

For publication

Fees and Charges for Sport and Leisure 2017/18 (HW000)

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Meeting:	Cabinet
Date:	12 th September 2017
Cabinet portfolio:	Health and Wellbeing
Report by:	Martin Key, Health and Wellbeing Manager

1.0 Purpose of report

- 1.1 To set the Council's fees and charges for Sport and Leisure facilities with effect from 1 October 2017.

2.0 Recommendations

- 2.1 That the proposed charges set out in **Appendix A** are approved and introduced from 1 October 2017.
- 2.2 That the proposals for Concessionary charge eligibility be approved as outlined in **Appendix A** and that Concessionary memberships continue as Change4Life.
- 2.3 That the standard charges outlined in **Appendix A** may be varied to maximise opportunity and efficiency and address market changes by agreement with the portfolio holder for Health and Wellbeing.
- 2.4 That on-going analysis of membership and centre usage is continued to assess any possible impacts of the changes to fee and charges.

3.0 **Background**

- 3.1 The report reflects the approach taken over the past three years on charging for sports and leisure services and the need for financial efficiencies for service sustainability.
- 3.2 In the past the Council has completed a series of reviews through corporate efficiency requirements. This process includes the Sport and Leisure Service operating in a more business-like manner. However the importance of the service in delivering affordable access to services is also essential to support the Council's priority of improving health and wellbeing outcomes and reducing inequalities.
- 3.3 Chesterfield has significant areas of deprivation and the Sport and Leisure Service provides a variety of programmes and initiatives that contribute to promoting positive and healthy lifestyles. Survey data with target groups has identified that whilst access and locality is a potential barrier to use, price and quality of services are key.
- 3.4 As with all Council services the Sport and Leisure Centres continue to work under significant economic pressures. There is increasing competition locally with attractive pricing structures and along with the general economic position this increases the focus on cost competitiveness. Maintaining a good quality but affordable market position coupled with a need for continuous improvement is essential. The fees and charges need to be clear to customers and flexible enough to maintain a competitive offer. Managers need to adopt flexibility in pricing and continuously review competition to react to demand and threats in the market place in a timely manner.
- 3.5 The Council is taking a more commercial approach to service delivery where appropriate. The need for a balance between competitive pricing, maximising income and community wellbeing priorities should be maintained in the charging philosophy. This is a challenging conundrum.

4.0 **Issues for Consideration**

4.1 Setting the fees and charges for the Sport and Leisure Centre service is a careful balancing act. Given the concerns over maintaining membership levels and the associated income and the risk of increased competition the proposals have taken into account:

- The need to raise income to help the Council work towards a financial position for sports and leisure services where there is no general fund subsidy
- The requirement to pay back current/future loan capital that has been borrowed, e.g. for the replacement/refurbishment of Queens Park Sports Centre (QPSC) and the continued development of the Healthy Living Centre (HLC)
- The level of fees and charges applied by other local and sub-regional sports and leisure providers, both in the private and public sector
- Potential costs of any redesign required to effectively resource the service
- Broader value for money considerations including accessibility, booking arrangements, service quality and membership benefits
- Potential impact of local competition costings and offer on centre use and membership
- The Council's Concessions Policy
- The need to address health inequalities in our communities
- Customer expectations being met and ideally exceeded
- Start-up initiatives for new groups with specific targets and objectives (e.g. Boccia for disability groups, etc.)

4.2 In previous years, the charging scheme has been consistent for both sports centres. This consistency will remain and generally customers will pay the same price at both locations for comparable activities.

4.3 In some instances each site will deliver promotional opportunities to stimulate usage or ensure retention of customers. Where such actions impact on fees and charges these will be agreed with the Portfolio holder for Health and Wellbeing.

4.4 There is currently a review of the service design and the development of a 5 year forward plan. This plan will address a number of key issues that have been identified including effective resourcing levels, facility development opportunities and

improvements to the customer experience. One area to be reviewed is the booking system to improve usability by customers. This will be carried out in conjunction with wider corporate reviews of similar systems.

