

## For publication

### Sports Centre Fees & Charges report – April 2024 to March 2025

<b>Meeting:</b>	Cabinet
<b>Date:</b>	5.02.2024
<b>Cabinet portfolio:</b>	Health & Wellbeing
<b>Directorate:</b>	Leisure, Culture and Community Wellbeing
<b>For publication</b>	

#### 1.0 Purpose of the report

- 1.1 To ask Members to approve the proposed fees and charges for the period 2024/25, that relate to various activities and facilities provided within Queen's Park Sports Centre and the Healthy Living Centre.

#### 2.0 Recommendations

- 2.1 To approve the proposed fees and charges for sports centre activities as set out in in Appendix 1 with effect from 1 April 2024 until 31 March 2025.
- 2.2 To approve the proposed fitness membership fees for new customers, as set out within the proposed report Appendix 1 with effect from April 2024 until March 2025 and hold the current charges for existing members.
- 2.3 That approval is given to remove the racket sports inclusion from the Fitness Membership package and replace this with a racket only membership.
- 2.4 To delegate authority to the Service Director – Leisure, Culture and Community Wellbeing, in consultation with the Cabinet Member for Health and Wellbeing, to apply appropriate fees and charges to new activities that are introduced during the period covered by this report.
- 2.4 To delegate authority to the Service Director – Leisure, Culture and Community Wellbeing, in consultation with the Cabinet Member for Health and Wellbeing, to make changes to the approved fees and charges, if required

to stimulate usage, support the retention of customers, develop income and /or to respond to external forces.

### **3.0 Reason for recommendations**

- 3.1 To comply with the Council's Budget Strategy for recovering fees and charges to contribute to the costs of service delivery.
- 3.2 To balance the need between competitive pricing and maximising income alongside wider community wellbeing priorities.
- 3.2 To continue discretionary pricing to support the most vulnerable and given the range of current pressures maintaining existing concessions is an appropriate method of targeting support.

### **4.0 Report details**

#### **Approach to setting fees and charges**

- 4.1 The service has undertaken a full review of its current fees and charges in line with the newly adopted fees and charges policy, approved by Cabinet on 12 December 2023.
- 4.2 In accordance with the Medium-Term Financial Strategy, fees and charges are required to be reviewed on an annual basis to ensure that the cost of providing the service is recovered.
- 4.2 The Medium-Term Financial Plan is constructed on the basis that additional income will be generated from fees and charges. The process being followed for the review of income to be realised includes an assessment of each fee to identify how it meets the Councils strategic purposes and the level of increase that is proposed as well as taking account of present economic conditions. The fees have been based on a robust estimate of the impact of cost increases and demand within the services and the Councils overall financial position. This includes assessing the affordability of any of these increases to our residents and customers. Cost pressures and changes in demand include:
  - Increases in energy costs.
  - Inflationary increases resulting in increases in supplier costs and materials.
  - NJC Pay Claim for 2023-24 which has resulted in a higher than budgeted for pay increase for staff and a higher than anticipated for the budget period of 2024-25.

- Any specific service issues around cost increases or service usage.

### **Service specific context**

4.3 Setting the fees and charges for the Leisure Centres for the financial year 2024 / 2025 is one that needs to be sensitive to a range of factors that will influence customer choice at a time when all communities are being impacted by cost of living. Given the need to maintain income levels to support the sustainability of the services being delivered, in addition to the points above, the proposed fees and charges have reflected upon and considered the following.

- The need to develop income opportunities to work towards lowering the subsidy for the sports centres, including wider value for money considerations including accessibility, booking arrangements, service quality and customer / membership benefits.
- The level of fees and charges applied by neighbouring sports and leisure providers and the potential impact of local competition on centre use and membership. These can be found in Appendix 2.
- The Council's Concessions Policy aligned to the need to support addressing health inequalities in our communities, through a range of diverse programming activities.
- The need to fulfil customer expectations and develop and deliver new activities to support regular physical activity.
- To maintain the current high-quality facility which supports communities.
- To support the ongoing opportunities for investment in our sports facilities, including for example the refurbishments of Queens Park Sports Centre and Healthy Living Centre gym facilities programmed for spring / summer 2024.

