

Squad Fees for Season 2010 / 2011

As many of you will be aware when we set the fees for the current season we were faced with the prospect of a shortfall of some £28,000 of income over our proposed expenditure. We had to find this money from fund raising, sponsorship, extra sources of income or expenditure reductions. Based upon our latest projections it looks like we are going to make a loss of around £10,000 and if things go really well it could be reduced to £5,000. So, many things have gone well during the year financially, but the fact remains that we are still going to reduce our cash reserves again this year. Our working capital is now at its lowest ever and is below the level that the Trustees believe to be prudent.

You will also be aware that the contract for operating the Aquadrome was re-awarded to Serco this year after the council went through a tendering process. As a result of this the club has had its "prime time" swimming slots on Tuesday and Thursday nights taken away and replaced with public swimming time. Also the price for hire of the 25 metre Aquadrome pool for the club has been increased by 3% to £64.52 per hour from June 1 2010. On the plus side the club was allowed the total number of swimming time hours that we requested. The Trustees did try to negotiate lower pool hire rates for the club, in line with discount of c25% given to educational establishments. This was refused by the council who said that the rates charged were fair and reasonable for club use. The emails containing their rationale are reproduced at the end of this report in full so that members can draw their own conclusions.

In setting the budget and fees for the season commencing September 1, we have had to allow for the increased training time for many squads (see Graeme's note on squad and training structure for next season) and also the increase in pool hire costs. Increased training time means increased pool hire costs and coaching costs. We budget £13 per hour for a lead coach and £11 per hour for lane coaches – this has remained unchanged for several years.

It is clear that the club cannot continue to lose money. If it does, it will simply not exist in a few years time! We have therefore set the fees at a level which means we will have to fund raise or get sponsorship to the tune of £10,000 next year to break even. Given the commitment that members have shown this season, this should be achievable. However to keep the fees at this level we have had to make a couple of changes to the ways in which fees are charged.

1. The membership fee will not include the annual ASA subscription that the club has in the past paid for members. The current ASA fees are for Category 1 £9.90, Category 2 £26.25, including the Regional and County ASA fees. Details of the membership categories and their benefits can be found at <http://www.swimming.org/asa/clubs-and-members/categories-of-membership/>. The fees will still be collected by the club on behalf of the ASA soon after the start of the new season, when the 2011 charges are known. This is expected to be in October. Payment will probably be made by cheque.
2. The family discount will be discontinued. In the past parents with two or more children swimming in the training squads have been given a discount of 25% on the second and subsequent child's squad fees. This will cease from September 1.

When calculating the total revenue that the club will receive we have to predict the number of swimmers in each squad. These are shown in the table below. We also have to make

allowance for bursaries given to parents who cannot afford to pay fully for their children's squad fees. This year we have allowed for 3% of the total fee income to be given in bursaries. Applications for full or part bursaries (e.g. to mitigate the impact of the withdrawal of family discount) for next season (starting 1 September) will be considered from now. If bursaries are not approved before August 20th then the full fees are payable by direct debit from September 1 onwards.

The fees for next season are:

Squad Fees for Season 2010 to 2011

<i>Training Squad</i>	<i>Season 10-11 Planned number of members</i>	<i>Season 10-11 Weekly Training time in hours</i>	<i>Season 10-11 Monthly Squad Fee</i>	<i>Cost per training hour</i>
Performance	17	18	£102.00	£1.42
Youth	20	12	£75.00	£1.56
Age Group	20	12	£75.00	£1.56
Young Achievers	24	5	£60.00	£3.00
Academy	27	3	£40.00	£3.33
Sharks	15	1	£12.00	£3.00
Development 2	36	2	£34.00	£4.25
Development 1	36	2	£34.00	£4.25
County	36	7	£68.00	£2.43
Masters	32	4	£42.00	£2.63
Swimfit Masters	18	1.15	£24.00	£5.22
Waterpolo Men	16	2.5	£40.00	£4.00
Waterpolo Ladies / Junior	17	2.5	£26.00	£2.60
Waterpolo Children	7	2	£26.00	£3.25
Waterpolo extra	17	1	£13.00	£3.25

Notes:

1. Weekly training time includes one hour of land training for Performance, Youth, Age Group, County and Children's Waterpolo squads
2. Cost per training hour is calculated by taking the annual squad fees payable and dividing by the total number of hours training in a season (i.e. weekly training time multiplied by 48)

As stated above the Trustees have lobbied strongly with the council to get the pool hire

charges for the Aquadrome reduced. We have not met with any success. With these new charging rates the club will be paying c£120,000 to Serco next season for the use of the Aquadrome and Tadley. The Trustees would welcome your ideas and suggestions over what you would be willing to do to help get these charges reduced. Please send your ideas to trustees@swimbluefins.org

For your information, the council's position is set out in the emails reproduced below. We asked them to confirm their position in writing so that we can make you aware of precisely the reasons for their stance.

