

The Vale of Glamorgan Council

Cabinet Meeting: 30 April 2018

Report of the Cabinet Member for Social Care, Health and Leisure

Block Bookings Reductions at Leisure Sites as a Result of VAT Changes

Purpose of the Report

1. To seek approval to introduce delegated authority for officers to reduce the block booking fees for Leisure facilities operated directly by the Council following recent changes to VAT regulations.

Recommendations

1. That authority be granted to the Director of Environment and Housing in consultation with the Head of Financial Services and the Cabinet Member for Social Care Health and Leisure to reduce the fees charged to block bookings at directly managed Council Leisure Facilities.
2. That all future fees and charges for Leisure facilities be set at the maximum cost with officers having the ability to reduce for promotions etc. in consultation with the relevant Cabinet Member and the Head of Financial Services.

Reasons for the Recommendations

1. To prevent the recent changes to VAT regulations having an unfair impact on regular customers block booking Council managed leisure facilities.
2. To allow price to be used as a marketing tool and to prevent future minor pricing issues arising from external factors having to be the subject of a Cabinet report.

Background

2. The Vale of Glamorgan Council has previously charged VAT on the provision of sporting services, however a reduction on fees was facilitated for certain block bookings where the conditions of VAT exemption applied. This reduction had no effect on the amount of income the Council received but did considerably reduce the cost to the hirer.
3. Following recent changes to VAT regulations concerning sporting services (Cabinet minute 228, 19th February, 2018) the supply of all sporting services can now be

treated as VAT exempt therefore this reduction can no longer be applied and therefore as well as experiencing the annual increase in fees (Cabinet Minute 272, 26th March, 2018) an additional increase of approximately 20% will also be applied to previously VAT exempt block bookings.

Relevant Issues and Options

4. Whilst the impact of these changes is only applicable to a small number of organisations the impact is significant to those organisation affected who could see annual charges increase by several thousand pounds.
5. It is therefore recommended that the annual increases in fees and charges approved by Cabinet for 2018/19 are implemented for organisations but that the Director of Environment and Housing, in consultation with the Head of Financial Services and the relevant Cabinet Member be granted delegated powers to reduce the fees charged to block bookings at directly managed Council Leisure Facilities to off-set the VAT changes. There is no impact on the Leisure Management Contract.

Resource Implications (Financial and Employment)

6. The proposed delegated powers would not have any detrimental impact on the amount of income the Council receives for its directly managed Leisure facilities in comparison to previous years.

Sustainability and Climate Change Implications

7. The sustainability of activities undertaken by the organisations who previously benefited from the VAT reduction would be in doubt without change. This in turn could have an adverse effect on the Councils income.

Legal Implications (to Include Human Rights Implications)

8. There are no legal implications associated with this report.

Crime and Disorder Implications

9. The opportunity for young people to take part in physical activity is now recognised as having a positive impact on crime and disorder issues.

Equal Opportunities Implications (to include Welsh Language issues)

10. The provision of the Councils directly and indirectly managed leisure services is compliant with the Councils equal opportunity policies and procedures.

Corporate/Service Objectives

11. Working with sporting clubs in the Vale of Glamorgan is recognised in the Corporate Plan under well-being Outcome 4: an active and healthy Vale, objective 7 working in partnership to deliver a range of activities through our leisure and community facilities and parks to increase levels of participation and physical activity.

Policy Framework and Budget

12. This report is a matter for Executive decision by Cabinet.

Consultation (including Ward Member Consultation)

13. No ward member consultation has taken place as the issues raised in the report are Vale wide.

Relevant Scrutiny Committee

14. Healthy Living and Social Care

Background Papers

None.

Contact Officer

David Knevett - Operational Manager, Leisure Services
Tel: 01446 704 817

Officers Consulted

Operational Manager: Property
Legal Services - Committee Reports
Visible Services - Accountant
Head of Visible Services and Transport

Responsible Officer:

Miles Punter - Director of Environment and Housing Services.