

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	01 February 2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Accord Card: Citizen Roll Out
REPORT NUMBER:	CG/10/205

1. PURPOSE OF REPORT

To update committee on how the Accord card could be rolled out to all Aberdeen City residents.

To update committee on progress to date regarding how the Accord card could be used to obtain services offered by Aberdeen City Council and its partner organisations at a preferential rate.

2. RECOMMENDATION(S)

It is recommended that elected members:

- i) Consider the content of the report;
- ii) If a tiered charging policy is to be investigated further, to instruct officers to provide options on an appropriate revised charging policy for Aberdeen City Council facilities to the Budget meeting of Council of 10 February, 2011 in order for a decision to be taken.

3. FINANCIAL IMPLICATIONS

To roll out the Accord card to all Aberdeen City residents

- i) One-off development allowing the National Card Production Bureau to encode and produce Accord cards on a Mifare 4K smartcard: £6305 (may be reduced if data can be passed to bureau electronically)
- ii) One-off development cost to allow current local services to be held and updated on a Mifare 4K smartcard: £6250
- iii) Purchase of smartcard readers for new Council facilities that will accept and validate Accord card application forms: £800

- iv) Purchase of photograph capture application and webcam for new Council facilities that will accept and validate Accord card application forms: £1640
- v) Purchase of 150,000 Mifare 4K smartcards: £84,000 (subject to price at time of order)
- vi) National Card Production Bureau to process paper Accord card application forms at £0.97 each: £145,500 (subject to reduction to zero if data can be passed to bureau electronically)

Should all costs identified above be required, this totals £244,495 equating to £1.63 per card.

It is thought likely that the Accord card application form data can be captured and passed to the National Card Production Bureau electronically removing processing cost of £0.97 per paper application form. Taking this into account this reduces the total to £98,995 equating to £0.66 per card.

Funding is available to further the roll-out of the Accord/ National Entitlement Card which will be used to meet these costs; therefore, there would be no impact on the Accord Card Revenue budget.

Revenue generation from a revised pricing policy

This is largely unknown at this point as the majority of Council facilities and partner organisations do not record where a user of a service resides, therefore, the number of non-residents using Aberdeen Council facilities is difficult to quantify (with limited exceptions, e.g. libraries).

An exercise is underway to capture this information at Sport Aberdeen facilities to provide an indication of the residents/ non-residents split. This will assist in the estimation of an indicative increased revenue figure which will be reported to full Council on 10th February 2011.

It should be noted that some Council services and a number of partner organisations have expressed significant concerns that any such revision in the charging policy may have a negative impact on revenue for the following reasons:

- non-residents may choose not to use the service/ facility;
- ability to obtain or retain grants or external funding may be affected;
- additional staffing resource may be required to verify Accord cards at facilities;
- additional staffing resource will be required to process renewals of the Residents Pass held on the Accord card.

This is evidenced in the following situations:

- Introduction of entry charges at Cultural sites in 1998 resulted in a dramatic drop in visitor figures (e.g. 40% at Maritime Museum); drop in income in the cafés and shops; additional administration and operational costs were incurred. This policy was rescinded and charges no longer applied from 2000;
- *A pilot exercise increased charges at Leaping Leopard Crèches for non-City residents was ceased after a year due to the time spent dealing with complaints and operational difficulties;
- Charges at Aberdeen City Council golf courses had been structured whereby non-City residents paid a higher charge; this ceased in 2001/2002 and led to an increase in participation and in income.

**The management of a tiered pricing policy based on a Residents Pass held electronically and securely on the Accord card should assist in its management.*

The specific issues raised by partner organisations are in section 1.13 of Appendix 1.

4. OTHER IMPLICATIONS

Legal

The Policy & Advice Team within Legal & Democratic Services have been consulted regarding this report and will continue to be informed of progress. No significant issues have been identified at this stage, however, should the tiered charging policy be approved a further review of the conditions of any grants or funding received by each affected Council services will need to be undertaken.

Resource

Those Council services affected will be required to lead on the introduction and implementation of a tiered pricing policy at the facilities for which it is responsible. This will include an assessment at each facility to determine if additional staffing resource is required to validate Residents passes and where appropriate take and record payment.

The Accord team will be required to undertake technical site surveys to ensure the required equipment can be installed and then undertake the installation.

Consideration will need to be given to how customer enquiries (both written and verbal) arising from the bulk application process, yearly renewals and the introduction of the new pricing policy will be managed. The current level of staffing at Customer Access Points and

revalidation points would have to be increased to deal with the potential of 200,000 residents renewing their Residents pass each year.