Mail from David Wise to Marion Short , 07 June 2010 09:44

Hi Marion,

As you know we are working to finalise our budget for next year.

An integral part of the budget is the training fee income we can expect. We clearly have to balance the desire for more pool time with the expected increase in fees and the potential reduction in current membership numbers (resulting from the increased fees and more unsociable times). Key to getting members' acceptance of the new fees will be clear communication of all elements of the budget.

In my discussions with parents I am being repeatedly asked why the council does not give any financial support to the club either in terms of grants or reduced pool hire costs. I try to explain that the council's priorities centre around participation rates rather than excellence. However recently parents have become aware that educational establishments are able to hire the pool at a discount of approximately 25% below the rates that Bluefins pay.

Could you please provide me with a statement of your reasons for this pricing policy. I can then use this in my communications with the members over the options regarding next year's fees.

Thanks,
David

Reply from Marion Short 08 June 2010 12:47:53

David

There are many clubs in the borough using council facilities which have to pay the rate set by the council – for example, fees and charges for outdoor pitches are set annually and the clubs using them pay the advertised price. The council could not possibly give grants to all those who want to use facilities more but who cannot afford it. The council does support clubs through coach and volunteer development and via the Leisure Initiatives grants scheme (which Bluefins has accessed for funding for equipment); small grants are also given to talented athletes to help with training, which I know members of the Bluefins have received in the past. You will be aware there is new core funding grant criteria to be launched in the summer for sports organisations that meet certain outcomes; Bluefins will be sent details of this when the scheme is published.

There has always been a differential between the school use and club use price, based on the recommendation from the swimming strategy to 'ensure charges for school's use of Borough Council funded pools are as low as possible'. The price for school use when the contract was first let was 75% of the original club use rate and this differential has been maintained under the price proposals accepted by the council for the new contract period.

This approach is based on rationale which remains sound:

- Schools are required to programme swimming sessions to meet swimming attainment targets in the curriculum and the council's allocation of pool time at the price set reflects the importance given to supporting schools to use council facilities to achieve these targets
- The council regards swimming as an essential life skill and therefore supports the introduction to swimming through schools
- The interest generated through school swimming programmes feeds into casual and club swimming activity so encouraging schools to use council facilities delivers longer term benefits for participation

I hope this addresses your query.

Marion Short

Active Healthy Communities Manager
Neighbourhood Development
Basingstoke and Deane Borough Council
01256 845217
marion.short@basingstoke.gov.uk

Follow up from David Wise 08 June 2010 13:57

Marion,
Thank you for your comprehensive reply.

However there is one area which I feel has not been explained. How does the council set the rate for the facilities use? When the club is not using the facilities it is normally open for public use. To get to the level of income that the club pays, the pool would have to have at least 20 swimmers in it at all times. This is rarely the case - therefore it could be argued that the council is overcharging the club. I would be grateful if you could explain the council's pricing methodology.

Regards,
David

Reply from Marion Short 17 June 14:06

David

Apologies for the delay in coming back to you.

Pricing strategy is complex and is based on a range of factors including the prices charged by other providers in the market and need to generate income while targeting disadvantaged groups – it is neither not possible nor desirable to have a pricing strategy that generates the same level of income per hour from all different users which is what your email is suggesting.

The club is not being 'overcharged' – it is being offered the facilities at a rate we believe is fair and reasonable for club use, in the same way that we believe casual public swimmers are being offered a fair admission price for the sessions of their choice, some of whom will be paying full rate and other concessionary rates.

We look forward to receiving confirmation of your pool requirements by the end of the month.

Regards

Marion Short
Active Healthy Communities Manager
Neighbourhood Development
Basingstoke and Deane Borough Council
01256 845217
marion.short@basingstoke.gov.uk