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## Report of the Director of City Development

### Executive Board

Date: 8 October 2008

**Subject: The Government Offer in respect of Free Swimming for Those 60 years and Over and the 16 Years and Under**

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#### Electoral Wards Affected:

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

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## EXECUTIVE SUMMARY

- The Government is offering local authorities considerable funding to provide free swimming for 60+ and 16 & under.
- The estimated benefit to the citizens of Leeds is at least £600k per annum, though the Council may have to find £100k matching revenue funding, of which an estimated £26k relates directly to the Under16 offer. In addition the Government will provide additional capital funding of £143k in 2008/09 and part of a £50 million national pot over the years 2009/11 (Leeds 'share' could be in the order of £715k).
- If the offer is rejected the cost could also be c£100k per annum in lost revenue as citizens go to neighbouring authorities for a free swim.
- The Acting Chief Recreation Officer under delegated powers accepted the definite offer of £200,174 in respect of citizens aged 60 and over, which had a deadline of 15<sup>th</sup> September 2008.
- The Council has to indicate to the Department for Culture, Media & Sport its acceptance of the 16 & under offer by the deadline of 14 October 2008.
- It is recommended that the Board note the acceptance of the offer for 60+ and agrees to accept the 16 & under offer.

## Purpose of the Report

- .1 To enable a response to be made to the Government's Free Swimming Offer for Under 16s.

## Background

- .1 In June 2006 the Department for Culture, Media & Sport (DCMS) produced their plan for sport entitled 'Playing to Win'. On launching the document, DCMS announced their aspiration to see all swimming to be made available free of charge by the time of the London Olympics in 2012. At the time there was limited information about the offer and how it could be funded. Over the past few months more information has been released culminating with a letter being sent on 29 July 2008 to every Local Authority Chief Executive in England outlining full details of the proposed scheme.
- .2 The proposed scheme is outlined below in Table 1. A larger extract from the DCMS offer is contained in Appendix A.

Table 1: Summary of DCMS Offer

Pot / Year	Purpose	National	Leeds Share
1 (2009/10 & 2010/11)	Free swimming for 60 & over at any time they could swim on the local pool programme	£15m p.a.	£200,174 (fixed)
2 (2009/10 & 2010/11)	Free swimming for 16 & under at any time they could swim on the local pool programme	£25m p.a.	£350,000+ (figure to be confirmed)
3 (2008/09)	Pro rata one-off incentive for pool modernisation \ bid costs for all who sign up to free swimming (pots 1 & 2)	£10m	£143k
4 (2009/10 & 2010/11)	Challenge fund for capital for pool modernisation integrated with the promotion of free swimming	£25m p.a.	Challenge fund but expected share £715k over the two years

- .3 The likely level of grant receivable by Leeds is at least £1.958m by 31 March 2011. However, projections show that the Council may need to find an extra £100k per annum revenue funding. After 2010/11 it is likely, but not certain, that the ongoing revenue grant in Pots 1 and 2 will be converted into Revenue Support Grant. It can be seen from the table that the grant for free swimming is approx. £550,000 p.a. It will, therefore, be necessary to review this provision in 2011 at the point when it is known whether the grant will continue or not.
- .4 The estimated effects of the scheme are:
  - (a) Pot 1 53,000 p.a. 60 & over throughput increase anticipated
  - (b) Pot 2 96,000 p.a. net 16 & under throughput increase anticipated
  - (c) Pot 3 Use the £143k to help prepare bids for the challenge funds
  - (d) Pot 4 Implement capital works that support the investment strategy of the service.

## Options for consideration

- .1 The option for Leeds are:

- (a) Do not sign up for the scheme;
- (b) Adopt a limited “pick and mix” approach to the scheme, i.e offer 60+ free swimming and not 16 & under, or vice versa;
- (c) Accept the offer in full and explore the potential to expand it

.2 The main issues associated with the offer are outlined below:

Table 2: Issues for and against the offer

<b>Offer free swimming</b>	<b>Do not offer free swimming</b>
Increased swims ( estimated at 149,000 p.a.)	Reduction in visits and income as customers go to nearby authorities
Positive citizen reaction to a large new benefit	Negative reaction if citizens found Leeds lost £2m in grant and they lost a free swim in the city
Opportunity to work with PCTs and other health partners; and share funding	Lag behind moves to a universal free swimming and subsidized activity offer
Access to capital pot(s)	Not eligible for capital pot
Creates potential to widen the free swimming offer and redress charging anomalies.	Income loss to neighbours and PR costs greater than signing up to the scheme

.3 Some of the risks associated with signing up are:

- (a) More wear and tear on the buildings.
- (b) Deteriorating public finances or a change in Government could result in withdrawal of support (but this is unlikely). The funding is likely to be rolled into the overall Revenue Support Grant from Government in 20011/12.