Discussions are ongoing with all affected services regarding the implications of the introduction of a tiered pricing policy.

Equipment

Purchases of smartcard readers, photograph capture software and hardware, sufficient card stock will be required as outlined in section 3 above. Depending on site surveys for any site implementing the tiered charging policy, there may be a requirement to procure a till and/ or a PC along with any power and networking required.

Policy implications

Subject to approval at full Council meeting on 10th February 2010, the Councils charging policy for the services it provides will broadly be as follows:

- Standard charge
- Accord card holders (with Residents Pass) charge
- Concession Charge

Regarding partner organisations, all of those contacted to date have advised that any such change would have to be agreed by their respective management boards and reviewed in terms of current legal agreements with the Council. Therefore, discussions around the adoption of this policy and a proposal to each management board will be required.

It would be the intention that partner organisations will be encouraged, through establishment of the potential benefits for citizens and partners, to embrace, where practicable, both the Council's pricing policy recommendations and implementation of the Resident's pass.

However, should particular organisations elect, without due cause, not to materially consider this, subject to existing legal frameworks, be reflected in the outcomes of the Priority Based Budget driven review, and potentially, future funding agreements.

Should particular organisations elect, without due cause and/or subject to existing legal frameworks, not materially consider this policy it could be reflected in the outcomes of the Priority Based Budget driven review and potentially lead to a reduction in future funding.

5.0 Rolling out the Accord Card to all Aberdeen residents

5.1 There are currently 62,500 residents of Aberdeen who have an Accord/ National Entitlement Card (hereafter referred to as an Accord card). The Community Plan Update 2008 estimates the current population of Aberdeen City at 212,000, therefore, a roll-out to all citizens would require the production of 149,500 Accord cards.

5.2 To achieve this, many aspects of the application process and Accord card production will need to be revised (detailed in Appendix 1) and can be achieved by taking the following key steps:

- i) A Mifare 4k smartcard should be used to minimise card procurement costs;
- ii) Existing systems should be adapted to accommodate this new smartcard type;
- iii) An electronic 'Residents Pass' will be added to the Accord card which the cardholder will use to validate their entitlement to the appropriate charge;
- iv) The Residents Pass will be valid for 1 year and must be renewed in person by the cardholder annually;
- v) The locations at which residents can apply for an Accord card and renew their Residents Pass will be reviewed to increase the number of available sites;
- vi) The National Card Production Bureau will process bulk applications and produce Accord cards;

5.3 The costs associated with the above are as follows:

- i) Purchase of 150,000 Mifare 4K smartcards: £84,000 (subject to price at time of order);
- ii) One-off development of card production bureau systems to encode and produce Accord cards on Mifare 4K: £6305 (subject to reduction if data can be passed to bureau electronically);
- iii) One-off development cost to allow current local services to be held and updated on a Mifare 4K smartcard: £6,250;
- iv) Purchase of smartcard readers for new application sites: £800;
- v) Purchase of photograph capture application and webcam for new Council facilities that will accept and validate Accord card application forms: £1640;
- vi) Card production bureau to process paper application forms at £0.97 each: £145,500 (subject to reduction to zero if data can be passed to bureau electronically);

5.4 Should all costs identified in 5.3 be necessary, this totals £244,495 which equates to £1.63 per card.

However, it is thought likely that the data can be captured and passed to the bureau electronically removing processing cost of £0.97 per card

and if achieved reduces the total to £98,995 which equates to £0.66 per card.

5.5 Timeframe for Accord Card roll-out

5.5.1 Should a decision be taken to implement a tiered pricing policy managed via the Accord Card/ Residents Pass, an order can be placed to manufacture the appropriate number of Mifare 4K Smartcards. These will be delivered in 12 to 16 weeks and once received Accord card production can commence.

5.5.2 The National Card Production Bureau has confirmed that they can produce a maximum of 10,000 Accord cards per week. Therefore, should all remaining 150,000 citizens require an Accord card it will take 15 weeks to print this volume of cards.

5.5.3 The National Entitlement Card Programme Office (NECPO) has been contacted regarding the availability of 'spare' stock of Mifare 4K cards. If a tiered pricing policy is introduced and there is sufficient 'spare' stock it may be possible to introduce a revised pricing policy for Educational Establishments Bookings and Lettings from the new charging year (commencing in August 2011).

