

For publication

Fees and charges leisure centres (HW000)

Meeting:	Cabinet
Date:	15 December, 2020
Cabinet portfolio:	Health and Wellbeing
Directorate:	Leisure, Culture and Community Wellbeing

1.0 Purpose of the report

1.1 To ask Members to approve the proposed fees and charges for the period 2021/22, that relate to various activities and facilities provided within Queens Park Sports Centre and Staveley Healthy Living Centre as referenced in Appendix two.

2.0 Recommendations

2.1 That Members approve the proposed fees and charges as defined in Appendix two with effect from 1 April 2021 until 31 March 2022.

2.2 That the Assistant Director – Health and Wellbeing through delegated authority with the Portfolio Holder for Health and Wellbeing applies appropriate fees and charges to new activities that are introduced during the period covered by this report.

2.3 Where there are promotional opportunities to stimulate usage, support the retention of customers and /or to respond to external market forces that the Assistant Director – Health and Wellbeing through delegated authority with the Portfolio Holder applies appropriate fees and charges to maximise these opportunities.

3.0 Reasons for recommendations

3.1 In accordance with the Council`s Financial Regulations, it is necessary for all fees and charges to be reviewed annually.

- 3.2 General principles that govern the Councils approach to fees and charges include;
- 3.2.1 To make a charge wherever non-statutory services benefit an identifiable group as opposed to the entire community.
- 3.2.2 Fees and charges should aim to recover at least the full cost of the service except where; there is an opportunity to maximise income, or Members determine a reduction or subsidy should be made for a specific reason.
- 3.2.3 That where charges are reduced from full cost the reason for that reduction is reviewed periodically to ensure it remains valid.
- 3.2.4 People of low income and / or suffering disadvantage through poverty or social exclusion may be charged less to ensure equal access.
- 3.3 The service is committed to delivering affordable and accessible opportunities to engage in physical activity to support the Council's priority of improving health and wellbeing outcomes and reducing inequalities. In light of the current pressures facing communities as a result of Covid-19, it is appropriate to limit any additional financial burden placed upon our communities through maintaining the targeted approach to fees and charges increases that the authority has taken over the past five years.
- 3.4 Chesterfield has significant areas of deprivation and our leisure centres provide a variety of programmes and initiatives that contribute to promoting health and wellbeing for our communities. This necessitates the need for discretionary pricing to support the most vulnerable and given the range of current pressures maintaining existing concessions is an appropriate method of targeting support.
- 3.5 The leisure centres alongside all council services continue to work under economic pressures. There is increasing competition locally with low level fees for access to services due to their operating model. This competitive landscape influences the ability of the service to change its fee structure and as a result of this the service is recommending the continuation of targeted fees and charges changes, focussing on higher cost service delivery areas and those for which there remains a significant pressure relating to supply and demand. The sport and

leisure service is keen to mitigate any negative impacts upon income generation from an excessive and non-targeted fees and charges increase for 2021 / 2022.

- 3.6 It is appropriate for the Council to take a commercial approach to service delivery. The need for a balance between competitive pricing, maximising income and community wellbeing priorities will be maintained in the approach to fees and charges outlined within this report.
- 3.7 The service will develop its customer relationship through increasing the use of digital technology to ensure that our payment options for customers are suitable and sufficient to ensure continued good customer care.
- 3.8 Benchmarking has been undertaken to identify charges applied by other sport and leisure providers. This helps to provide some context and background as to the rationale that the service has applied to its proposed fees and charges for 2021 / 22. These are presented in Appendix one.

4.0 Report details

- 4.1 Setting the fees and charges for the Leisure Centres for the financial year 2021 / 2022 is one that needs to be sensitive to a range of factors that will influence customer choice at a time when all communities have been impacted upon by Covid-19. Given the need to maintain income levels to support the sustainability of the services being delivered the proposed fees and charges have reflected upon and considered the following;

4.1.1 The need to develop income opportunities to work towards lowering the subsidy for the leisure centres, including wider value for money considerations including; accessibility, booking arrangements, service quality and customer / membership benefits.

4.1.2 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, please refer to Appendix one.

4.1.3 The Council's Concessions Policy aligned to the need to support addressing health inequalities in our communities.

- 4.1.4 The need to fulfil customer expectations and develop and deliver new activities to support regular physical activity.
- 4.2 The approach to fees and charges is consistent for both centres without any areas of market differential.
- 4.3 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.
- 4.4 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 2021 / 2022. These are attached within Appendix one.
- 4.6 The service has assessed its fees and charges utilising insight based on competitor analysis, risk of attrition and demand for services and facilities and the potential longer-term negative impacts of Covid-19 on communities' health and financial wellbeing. 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 achieves the expected income increase as outlined within the Councils medium term financial plan for 2021 / 22. Details of the proposed fees and charges are contained within Appendix two.
- 4.7 The proposed fees and charges for 2021 / 2022 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.