.4 On balance there is a strong argument to support the initiative in full and therefore it is recommended that option 3.1(c) is pursued. The reasons being:

- (a) it should result in significantly more healthy swimming participation.
- (b) the capital allocation counter balances revenue costs in the short term.
- (c) opting out could actually cost more if neighbouring authorities go ahead with the scheme
- (d) the negative public reaction from not signing up to the scheme could be far reaching and damaging to the Council
- (e) the likely net cost is very low in relation to the benefits for Leeds citizens (in terms of cash saved and extra exercise)

### **Risk Management, Legal and Resource Implications**

- .1 There are likely to be some resource implications in order to deliver this initiative and therefore consideration needs to be given to the associated risks of both signing up and not signing up to the schemes. The impact on Leeds will be a mixture of capital grant coming in, but presumably balanced by additional capital spending (though it could be substituted for existing plans), and a net revenue cost per year.
- .2 The estimated annual ongoing effect of the whole free swimming offer is set out in Table 3.

Table 3: Estimated Revenue Effect (but see 4.5 below)

	Income Lost ( <b>saved by citizens</b> )	Other Costs	Government Grant	Net (Deficit) to Leeds
60 +	£255k	£18k	£200k	(£73k)
16 & under	£316k	£60k	£350k	(£26k)
<b>Total</b>	<b>£571k</b>	<b>£78k</b>	<b>£550k</b>	<b>(£99k)</b>

Appendix B shows the detailed calculations and assumptions. The actual out-turn could be better or worse.

- .3 Taking into account the capital allocations the overall estimated position if we accept the offer in full would be as set out in Table 4.

Table 4: Overall Revenue and Capital Effect

Year	Capital Grant in	Additional Capital Spend	Net Revenue Cost	<b>Net In /(out)</b>
2008/09	143k	Assume substitute		<b>143k</b>
2009/10	357k	357k	(99k)	<b>(99k)</b>
2010/11	357k	357k	(99k)	<b>(99k)</b>
2011/12 →	None likely	0	(99k)	<b>(99k)</b>

- .4 However, for this outlay Leeds saves its citizens at least £571k per year, encourages an additional 149,000 extra swims each year and potentially receives capital support in the order of £715k for its facilities, in addition the initiative will contribute to the achievement of one of the Council's improvement priorities by enabling more people to become involved in sport. The extra cost of £100k p.a. will need to be addressed when the Council's annual budget is set.
- .5 Moreover, if Leeds does not accept the free swimming offer and neighbouring councils do, it is likely some of our citizens will go to Kirklees, Harrogate or Bradford etc. for a free swim. If 1 in 5 (19.3%) of our current 60+ and 16 & under did this (and take parents with them) we would lose £99k in income.
- .6 The proposals should not lead to a reduction in staffing. Indeed the estimates expect a small increase in staffing costs; this may help take up some of the excess capacity in contracted hours created by the PFI closures and provide opportunities to switch staff from loss-making activities.

### Implications for Council Policy and Governance

- .1 This decision does not affect statutory services. It fits with Council policy to extend the benefits of a vibrant city and in particular our strategic outcomes and improvement priorities that relate to participation in sporting activities.

## **Conclusions**

- .1 Although the combined net cost of supporting both Over 60s and U16's free swimming is £99k p.a., this is an offer that brings significant benefits to the City of Leeds and should be accepted in full. If it is not accepted the cost will very probably also be c£100k per annum in lost revenue. e.g. users migrating to neighbouring authorities who are providing free swimming.
- .2 Due to tight deadlines imposed by the DCMS, and following discussions with the Executive Member Leisure, Officers took a delegated decision to accept the definite fixed grant offer of £200,174 in respect of 60 & over (at a net cost of £73k p.a. to the Council), which had to be confirmed to DCMS by 15 September 2008. Officers also formally expressed an interest in the 16 & under offer, to enable the Government to finalise its offer (estimated at £350,000, but which might rise) by 30 September. Unless the final offer is considerably lower, officers advice would be to accept the 16 & under offer as well. The net cost of supporting U16 free swimming is £26k.

## **Recommendation**

- .1 Members are asked to note that officers wrote to DCMS by 15 September indicating acceptance of the offer for free swimming for the over 60s (Pot 1).
- .2 Executive Board approve the Council's participation in Pot 2 to provide free swimming for the U16 and agree that a further report be brought back to Executive Board to agree allocation of government capital provided as part of the free swimming initiative.
- .3 That a further report is brought to Executive Board in 2010/11 reviewing the free swimming scheme in light of the government funding available at that time for the continuation of such a scheme.