5.5.4 It is estimated there are approximately 9,000 individuals in those groups with a booking/ letting and should there be available stock of around 10,000 cards, groups currently with a booking/ letting can be contacted advising them of a revised pricing policy and the requirement for group members to apply for an Accord card if they are Aberdeen City residents.

5.6 Implementation of Tiered Pricing Policy at Council Facilities

5.6.1 There are a number of services provided by Aberdeen City Council for which there is a charge and those identified and consulted so far are

- City Moves
- Arts Development Whitespace
- Beach Ballroom
- Crèche Services via Leaping Leopards
- Libraries
- Community Learning Hubs
- Educational Establishments (Bookings and Lettings)
- Registrars

The majority of these services fall within Education, Culture and Sport, however, the process of identifying and consulting with the other services for which the Council charges is ongoing.

5.6.2 Sections 5.1 – 5.5 confirm that the Accord card has the functional capability to carry a Residents pass and the Accord team has identified the technical requirements to achieve this. However, the implications and considerations of implementing a tiered pricing policy will alter on a case by case basis and will need to be assessed by each service.

5.6.3 The issues to be considered by services centre around the concerns listed in section 3 of the report; i.e. reduction in customer numbers; funding; staffing resource.

For example, City Moves and Arts Development Whitespace receive Creative Scotland funding to provide services to the North East of Scotland and a legal review of the conditions of this funding would be required to determine if it would be lost; and if so, the impact on the business plan and financial viability of that service.

5.6.4 Given this, a blanket approach of implementing a tiered pricing policy across all services from a specific date may not be the most appropriate as it may not give services sufficient time to identify and analyse the impact of such a policy in terms of income and operations.

An alternative strategic approach would be to adopt the concept of a tiered pricing policy in principle at this point but link its implementation to the review of arts and sports services funding (ECS1-C10, mentioned in section 4 of this report) and as part of the Priority Based Budgeting process.

In parallel with this, Council services outwith this review can continue to be identified and where appropriate a tiered pricing policy implemented.

5.6.5 To implement the Residents pass functionality at Council locations, a site survey would be required to determine if there is a PC in a suitable position to which the card reading application could be loaded and the appropriate number of card readers (at £100 each) required.

Depending on site surveys there may also be a requirement to procure a till and/ or a PC along with any power and networking required.

5.6.6 For the booking and letting of Educational Establishments, the Accord card rate of charge will only apply if 50% or more of the group participants have a valid Residents pass. Further information on this is provided in Appendix 1.

5.6.7 As well as managing the overall implementation of the new policy, there would be a requirement for each service to determine if there are sufficient or available staffing resources to check each Accord card for a Residents pass at the point of entry with due consideration to queue management and customer service.

Furthermore, a solution will require to be developed for on-line or telephone bookings in order that the Residents pass on the Accord card can be verified and used to raise the invoice/ charge at the correct level.

- 5.6.8 Consideration may also want to be given to the possibility of introducing a tiered pricing policy to cultural sites, i.e. Aberdeen Art Gallery; Maritime Museum, Provost Skene's House, Tolbooth. Currently these are free to all, however, the Residents pass could be used to ensure it remains *free to residents but a charge levied for non residents.

**Note:* Carlisle City Council recently considered (Oct 2010) implementing a similar tiered charging policy for one of its key cultural attractions and was advised that this was not in line with European Law as this requires either free access to all or charging for all. This decision has not been reviewed or considered by the Policy and Advice Team of Aberdeen City Council, however, may well be relevant to any such policy.

A further consideration is that exhibitions at Cultural site are often supported by Scottish Government funding which is allocated on the expectation that the exhibition will be free to all. The introduction of a tiered pricing policy may impact on the Council's ability to attract exhibitions in the future.

- 5.6.9 In addition to the option in 5.6.8, a 'Visitors Pass' could be sold to non-residents/ visitors for either a time limited period or based on the number of sites visited. Further information on this is provided in Appendix 1.

5.7 Implementation of Tiered Pricing Policy at partner organisations

- 5.7.1 A number of partner organisations have been contacted regarding the implementation of a tiered pricing policy and further information is provided in Appendix 1.

- 5.7.2 These organisations have raised concerns over the introduction of a tiered pricing policy as it will have a critical impact of the operations of facilities in terms of the provision of service, staffing levels. Each of these issues is listed in section 1.13 of Appendix 1 which includes the following issues raised by the Aberdeen Sports Village.