5.0 Alternative options

- 5.1 There were alternative options considered which included a fixed percentage increase on all fees and charges and a higher fixed percentage increase to deliver additional net gain. These were rejected due to risks associated with adversely affecting demand given market

forces and local competition that are likely to be in place as a result of Covid-19.

- 5.2 The option of only increasing a targeted number of fees and charges to deliver the anticipated fees and charges growth as outlined within the Councils` medium term financial plan for our leisure centres was deemed to be the most appropriate action to take from April 1 2021; given the need to balance the requirements of the Councils approach to fees and charges as outlined in section 3.2 of this report, the need to ensure a sustainable service and the market pressures that exist as a result of the Covid-19 pandemic.

6.0 Implications for consideration – Council Plan

- 6.1 The recommendations within this report underpin the values of the council with specific reference to being customer focussed.
- 6.2 In taking a very sensitive and targeted approach to fees and charges this reflects well against the council's priorities with specific reference to improving the quality of life for local people and two key areas of helping our communities to improve their health and wellbeing and reducing inequality and providing support to vulnerable people.

7.0 Implications for consideration – Financial and value for money

- 7.1 Targeting specific fees and charges associated with the highest costs of delivery to achieve the income expectation from the councils medium term financial plan is an effective way of supporting the council in delivering a balanced budget; whilst recognising the challenges that the Covid-19 pandemic has placed upon our leisure centre customers.

- 7.2 The price comparison as shown in appendix one shows Chesterfield Borough Council pricing compared to our nearest districts and boroughs and as a result this reflects continued value for money.

- 7.3 The proposed fees and charges as outlined in Appendix two, does not present the council with any specific financial implications, as they support the expectations outlined within the medium-term financial plan.

8.0 Implications for consideration – Legal

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

9.0 Implications for consideration – Human resources

9.1 There is a potential implication that increasing fees and charges above the level recommended within this report will result in reduced customer demand for the services provided at the leisure centres and as a result the centres may not need the volume of staff currently engaged.

10.0 Implications for consideration – Risk management

10.1 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
Severe economic conditions	High	Medium	Recommended pricing has been selected to reflect the economic conditions expected as a consequence of the ongoing impact of Covid-19. The service will develop its retention planning to ensure that both centres remain a feasible option for residents of the Borough.	High	Low

			<p>Building a quality and attractive programme developing targeted activities towards specific community groups.</p> <p>Regular review of financial performance.</p> <p>Ongoing staff training to support good customer service to aid retention.</p>		
Competition	High	High	<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	Medium

Exclusion of groups	Medium	Low	Accessible usage and charging schemes in place. Engagement of community through partnership working and consultation.	Medium	Low
---------------------	--------	-----	---	--------	-----

11.0 Implications for consideration – community wellbeing

11.1 The provision of affordable leisure facilities as recommended within this report, is at the heart of supporting communities to engage in a range of physical activity opportunities to promote and enable the maintenance and development of physical and emotional health.

12.0 Implications for consideration – Economy and skills

12.1 In adopting the fees and charges as outlined in Appendix two it is anticipated that this will support the economic wellbeing of our communities through the sensitive and targeted nature by which the proposed changes to fees and charges have been applied.

12.2 In maintaining high levels of demand for the leisure centre services, the authority will be able to continue to provide; employment opportunities especially for young people, training and learning opportunities through the leisure centres volunteer programme and their first aid and national pool lifeguard training programmes.

13.0 Implications for consideration – Climate Change

13.1 Whilst there are no specific implications in relation to this fees and charges report for the Councils climate change action plan, the leisure team will continue to identify opportunities to enhance delivery in a sustainable way.

14.0 Implications for consideration – Equality and diversity

14.1 A preliminary Equality Impact assessment has been completed and no group is anticipated to face a negative impact as a result of the

targeted approach outlined within the report and the maintenance of the services approach to concessionary pricing.

Decision information

Key decision number	988
Wards affected	All

Document information

Report author	
<i>Ian Waller, Service Director - Leisure, Culture and Community Wellbeing</i>	
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix 1	Fees and charges comparison
Appendix 2	Proposed fees and charges 2021-2022