4.4 The approach to fees and charges is consistent for both centres.

4.5 Each centre will deliver promotional opportunities to stimulate demand or to support the retention of customers. This will help ensure that the service remains relevant and a sustainable proposition to our customers.

- 4.6 A detailed review of local provider fees and charges has been undertaken, to provide suitable insight to inform our decision making regarding the proposed fees and charges for 2024 / 2025. These are attached within Appendix 2. Some operators with whom we have benchmarked apply new fees at the start of the calendar year and so the figures presented may change within the next couple of months.
- 4.7 The service has assessed its fees and charges utilising insight based on competitor analysis, risk of attrition and demand for services and facilities. The net effect of this approach is the recommendation to target specific activities associated with the highest cost of delivery and to apportion a fees and charges increase that maximises income and reduces subsidy.
- 4.8 The proposed fees and charges for 2024 / 2025 have been developed with full consideration for equality impact and the provisions of the Council's Concessions Policy. The Change4Life membership will continue to provide access to reduced fees and charges in line with the corporate concessions policy. There are concessionary prices applied for persons meeting the eligibility criteria as detailed within the Concessions Policy.
- 4.9 It is proposed to keep the current legacy prices for existing members in the financial year 1 April 2024 to 31 March 2025 to aid the retention of the current strong membership base. However, with rising costs of delivery and in recognition of the likely growth in demand resulting from new initiatives planned for 2024 / 2025 (including the full refurbishment of both centres gym facilities) it is recommended to uplift the prices for new members as detailed in Appendix 1 from 01.04.2024. Appendix 2 demonstrates that with the slight uplift, we would remain competitive within this marketplace given the facilities and programme offered. Appendix 3 is a further comparison that was conducted in January 2024. This highlights the various gym membership offerings from 8 service providers in and around the surrounding areas of Chesterfield that reinforces the suggested approach above.

#### **Rackets membership proposed changes.**

- 4.10 At present, all members receive racket sports included in their fitness membership and can currently use their membership to book courts in advance. When a member plays another member there is no charge payable as both players are members and receive the same membership benefits. However, if a member plays a non-member there is a charge payable of 50% of the total fee for the court. This presents the service with a number of issues:

- Through the services booking system, due to the nature of the current configuration of membership types to include racket sports; we have no control over the booking made online. Currently, and as part of their benefits, they can make multiple court bookings (simultaneous and back-to-back), thus limiting access and availability for other customers.
- When the member books online, they are expected to report to the reception, declare any players that are not members and pay for them accordingly (50% fee). Unfortunately, not all members do this which results in lost income. The service does conduct ad hoc court spot-checks, but this can only be achieved on an irregular basis and as a result does not act as a direct deterrent.

- 4.11 It is therefore proposed to change the current fitness membership configuration regarding racket sports and introduce a flat 50% fee for the court regardless of who the member is playing. Fitness members using this option will be able to easily reserve and pay for their booking online, with no need to visit the reception prior to their activity. In addition, and importantly, this would result in more income for the centre than is currently being lost with the current system, this additional income is estimated to be circa £20,000.
- 4.12 In addition, the service is proposing to introduce a new annual racket only membership (targeting those customers who only have a fitness membership to participate in racket sports) with an annual charge of £120. This will allow individuals to book courts online with the 50% charge for the court/activity as outlined above. We feel that this is a necessary step to avoid potential cancellations from fitness members that currently hold a membership that is predominantly used for racket sports.
- 4.13 By introducing this approach, the process of booking courts will be much more user friendly, as everyone will be able to book and pay online with no requirement for additional fees to be paid at reception. All courts will be booked and paid for in advance, so that the customer can then turn up and head straight to their court.
- 4.14 Furthermore, it will enable the service to further unlock the benefits of the new digital customer relationship management system, which in turn would enable a review of moving to a concierge model, and the potential for

operational cost savings; as a result, it is recommended that this new approach is taken.