- Sportscotland provided £7m grant funding towards the costs of developing ASV as a Regional Centre. It will be very hard to then justify to Sportscotland why an athlete from the Shire attending the same training session as an athlete from the City would have to pay more for using a nationally funded facility;

- Aberdeenshire Council are providing revenue funding for the Aquatics Centre. We may then end up with two different pricing structures across our facilities, with differential pricing on the dry side, but the same prices for the wet side? That would be incredibly difficult for the customer to understand;
- Concerns about potential loss of revenue from residents of Aberdeenshire and further afield;
- For user groups, attempting to establish what percentage of each group are entitled to which price would be difficult and time consuming. To do as the report suggests would require additional staffing;
- Aberdeen Sports Village currently hosts a number of regional and national events and generally this is an area of high price sensitivity. Increased pricing is likely to stop these events coming to Aberdeen with the associated loss of other revenue for the City;
- A significant number of ASV bookings are taken on-line. How do we validate that they are Aberdeen Citizens as current system functionality will not allow this. Who will pay for the system upgrades?
- Significant Administration and potentially consultants time will be required to amend our current IT system setup to accommodate such a policy.

5.7.3 All of those contacted to date have advised that any such change would have to be agreed by their respective management boards and reviewed in terms of current legal agreements with the Council. Therefore, discussions around the adoption of this policy and a proposal to each management board will be required.

It would be the intention that partner organisations will be encouraged, through establishment of the potential benefits for citizens and partners, to embrace, where practicable, both the Council's pricing policy recommendations and implementation of the Resident's pass.

Should particular organisations elect, without due cause and/or subject to existing legal frameworks, not materially consider this policy it could be reflected in the outcomes of the Priority Based Budget driven review and potentially lead to a reduction in future funding.

6. IMPACT

The introduction of a tiered pricing policy promotes the vision in the Community Plan that we value our people by giving them access to Council facilities at a preferential rate via a Residents pass.

The aim of the tiered pricing policy is to increase revenue for the Council and help ensure a sustainable economic future for the City.

This report may be of interest to the public as it deals with the pricing policy for the provision of Council services.

7. BACKGROUND PAPERS
None.

8. REPORT AUTHOR DETAILS

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APPENDIX 1

This appendix provides further detail and background information on the implications of introducing a tiered pricing policy as outlined in the main report.

1.0 Roll out the Accord card to all Aberdeen City residents

1.1 All aspects of the Accord card application and production process have been reviewed in light of the number of cards to be produced and key stages have been identified:

- i. type of smartcard to be used;
- ii. acquiring sufficient stock of smartcards;
- iii. the introduction and management of a Residents pass;
- iv. streamlining the application process;
- v. locations at which applications can be made;
- vi. processing applications and production of Accord cards;

The Accord team currently processes approximately 4,500 new applications per year, therefore, alternative ways for processing this volume of new applications have been investigated.

- * This will depend on the criteria of a revised pricing policy. For example, if the revised charging policy were introduced at crèche's, should the residency of the child or the parent(s)/ guardian(s) dictate the charge to be levied. If the parent(s)/ guardian(s), it may not be necessary to issue cards to citizens 11 years of age and under: of which there are 13,500. Indeed, it is recommended by the Improvement Service that children under 5 years of age are not issued with a card.

Furthermore, as not all citizens will be using or visiting Aberdeen City Council facilities or partner organisations, then the number of cards actually required may be less than this. The number of service users is being collated to more accurately estimate the volume of cards required.

1.2 Type of Smartcard to be used

1.2.1 The JCOP41 is the current type of smartcard used for the Accord card which allows all local applications to be carried on the card, i.e. ACE, Access to Leisure, Schools Cashless Catering. The JCOP41 also has **Mifare 4K emulation in order to operate all national entitlements, i.e. Scotland-wide free bus travel, library membership.

**The Mifare 4K is the smartcard type used by all other Scottish local authorities.

1.2.2 The JCOP41 is of significantly higher specification than the Mifare 4K subsequently there is a difference in price: JCOP41 £3.22 per card;

Mifare 4K £0.56 - £0.72 per card. Given this, and the number of cards required for a citizen roll-out, clearly it is of benefit to use a Mifare 4K if possible.

