committed to advancing equality of opportunity, and providing fair access and treatment in employment and when delivering services. ”

The project group does not believe that offering a concession solely based on being aged 60 or over is compatible with the council’s equalities statement, and that offering this concession the council is creating inequalities with regard to accessing services.

- 6.57 People of pension age have also been less affected by welfare reform than those of working age, with entitlement to working age benefits such as tax credits being reduced greatly. The 2015 summer budget proposed legislation that would freeze the main rates of the majority of working age benefits, tax credits and Child Benefit for two years from 2016 to 2017. All these reforms affect people of working age, whereas pensioners have been protected, with the State Retirement Pension increasing and entitlement to universal benefits such as winter fuel allowance, free prescriptions, free bus travel and free TV licences being unaffected by welfare reforms.
- 6.58 As a result of welfare reforms those of working age have been more adversely affected, and have become more financially and socially disadvantaged as a consequence. Due to these changes it is arguable that residents of working age are more in need of concessionary rates to give them access to services than those aged 60 and over. The responses received from the consultation with Community Assembly members clearly showed support for offering concessions to younger people in difficult financial circumstances, over older people without regard to their financial need. **(Summary of Community Assembly responses Appendix B)**
- 6.59 With regard to equalities considerations and to the ability of residents to access services the project group strongly believes that any concessions offered should be based on income and receipt of income related benefits.
- 6.60 State Retirement Pension (SRP) age has been increasing for several years with both men and women reaching SRP age at 66 years of age by September 2020. SRP age is currently 65 for men and 62 ½ years old for women. The project group notes that even disregarding all other considerations on whether pensioners should receive a

concession, as well as the state of local government finances, the practice of offering concessions based solely on age to a group of people who are still of working age to be very hard justify, especially when the council aims to ensure fair access to services to all residents.

6.61 The project group notes that in light of the current climate of reductions to local government funding and the strain this will put on the council's finances, offering a concession, solely based on age to such a large sector of residents would be financially un-sustainable.

6.62 The Chief Finance Officer's report to Council on 14 October, 2015 stated that:

"Our medium term forecast assumes a 41% reduction in (central government) settlement funding by 2019/20 and this has contributed towards the large budget deficits we face in 2016/17 (£1.8m) and in future years. "

6.63 In this climate of severe budget reductions the project group feels it is more important than ever that the council's reduced resources should be focused on those residents in real financial or social need, and that those concessions offered should be based on receipt of income related benefits, or focused towards specific groups of residents such as students or those with health problems.

RECOMMENDATION

That concessions should not be offered on the basis of being aged 60 or over. The project group notes that in the current climate of local government cuts, this category of concession is neither sustainable nor fair. Anyone who is financially disadvantaged who is 60 or over would still receive a concession based on one of the other concessionary categories.

7.0 RECOMMENDED NEXT STEPS

7.1 As a result of its work the project group also makes the following recommendation -

7.2 That a member and officer working group be established to develop a corporate policy on concessions.

- To produce a corporate policy on concessions that managers should use when setting concessionary rates for their services so that a corporate approach is taken when setting concessions
- A corporate policy on the application of concessions would ensure greater consistency and fairness in the application of discounts, and greater transparency on the extent to which service costs are covered by the charges.
- That a corporate policy on concessions on fees and charges includes all the recommendations made by the project group.
- That the members of the scrutiny project group on concessions on fees and charges be included in the member and officer working group.

8.0 REVIEW CONCLUSIONS

8.1 That the current way in which concessions on fees and charges are offered are based on long standing practices which do not meet the councils commitment to equalities or the council plan objectives of Chesterfield Borough Council becoming financially self-sufficient by 2020 and to provide sustainable services to residents of the borough.

8.2 That services need to have a thorough and detailed understanding of all costs involved in service provision so that decisions taken on pricing and concessions of individual services are well informed and are made as part of an overall charging and concessions policy that results in costs being covered and subsidies being reduced.

8.3 The Chesterfield Borough Council Corporate Plan 2015 – 2019 states that a key objective is:

“To provide value for money services. To deliver this, we will focus on a single objective: To become financially self-sufficient by 2020, so we can continue to deliver the services our communities need.”

In order for services to be sustainable in this new challenging financial environment it is important that all services operate with consideration to costs if high quality and trusted council services are going to be maintained and delivered in the future.

- 8.4 The research carried out for the review involved input from local residents with the consultation with Community Assembly members. Their input has been directly reflected in the project group's focus and its recommendations. The project group would like to note the benefit of involving residents and that this should be seen as best practice for all scrutiny reviews.

APPENDICES:

- A. Community Assembly Feedback form.**
- B. Summary of Community Assembly responses.**
- C. Summary of quantitative data used by the project group in their considerations.**
- D. Summary of the Audit Commission report "Positively Charged".**

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