## **Background Papers**

Letter from the Department for Culture, Media and Sport to the Chief Executive, 29<sup>th</sup> July 2008.

## **Appendix A: The Government Offer July 2008**

*Following the announcement the Secretary of State for Health and I made on 6 June 2008, I am today setting out further details of the Government's free swimming scheme in partnership with local government.*

*This cross-Government announcement set out a £140 million package comprising contributions from the Department for Culture, Media and Sport, the Department of Health, the Department for Children, Schools and Families, the Department for Work and Pensions and the Department for Communities and Local Government.*

*This statement, and the arrangements it sets out, have been developed across Government with the help of the Amateur Swimming Association, the Local Government Association, Sport England and others.*

*The Government is keen to encourage as many local authorities as possible to participate in making swimming free for over 60s and under 16s in their local communities, but also to stimulate ambitious authorities to maximise and sustain uptake through other initiatives such as free lessons for adults who cannot swim, the introduction of swimming coordinators and to provide incentives for the most ambitious to move further towards a universal free swimming offer.*

*We hope this statement will give local authorities the information they need to start planning for their budget setting cycle and to decide the extent to which they wish to exploit the opportunities offered by the scheme to improve the health and well-being of their communities and support delivery of local priorities as set out in their respective local area agreements.*

### *Pot 1: Free swimming for the over 60s*

*Swimming is the most popular participation activity for the over 60s, with 7% taking part in swimming at least once a month. Swimming has the same health benefits as other forms of physical activity. Additionally, regular swimming builds endurance, muscle strength and cardio-vascular fitness and, as a low impact activity, is ideal for the elderly and those recovering from injury. The Government is keen to encourage as many local authorities as possible to participate in making swimming free for over 60s in their area. To achieve this, central government is making available £15 million per annum in 2009-10 and 2010-11.*

*The Government will write at the start of next week to the Chief Executives of all local authorities in England which are responsible for leisure services to ask them to confirm, by no later than 15 September 2008, whether they wish to take up this offer. This letter will set out the resource funding the local authority will be allocated from pot 1 in 2009-10 and 2010-11 if it chooses to participate. This allocation is calculated according to a simple formula based on the size of the local over-60 population. Funding will be distributed through a specific grant, details of which will be set out in the letter to local authorities.*

*The qualifying criteria for the scheme are simple. Free swimming for the over 60s means that people in that age group 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.*

*Authorities who already offer free swimming that would otherwise have qualified for this funding may deploy their allocation to fund initiatives which will further increase and sustain participation for the over 60s and extend such measures to wider groups of the population.*

### Pot 2: Free swimming for the under 16s

*Swimming remains a popular activity for children, with 38% of 11-16 year olds participating in swimming in and out of school at least once a month. The Government is keen to extend the principle of making swimming free to the under 16s. To support this, central government is making available £25 million per annum in 2009-10 and 2010-11.*

*All local authorities who choose to participate in pot 1 are also invited to submit, no later than 15 September 2008, an expression of interest to make swimming free for under 16s. For these authorities, details of their prospective allocation from pot 2 will be provided no later than 30 September 2008. They will then be invited to confirm, by no later than 15 October 2008, whether they wish to take up this offer. Funding will again be distributed through a specific grant.*

*As for the over 60s, we have made the qualifying criteria for the scheme simple. Free swimming for the under 16s means that people in that age group who wish to swim out of normal school hours 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.*

*Again, local authorities who already offer free swimming that would otherwise have qualified for this funding may deploy their allocation to fund initiatives which will further increase and sustain participation for the under 16s and extend such measures to wider groups of the population. We hope that local authorities will work creatively with local partners, including Primary Care Trusts, to access funds from other sources such as the Working Neighbourhoods Fund, Extending Activities and the Big Lottery Fund, as well as from the private sector.*

### Pot 3: Modernising pool provision – capital reward fund

*To support local authorities in making swimming free for the over 60s and under 16s, we are also making available £10 million of capital funding in 2008-09 to modernise pool provision. All authorities that sign up to participate in pot 1 and pot 2 will be entitled to a one-off capital grant in 2008-09. Pot 3 will be allocated amongst all authorities that choose to participate in both pot 1 and pot 2, based on population shares.*

### Pot 4: Modernising pool provision – capital challenge fund

*Local authorities have welcomed the opportunity to refurbish and modernise pool provision. Central government is also making available £25 million capital per annum in 2009-10 and 2010-11 to modernise pool provision and support more ambitious plans for free swimming.*

*Sport England will administer the capital challenge fund on behalf of the Government, and will publish a prospectus for bids for funding by 31 July 2008. Local authorities which have committed to pot 1 and pot 2 will be invited to submit costed plans for pot 4 by no later than 15 October 2008.*