- 1.2.3 Another important factor is that the type of smartcard to be used across Scotland must change by 31st December 2011. As mentioned in previous Accord Update reports, both the Mifare 4K and the JCOP41 will no longer be used and replaced with a new type of smartcard by 31st December 2011. All existing cards in circulation will continue to be accepted for a period of approximately 5 years during which time they will be replaced with the new card type.
- 1.2.4 The Improvement Service has confirmed that the new card type will be introduced around October 2011. However, they have confirmed that the new card type will still be interoperable with the Mifare smartcard platform, meaning that all existing Mifare 4K and JCOP41 card holders will be able to use their card for existing national services.
- 1.2.5 It has always been the intention for the Accord card to migrate onto the new card type by 31st December 2011. The potential roll-out to all citizens means it would be extremely beneficial to bring this date forward and carry the citizens pass on a Mifare card.
- 1.2.6 As mentioned in 1.2.1, the current local services (Access to Leisure, ACE, Schools Cashless Catering) require a JCOP card to be used as a Mifare card can not currently be updated with new entitlement data once it has been produced. This can be done on a JCOP card and currently happens for ACE and Access to Leisure renewals.
- 1.2.7 The supplier of the Accord card application (which reads and updates data on the JCOP card) has been contacted to determine if this application can be developed to read and update a Mifare card. They have advised that this should be possible with a one-off development cost of approximately £6,250.
- 1.2.8 In addition to this, the way in which Accord cards are encoded and printed by the National Card Production Bureau will need to be amended to accommodate a Mifare card. The bureau has advised that this is possible with a one-off development cost of approximately £6305. This figure may be reduced depending on the format in which new Accord card application data is sent (which is covered in more detail in section 5.6).
- 1.2.9 Therefore, the functionality required to enable an Aberdeen City citizen pass to operate via a Mifare card could be achieved for a one-off development cost of £11,305.

1.3 Acquiring Sufficient Stock of Smartcards

- 1.3.1 The National Entitlement Card Programme Office (NECPO), the branch of the Improvement Service that manages the National Entitlement Card scheme, have advised that there is not sufficient available stock of Mifare 4K cards to accommodate our requirement of 150,000. Therefore, these would have to be procured at a cost of approximately *£0.56 per card; totaling £84,000.

*This cost can fluctuate depending on the smartcard market and the strength of the Euro.

- 1.3.2 NECPO advises that the lead-in time for procurement of the cards is 12 to 16 weeks which allows time to source the plastic and silicone required to manufacture the cards.

- 1.3.3 NECPO has advised that they may be in a position to supply a certain number of Mifare cards to Aberdeen City Council free of charge. They are currently calculating projected card stock levels up to October 2011 at which point the new smartcard type will be used. The 'spare' stock of Mifare cards could be in the tens of thousands, however, a more accurate prediction will not be known until January 2011.

1.4 The introduction of a Residents pass

- 1.4.1 This functionality required to carry a Residents pass on the Accord card is already in place via the Access to Leisure scheme and ACE Club membership. These services are carried electronically on the card and read electronically at each leisure site.

The hardware and software required to implement is already in place at all leisure sites (including the Sports Village), so there would be no cost in this regard for these sites.

- 1.4.2 There will be a cost for any additional site of approximately £100 for a smartcard reader. This assumes that each additional site has a PC on-site to which the card reading application could be loaded.

- 1.4.3 The introduction of the Residents pass will be achieved in two ways. Firstly, those citizens who already have an Accord card will have the Residents pass added to their card for a period of 1 year at one of the locations stated in table 2 on production of an official document/ letter (stated in table 1) which clearly states their name and address.

Secondly, citizens who do not yet have an Accord card will submit an application for an Accord card at one of the locations stated in table 2 along with an official document/ letter (stated in table 1 below) which clearly states their name and address along with a colour passport-

standard photograph.

All applications must be made in person.

List of documents that are acceptable as proof of address
Council Tax bill (current financial year)
Utility bill (dated in last 3 months)
Bank or Building Society or Credit Union statement (dated in last 3 months)
Current valid television licence
Letter from school/ college/ university
Award letter of child benefit
Letter from care/ residential home
Letter from Aberdeen City Council confirming residency in Aberdeen City
Letter from Home Office or Immigration Office
Current DWP letter
Letter from Inland Revenue/ HMRC
Current UK driving licence
Recent mortgage statement

Table 1

- 1.4.4 Once the citizen receives their Accord card with the Residents pass they swipe their card on the card reader at the facility/ service provider which confirms to the till operator that they should be charged at the appropriate rate.
- 1.4.5 It is thought prudent that all Residents passes are renewed on an annual basis by the card holder and it is their responsibility to do so. To renew the pass the citizen would present themselves in person with their Accord card at one the locations stated in table 2 along with an official document/ letter (stated in table 1) which clearly states their name and address.
- 1.4.6 The risk in not having citizens renewing their Residents pass on an annual basis is that there would be no way to know if a citizen having received their Accord card still resided in Aberdeen City. However, the implications of doing annual renewals is that more resources will be required at Customer Access Points and re-validation points to process these renewals and update Accord cards.
- 1.4.7 Also, as the passes are held and read electronically, information can be collected and analysed on facility usage.