## **5.0 Alternative options**

- 5.1 The Council can set the level of charge for each discretionary services but must have regard to the 2003 statutory guidance (General Power Best Value).
- 5.2 The Council has a legal duty to set a balanced budget for 2024/25 the recommendations in this report will generate additional income which will help towards a balanced position for 2024/25.

## **6.0 Implications for consideration – Financial and value for money**

- 6.1 Targeting specific fees and charges associated with the highest costs of delivery is an effective way of supporting the council in working towards a balanced budget.
- 6.2 The price comparison as shown in Appendix 2 shows Chesterfield Borough Council pricing compared to our nearest districts and boroughs and as a result this reflects continued value for money.
- 6.3 The proposed fees and charges as outlined in Appendix 1 together with the introduction of the racket sports membership is anticipated to realise a net income growth for 2024/2025 of circa £348,000.

## **7.0 Implications for consideration – Legal**

- 7.1 There are no specific legal implications resulting from the recommendations within this report.

## **8.0 Implications for consideration – Human resources**

- 8.1 There are no specific human resources implications resulting from the recommendations within this report.

## **9.0 Implications for consideration – Council plan**

- 9.1 In preparing the budget estimates for the coming financial year and updating the MTFP, detailed consideration has been given to the need for the Council's finances to be at appropriate levels to enable the Council to deliver in full on

the priorities, objectives, and commitments that it has set itself within the new Council Plan 2023 - 2027.

9.2 The preparation of sustainable and balanced budgets over the medium term is also a key activity in contributing to delivery of the third Council Plan priority 'building a more resilient council'.

9.3 In taking a sensitive and targeted approach to fees and charges this reflects well against the council's priority to improving the quality of life for local people.

### **10.0 Implications for consideration – Climate change**

10.1 Following a review of this report with the Climate Change Officer it is concluded that this is no impact.

### **11.0 Implications for consideration – Equality and diversity**

11.1 An equality impact assessment has been undertaken and there are no disproportionate impacts on protected characteristics, details contained in Appendix 4.

### **12.0 Implications for consideration – Risk management**

12.1 There is a risk that an increase in charges above those recommended could have a negative impact on usage and therefore income. The proposed charges have been carefully considered and as a result will ensure the leisure centres and the services, they offer remain competitive, market focussed, relevant and sensitive to customer needs.

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Economic conditions resulting in reduced customer demand	High	Medium	Proposed fees and charges have been assessed based upon market conditions and price sensitivity. In addition, the service will utilise marketing, promotion and retention planning to ensure that	High	Low

			both centres remain accessible and affordable.		
Competition	High	Medium	<p>Benchmarking with other operators.</p> <p>Pricing and packages for services to offer value for money.</p> <p>Robust retention and promotion plans.</p> <p>Monitoring of external market environment.</p> <p>Continued development of a varied activity programme in line with industry trends and with key stakeholders and partners.</p> <p>Proactive outreach to create potential interest.</p> <p>Ongoing staff training to support good customer service to aid retention.</p>	High	Low
Exclusion of groups	Medium	Low	<p>Accessible usage and concession policy in place.</p> <p>Engagement of community through partnership working and consultation.</p> <p>Flexible fees to attract various users to help become established.</p>	Low	Low

### Decision information

<b>Key decision number</b>	<i>All key decisions must be in the Forward Plan at least 28 days in advance. There are constitutional consequences if an item is not in the Forward Plan when it should have been. Contact Democratic Services if in doubt.</i>
<b>Wards affected</b>	<b>All</b>



## Document information

<b>Report author</b>	
Stefan Joyce, Leisure Services Manager – Leisure, Culture and Community Wellbeing	
<b>Background documents</b>	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
N/A	
<b>Appendices to the report</b>	
Appendix 1	Proposed Fees and Charges 24 /25
Appendix 2	Fees and Charges Comparison Dec 23
Appendix 3	Chesterfield and surrounding areas gym membership price comparison Jan 24
Appendix 4	Equality Impact Assessment