

## APPENDIX 2

### APPLICATION OF CHARGING POLICY

In managing parks and open spaces, the Companion Guide to PPG17 recommends using a simple high/low classification to provide a means of determining the most appropriate policy approach.

The following four way framework has been used to apply the Charging Policy developed by the Sports Forum:

#### Price Quality Framework as a Guide to Differential Pricing

<b>High Quality/High Price</b> Protect current arrangements to a level the market can sustain	<b>Low Quality/High Price</b> Increase quality to maintain income potential
<b>High Quality/Low Price</b> Consider options for price increases to reflect investment and levels of demand	<b>Low Quality/Low Price</b> Consider options for investment in existing quality or change provision in line with strategic aims.

#### EXAMPLE 1 – Parliament Hill Athletics Track

Benchmarking work undertaken across a range of similar local authority athletics tracks in north London in 2011 revealed the following average benchmark for costs:

- Athletic Meetings Peak Use (exclusive use of facility at weekend) £154.00
- Schools Use (2 hour session) £84.00

This compares with the Charges levied for the Parliament Hill Athletics Track in 2011 that were:

- Athletic Meetings Peak Use (exclusive use of facility at weekend) £115.50
- Schools Use (2 hour session) £48.00

Using the price quality framework above the current scenario would fall into the category **(Low- ancillary / high - track) Quality/Low Price**.

Whilst the primary function is of a high quality, the condition of the ancillary facilities including changing, rooms, showers, toilets and lack of any dedicated warm up/weights room, poor café and lack of provision for seating for parents/guardians would warrant a discount on the average benchmark price.

From analysis of usage it is apparent that there is unlikely to be further demand for more peak time meetings as Clubs are regulated to a number of specific meetings by the Governing Body.

The level of discount would need to be considered but given that the ancillary services are integral to the quality of experience it might be reasonable to anticipate a reduction of between 10-20%.

If the full 20% reduction were applied then it could have been acceptable at that stage to raise charges to £123.00.

With regards the schools use from analysis of usage it is apparent that there is opportunity to generate increased use for more school sessions at the athletics track, particularly during the autumn and early spring periods.

Given young people are a priority group in terms of targeting increase use of the facility, in addition to the 10-20% reduction on the baseline benchmark rate because of the poor ancillary facilities, it might also be appropriate to apply a further reduction for attracting young people of say 5%. The 2011 charge of £48.00 still represents excellent value as with these reductions on the benchmark costs the rate could have been £63.00.

This scenario can be taken a step further in seeking to attract disabled young people with perhaps a further reduction on the benchmark price of 20-25%.

This would with a 25% reduction have attracted a figure of £42.00 at 2011 prices.

## **EXAMPLE 2 – Tennis**

Benchmarking work undertaken across a range of similar local authority tennis courts in 2011 revealed the following average benchmark for costs:

- Tennis Adult (hourly charge) £5.83
- Tennis Junior (hourly charge) £3.83

This compares with the Charges levied for the tennis courts in 2011 that were:

- Tennis Adult (hourly charge) £6.00
- Tennis Junior (hourly charge) £3.00

Using the price quality framework above the current scenario would fall into the category **Quality High/Cost High**.

This reflects the excellent quality of tennis facilities available both at Parliament Hill and Golders Hill Park.

From analysis of usage the courts are extremely popular during the summer months and at weekends during the winter period. The public are permitted free use of the courts during the winter months weekdays as it is not cost effective to employ staff to take money. It is feasible to consider charging higher fees in the summer months for adult tickets when demand highest. It might be acceptable during this period to increase prices by as much as 20%.

If the full 20% increase were applied then it could have been acceptable in 2011 to raise charges in the summer months for adult tennis to £7.00 based on the benchmark prices.

With regards to junior tennis, given again we are seeking to increase use of the facilities by young people it might actually be acceptable to offer a discounted rate Monday to Friday during the summer period of between 5-10%, but retain the baseline charge at peak times (weekends and Bank Holidays). Even applying the full 10% reduction to the junior benchmark figures in 2011 a fee of £3.50 could potentially have been levied Monday to Friday's.