1.5 Streamlining the application process

- 1.5.1 Currently, all Accord card applications are made by the citizen completing a paper application form, supplying a colour passport-standard photograph and this process can continue for the citizen roll-out. However, the volume of application forms would exceed the capacity of existing resources.
- 1.5.2 Discussions have taken place with the National Card Production Bureau who has confirmed they could process paper application forms for us at a cost of £0.97 per application (totaling £145,015 for 149,500 applications).
- 1.5.3 However, an existing development is that of a paperless application process. This process captures all necessary data via Lagan, the citizens' photograph captured via an on-site web-cam and this information being securely transferred to the Accord office for card production.
- 1.5.4 The paperless application process is being developed for those citizens 60 years and over who are applying for Scotland-wide free bus travel. However, this process can be adapted for Residents pass applications. The aim is to have this paperless applications process tested and implemented in Q1 2011. If achieved, this can be utilised for the Residents pass applications and the National Card Production Bureaus' processing fee of £0.97 per card will no longer apply.
- 1.5.5 The paperless application process together with an increase in the locations at which customers can make an application should assist in managing the increased volume of applications.
- 1.5.6 A further development of the application process scheduled for later in 2011 has also now been brought forward to try to accommodate the possible volume of applications. This development would allow a citizen to apply on-line by entering their personal details and up-loading their own photograph. They could then request a location to which their Accord card could be sent (one the locations stated in table 2) and would be instructed to provide one of the documents in table 1 as proof of residency before their card is handed to them.

1.6 Locations at which applications can be made

- 1.6.1 Accord applications can be made at the locations stated in table 2 and these will accept applications for the Residents pass.

Office	Location
The Point Customer Access Point	Broad Street, Aberdeen
Kincorth Customer Access Point	Provost Watt Drive, Aberdeen
Mastrick Customer Access Point	Spey Road, Aberdeen

Woodside Customer Access Point	Marquis Road, Aberdeen
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Table 2

- 1.6.2 Discussions are ongoing with the Library & Information Services Manager to explore opportunities for other sites to accept Accord card application forms.
- 1.6.3 In order for these sites to be able to update existing Accord cards and process annual renewals of the Residents pass, each site requires a smartcard reader at a cost of £100 per reader.
- 1.7 Processing of applications and production of Accord cards
 - 1.7.1 As mentioned in 1.5 above, applications either in paper form (at a cost of £0.97 per application) or in electronic form (no charge) will be passed to the National Card Production Bureau for processing.
 - 1.7.2 The bureau has advised they have a capacity to print 10,000 cards per week. Therefore, should all 149,500 citizens apply it would take 15 weeks to print the cards. It may be possible to marginally increase the capacity and shorten the timeframe if data can be provided in an electronic format.
 - 1.7.3 Once the bureau print the card they can either be sent directly to the citizens' home address or to one of the locations stated in section 1.6 above should the on-line application process be in place.
- 1.8 Introduction of a revised charging policy at Council facilities and partner organisations
 - 1.8.1 There are a number of Council owned facilities within Aberdeen City that charge for services which can be provided solely by the Council or by other organisations who lease the facility. The setting of the charge for services at these facilities and the input the Council has into this depends on the nature of the arrangement. There are also a number of partner organisations for which the Council provides funding which offer a further range of services.

The different types of facilities and services are considered in the remainder of this section as is the issue of revising the existing charging policy.

1.8.2 Revised Charging Policy

As part of the citizen roll-out of the Accord card, a revised pricing policy will need to be developed allowing those with a Residents pass to benefit from the preferential rate. In broad terms it is thought that there will be three levels of charging, these being:

- Standard charge
- Accord card holders (with Residents pass) charge
- Concession charges

It is likely that some existing pricing policies for Council services and for partner organisations may not quite fit into the above structure, however, where possible this approach should be adopted.

1.9 Services provided by Aberdeen City Council

1.9.1 There are a number of services provided by Aberdeen City Council and as such a tiered charging policy can be implemented. Those identified and consulted so far include;

- City Moves
- Arts Development Whitespace
- Beach Ballroom
- Crèche Services via Leaping Leopards
- Libraries
- Community Learning Hubs
- Educational Establishments (Bookings and Lettings)
- Registrars

The process of identifying and consulting with the other services for which the Council charges is ongoing.