- 4.5 A detailed review of local provider fees and charges has been undertaken. These are attached as Appendix B. These include key activity and membership costs for other local authority provision as well as a more limited assessment of local private sector providers.
- 4.6 The overall service budget has been set with a 3% increase in income. The position at the end of July 2017 is that combined income for both centres is slightly above the profiled year-to-date budget. The proposed revised fees and charges in Appendix A are largely constructed around a 3% increase. However following a detailed analysis of local provider costings a number of the fees and charges have been adjusted where there was perceived to be a significant competitive or market risk.
- 4.7 The standard charges may need to be varied to maximise opportunity and efficiency and also respond to changes in the market by agreement with the portfolio holder. Any such changes are regularly reviewed to ensure that the reason for the variation remains valid and appropriate and agreed with the portfolio holder for Health and Wellbeing.
- 4.8 The proposed fees and charges have been developed with full consideration for equality impact and the provisions of the Council's Concessions Policy.
- 4.9 The Change4Life membership will continue to provide access to reduced fees and charges in line with the new corporate concessions policy. There are concessionary prices applied for those meeting the eligibility criteria detailed in section 5.0 of the Concessions Policy in respect of the following key activities:-
- Fitness room use
 - Main hall activities
 - Squash court use
 - Outdoor synthetic football pitch
 - Facility Membership
 - Swimming

- Fitness classes
- Climbing wall use

4.10 The Fees and Charges recommendations for both Queen’s Park Sports Centre and The Healthy Living Centre are attached as **Appendix A**. A number of new charges are included based on new initiatives to engage people from specific communities into physical activity.

5.0 **Human resources/people management implications**

5.1 There are no human resource implications of this report. However there is an on-going service review which will examine the resource provisions and structures appropriate for the service.

6.0 **Financial implications**

6.1 The current corporate budget provision includes an anticipated overall 3% uplift in income. The combined income from both centres at the end of July 2017 is slightly above the profiled year-to-date position. The revised charges are largely based around a 3% increase but have been varied where there were issues around future competition, equalities, wider health and wellbeing outcomes and the market value of some services.

6.2 Retention of members remains a key issue in order to maintain a steady financial base. This is being addressed by evaluating the service offer, targeted investment in new equipment and development of the activity programme across both centres.

6.3 The proposed charges will be published based on the full rates and the adjustment based on membership level or concessionary status will be made at the point of sale. The analysis of charges has shown that the proposed increases are still consistent with the local providers as highlighted for some of the key activities in the table below. Promotional charge reductions will also be targeted at low use activities and periods through close monitoring by the Operation Managers at the sites.

Activity	Current	Proposed	Local Average
Adult Swim	£3.50	£3.60	£3.91

Junior Swim	£2.45	£2.60	£2.69
Family Swim	£8.50	£9.00	£10.08
Junior Swim Lesson	£4.80	£4.95	£4.90
Adult Gym Session	£5.90	£6.00	£6.25

7.0 **Legal and data protection implications**

7.1 No legal and data protection implications of these proposals.

8.0 **Risk management**

8.1 Following the opening of the new Queen's Park Sports Centre there was a significant increase in income over the 2016 calendar year and is continuing during this financial year. This has been largely due to increased interest from the public but also by driving new and improved initiatives at the centre, particularly around fitness, learn to swim and gymnastics/trampolining tuition. This will be an on-going exercise with emphasis on broadening the opportunities to cater for the wider community. In previous fees and charges reports it has been recognised that the economic downturn has adversely impacted upon areas of discretionary spend such as sport and leisure amongst borough residents. Whilst there is an on-going risk in this downturn the additional income generated has significantly reduced the general fund subsidy to the sports and leisure facilities. This trend and the need to continue to grow income has been a key influence in the proposed fees and charges.

8.2 The increase applied to the fees and charges is largely in line with the 3% applied to the service income targets. There are some new charges proposed for new initiatives and in general all variations in fees have been applied to reflect market values and local competition.