**Appendix B: Detailed Financial and Visit Estimates**

Leeds City Council	Existing Base 2007/08		Estimated Cost of Over 60's			
	Income	Throughput	Estimates	Lost	New	Throughput
<b>Evaluation of Government Free Swim</b>						
<b>Proposals July 2008</b>						
<b>Casual Swimming on Over 60's card</b>						
Basic Card	£91,131	77,003				
Extra Card	£17,209	16,181				
<b>Certain Income loss</b>	<b>£108,340</b>	<b>93,184</b>	<b>100%</b>	<b>£108,340</b>		<b>93,184</b>
<b>Other Adult Swimming - Pay &amp; Swim</b>	<b>£628,488</b>	<b>202,196</b>	<b>10%</b>	<b>£62,849</b>		<b>20,220</b>
<b>Other Pool Income &amp; Activity</b>						
Gym & Swim Card Holders	£280,000	118,112	<b>5%</b>	<b>£14,000</b>		<b>5,906</b>
General Resident Card & Extra	£209,419	103,973	<b>5%</b>	<b>£10,471</b>		<b>5,199</b>
Junior Swimming	£219,089	190,299	<b>0%</b>	<b>£0</b>		<b>-</b>
Family Swimming	£54,166	34,536	<b>5%</b>	<b>£2,708</b>		<b>1,727</b>
Active Life \OWls	£70,277	31,831	<b>50%</b>	<b>£35,139</b>		<b>15,916</b>
	£832,951	478,751				
Pool Income excl Lessons, Schools & Hire	£1,569,779	774,131				
Total before effects of Displacement & Incentives				<b>£233,507</b>		142,150
Additional swimming %						<b>50%</b>
Additional swimming throughput						71,075
Additional Marginal costs			£0.25	<b>£17,769</b>		
Estimated displacement from other activities			25%			-17,769
Estimated displacement income loss			£1.60	<b>£28,430</b>		
Additional Secondary Spend (net margin)	40%	Margin	£0.30		<b>£6,397</b>	
Estimated loss of adult swimming						
Estimated additional accompanying adult	£2.50	LC\LCX				
				<b>£279,705</b>	<b>£6,397</b>	53,306
						Per person
<b>Estimated Total Net Effect</b>				<b>£273,309</b>	<b>-£5.13</b>	
Share of Pot 1 2009/10 & 2010/11	15,000,000	1.33%		<b>£200,174</b>	<b>£3.76</b>	
Share of Pot 2 2009/10 & 2010/11	25,000,000	1.40%				
<b>Estimated -Deficit\Gain to Local Authority per year</b>		<b>-£98,630</b>		<b>-£73,135</b>	<b>-£1.37</b>	

Estimated Cost of Under 16's			
Estimates	Lost Income	New Income	Throughput

n.a.	n.a.		n.a.

1%	£2,800		1,181
90%	£197,180		171,269
40%	£21,666		13,814

	<b>£221,647</b>		186,265
			<b>80%</b>
			149,012
£0.40	<b>£59,605</b>		
15%			-22,352
£1.20	<b>£26,822</b>		
£0.40		<b>£20,266</b>	
15%	<b>£125,686</b>		-45,925
12%		<b>£37,998</b>	15,199
	<b>£433,759</b>	<b>£58,264</b>	95,934
		Per person	
	<b>-£375,496</b>	<b>-£3.91</b>	
	<b>£350,000</b>	£3.65	
	<b>-£25,496</b>	-£0.27	

Additional Throughput	149,240
Additional Swimming	189,361
Increase on Swimming	25.5%

## Notes

Appendix B

David  
O'Loan

07 August  
2008

There will be significant implications for the resident card and its imminent replacement if it becomes the main means of accessing free swimming at our pools.

There is a risk we lose Gym & Swim card sales, but there is potential that we attract back over-60's who have gym and swim cards at private facilities who target this market. We should market the off-peak gym card with the free swimming publicity.

We will need to carefully consider what to do about Breeze card holders in the 16-19 age group.

Need to link with Clubs to encourage those who want to take casual swimming further.

There may be issues about the pools being used as a cheap baby-sitting service during school holidays. This may push up costs and deter others.

Loss from other customers switching to free swims.

Secondary spend based on Vending Offer.

There could be a decline in use by existing adults.

Estimated % of extra accompanying adults per new visit.

Estimated % of extra accompanying adults per new visit.

Remaining pool income	£728,599
excluding Bodyline cards and remaining Owls income.	

<b>Income Base at risk if we decline offer</b>	<b>£511,032</b>
Break-even % loss	<b>-19.3%</b>
That is, if we lost this % of over 60's and under 16's to other councils offering free facilities, we would be worse off through lost income than if we had accepted the offer.	