1.9.2 It should be noted that the Public Libraries Consolidation (Scotland) Act 1887, the Public Libraries (Scotland) Act 1955 and the Local Government (Scotland) Act 1973 stipulate that all public libraries are to be open to the public free of charge and that no charges are to be made for the use of books of magazines issued for home reading.

1.9.3 This does not apply to other types of lending (e.g. CD's, DVD's) and fines levied. The Library & Information Service have advised that of the 55,782 active borrowers, 1,864 do not reside within Aberdeen City. They have also confirmed that of the 1,864 non-residents a total of £3595 in charges was levied for these members in the past 12 months.

1.10 Community Learning Hubs

There are a range of centres in which Community Learning and Development activities take place, including adult learning classes, youth work and after school clubs.

These services are provided by Aberdeen City Council and other organisations, therefore, a review of these classes would be required to identify the courses for which a tiered pricing policy could be implemented.

1.11 Cultural Sites

1.11.1 Consideration may want to be given to those services that are currently provided free of charge to all, i.e. Cultural sites. The cultural sites noted below are currently free of charge to access, however, the Residents pass could be used to ensure they remain free for citizens with a charge raised for those without a Residents pass.

- Aberdeen Art Gallery
- Maritime Museum
- Provost Skene House
- Tollbooth

1.11.2 Entry to libraries has not been included in this section as statute dictates that they must remain free to the public. There is no such statute for the above, however, officers connected with these facilities have raised concerns regarding both obtaining grants in the future and retaining grants already allocated should a revised charging policy be introduced.

1.11.3 Should a revised charging policy be introduced at these sites, an option could be explored whereby access to these sites for visitors is sold as a packaged bundle offering better value. For example, if a standard entry charge of £2 for those without a citizen pass was introduced, a non-personalised smartcard which allows access to all four sites for £6 could be purchased.

1.11.4 Indeed, such a development could be introduced for all services offered by the Council and partner organisations. For example, anyone could buy a non-personalised smartcard for a set charge depending on the duration of the 'Residents pass' it contained. The pass on this card would operate in the same way as the Residents pass and entitle the card holder to access Council and partner organisations at the Residents pass rate rather than the standard rate.

1.12 Leased Community Centres

1.12.1 There are a total of 22 community centers owned by Aberdeen City Council that are leased mainly to community groups. As these groups have independent committees and management, the implementation of a revised charging policy would require a proposal to be presented to management stating the revised pricing policy.

1.12.2 Should these groups choose not to introduce the revised charging policy and the Council wish it introduced, the adoption of the revised charging policy could be made a condition of their funding.

1.13 Services provided by partner organisations

1.13.1 The following services are provided by partner organisations to which the Council provides funding.

- Aberdeen Performing Arts: Music Hall; Lemon Tree; His Majesty's Theatre
- Sport Aberdeen
- Garthdee Alpine Centre
- Aberdeen Sports Village

The above services have been contacted and the potential introduction of a revised charging policy discussed. Other services have also been identified, however, have yet to be contacted, e.g. Belmont Media Centre, Curl Aberdeen.

1.13.2 All of these partner organisations have advised that any change to their charging policy would have to be agreed by their respective management boards. Therefore, to progress further a proposal would have to be presented to the boards stating the revised charging policy.

Should partner organisations opt not to introduce the revised charging policy and the Council wish it introduced, the adoption of the revised charging policy could be made a condition of their funding.

1.13.3 As stated in section 3 of the main report, the majority of Council organisations do not record where a user of a service resides, therefore, the number of non-citizen using Aberdeen Council Facilities is difficult to quantify. However, this is known for members of the Sport Aberdeen ACE Club membership scheme: of the 769 members, 90 (12%) reside outwith Aberdeen City.

An exercise is underway to capture this information at Sport Aberdeen facilities to provide an indication of the citizen/ non-citizen split. This will assist in the determination of an indicative increased revenue figure.