8.3 Both sports centres will be introducing direct debit payment options for swimming lessons and gymnastics/trampolining within the next financial year and these are included in the proposed fees and charges. Feedback from many customers has shown that this is a preferable option however there will still be the need for cash payment given potential equality concerns.

8.4 There is concern that any significant increase in charges above those proposed could have a negative impact on usage and therefore income at both Centres. Proposed increases have therefore been carefully considered and are targeted, competitive, market focussed and sensitive.

8.5 The key risks are identified below:

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Severe economic conditions	High	Medium	Building a retention plan to ensure that both centres remain a feasible option for residents of the Borough. Building a quality programme of delivery developing targeted activities towards specific community groups. Regular review of financial performance.	High	Low
Competition	High	Medium	Pricing and ensuring services are high quality and value for money. Robust retention and promotion. Planned monitoring of external market environment through S.W.O.T. analysis.	High	Medium

			Continued development of activity programme with key stakeholders and partners		
Exclusion of equality groups	Medium	Low	Accessible usage and charging schemes in place. Engagement of community through partnership working and consultation.	Medium	Low

9.0 Equalities Impact Assessment (EIA)

9.1 The potential equality impacts of the fees and charges proposed have been evaluated in line with the Council's Concessions Policy and a preliminary Equalities Impact Assessment is attached as Appendix C. There are concessionary prices applied for those meeting the eligibility criteria detailed in section 5.0 of the Concessions Policy in respect of the following key activities:-

- Fitness room use
- Main hall activities
- Squash court use
- Outdoor synthetic football pitch
- Facility Membership
- Swimming
- Fitness classes
- Climbing wall use

9.2 A new partnership with New Horizons Health (NHH) will provide personal training services at both facilities. However, NHH work in the community and are driving participation amongst communities to engage people into physical activity who would usually never consider this as an option. Working together with other establishments (such as Parkside School) the aim is to create a pathway for people to commence physical activity,

potentially in their own environment, progressing to facilities such as local schools and then onto the sports centres.

- 9.3 A new charge has been introduced to provide for those who may work away from home for significant periods and wish to take up membership whilst back home (such as armed services personnel).

10.0 **Alternative options and reasons for rejection**

- 10.1 The report has outlined the risks and considerations included in review of the proposed fees and charges. There were a number of options considered such as a set increase 'across the board' and a higher than 3% increase but these were rejected due to market and competitive risks. An option for not increasing the fees was also considered. Having completed a thorough market review it was determined that the proposed fees and charges in Appendix A are sufficiently market sensitive not to pose a high risk of loss of business on cost grounds.

11.0 **Recommendations**

- 11.1 That the charges set out in **Appendix A** are approved and introduced from 1 October 2017.
- 11.2 That the proposals for Concessionary charge eligibility be approved as outlined in **Appendix A** and that Concessionary memberships continue as Change4Life.
- 11.3 That the standard charges outlined in **Appendix A** may be varied to maximise opportunity and efficiency and address market changes by agreement with the portfolio holder for Health and Wellbeing.
- 11.4 That on-going analysis of membership and centre usage is continued to assess any possible impacts of the changes to fee and charges.

12.0 **Reasons for recommendations**

- 12.1 To set the Council's fees and charges for Sport and Leisure facilities with effect from 1 October 2017.

- 12.2 To contribute to improving the Councils overall financial position and reduce the overall cost to the Council of Sport and Leisure provision.
- 12.3 To support the Councils delivery of the Great Place Great Service priorities for visitors and residents to Chesterfield Borough.
- 12.4 To improve customer service, activity programming and overall participation levels in sport and physical activity in the borough and to support other programmes for addressing health inequalities and impacts.

Decision information

Key decision number	746
Wards affected	All
Links to Council Plan priorities	To improve the health and well-being of people in Chesterfield Borough To reduce inequality and support the more vulnerable members of our communities

Document information

Report author	Contact number/email
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Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
N/A	
Appendices to the report	
Appendix A	Proposed Fees and Charges
Appendix B	Comparison of Fees and Charges for other service providers in the area
Appendix C	Equalities Impact Assessment