- 1.13.4 Although brief and made in no formal manner, initial discussions on a revised charging policy between officers and these partners has raised concerns from the partner organisations. These center around the potential impact of in terms of being competitive in their particular market; potential negative impact on funding, grant applications and charitable status; and particularly for Aberdeen Performing Arts, that such a policy could not be implemented as pricing is often set by production companies/ artists who hire the entire facility to stage their show and set the ticketing price themselves.
- 1.13.5 Aberdeen Sports Village has raised concerns regarding aspects of its operation and funding on which a tiered pricing policy may have a critical impact. The specific issues raised are:
- Sportscotland provided £7m grant funding towards the costs of developing ASV as a **Regional Centre**. It will be very hard to then justify to Sportscotland why an athlete from the Shire attending the same training session as an athlete from the City would have to pay more for using a nationally funded facility;
 - Aberdeenshire Council are providing revenue funding for the Aquatics Centre. We may then end up with two different pricing structures across our facilities, with differential pricing on the dry side, but the same prices for the wet side? That would be incredibly difficult for the customer to understand;
 - We are concerned about potential loss of revenue from residents of the Shire and further afield;
 - For most of our user groups, attempting to establish what % of each group are entitled to which price would be difficult and time consuming. To give an example, Aberdeen Amateur Athletics club has over 200 members, which are constantly changing – it would be an administrative nightmare to keep on top of this. Practically every facility booking would need to be examined and without checking on the details, this would fall into hundreds of discrete users over the course of a year. To do as the report suggests would require additional staffing;
 - ASV currently hosts a number of regional and national events and generally this is an area of high price sensitivity. Increased pricing is likely to stop these events coming to Aberdeen with the associated loss of other revenue for the City;
 - A significant number of ASV bookings are taken on-line. How do we validate that they are Aberdeen Citizens as current system functionality will not allow this. Who will pay for the system upgrades (if they can be completed at all)?
- 1.13.6 Sport Aberdeen has provided the following initial feedback on the possibility of a tiered pricing policy;
- Sport Aberdeen are very supportive of a differential pricing policy which benefits city residents, but feel that ACC should not be involved in

Sport Aberdeen's pricing, which would be set based on budgets and the current market.

- Differential pricing is straightforward in respect of those using the facilities as individuals, but becomes more complicated when considering how it would apply to groups, as these may be a mix of both city and non city residents. It should not be introduced without full consideration of the practical impact and operation.
- Sport Aberdeen must maintain the ability to price at our own discretion not only to maintain independence from ACC, but also to allow the management of our pricing structure in order to meet both business and sporting objectives.
- That ACC acknowledges that there are resource implications of this proposal not least in terms of time, for staff to check and process cards against a (without a LMIS) separate database.

1.13.7 Aberdeen Performing Arts has provided the following initial feedback on the possibility of a tiered pricing policy;

- The pricing of tickets for Aberdeen Performing Arts venues is within the control of the Aberdeen Performing Arts Board and management as set out in our service agreement with the City Council. They sell almost 500,000 tickets each year with a value of around £7m. Ticket pricing is extremely sensitive and complex. It is agreed with promoters, producers and those hiring the venues. Any changes along the lines outlined in the report is likely to lead to a reduction in income and shows not coming to Aberdeen;
- Approximately 50% of our customers are from outside the city with many travelling considerable distances to come to concerts and shows. The proposed pricing model is likely to alienate these customers and lead to fewer people from outside the city coming to performances, reducing income and reducing the economic benefit of our venues to the City;
- Many of the performances in our venues are staged by customers who hire the venues, particularly at the Music Hall and Lemon Tree, but also amateur companies staging performances in HMT. In these cases the setting of ticket prices remains with those hirers.

1.14 Educational Establishments Bookings and Lettings

1.14.1 There are a number of educational establishments available for booking and lettings to groups and commercial organisations. The current application process asks for the Accord card number of any participant who is entitled to Access to Leisure as this may affect the price levied.

- 1.14.2 Should the citizen pass be introduced this process could be expanded to ask the group to provide the Accord card number of all participants which can then be checked prior to an invoice being raised to ensure they hold a current Residents pass. In line with the current policy for Access to Leisure holders, where less than 50% of the participants hold a citizens pass, then the standard charge appropriate for the group is levied. Subsequently, where 50% or more of the group hold valid Residents pass, they will be charged at the Accord card holders rate.
- 1.14.3 It should be noted that to manually check the Accord database for details of the entitlement held on each Accord card for all these applicants would be time consuming and would require additional staffing resources. This would also impact on the time taken to process each application potentially resulting in delays in response time to applicants.
- 1.14.4 Based on the figures provided from colleagues in Education, Culture & Sport, it is estimated that approximately 9,000 individuals are involved in groups currently booking/ letting Educational facilities and the charges levied for these facilities is now set until August 2011.

Therefore, should the citizen pass be introduced and a stock of Mifare cards secured, it may be possible to introduce a revised charging policy and issue Accord cards to the 9,000 participants in time for August 2011.