

For publication

Sports Centre Fees & Charges report – April 2022 to March 2023

Meeting:	Cabinet
Date:	14 th December 2021
Cabinet portfolio:	Health and Wellbeing
Directorate:	Leisure, Culture and Community Wellbeing
For publication.	

1.0 Purpose of the report

- 1.1 To ask Members to approve the proposed fees and charges for the period 202/23, that relate to various activities and facilities provided within Queens Park Sports Centre and Staveley Healthy Living Centre as referenced in Appendix one (A.)

2.0 Recommendations

- 2.1 That Members approve the proposed fees and charges as defined in Appendix one (A) with effect from 1 April 2022 until 31 March 2023.
- 2.2 That the Service Director – Leisure, Culture and Community 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 Service Director – Leisure, Culture and Community Wellbeing through delegated authority with the Portfolio Holder applies appropriate fees and charges to maximise these opportunities.

3.0 Reason for recommendations

- 3.1 In accordance with the Council`s Financial Regulations, it is necessary for 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. Considering pressures that communities still face because 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 are working under increased economic pressures. There is significant competition locally with low level fees for access to services due to their operating model. This creates a competitive landscape impacting on the ability of leisure services to adapt its fee structure. Due to this the service is recommending the continuation of targeted fees and charges across its

range of activities, reflecting high costs in service delivery and for those activities for which there remains a significant pressure relating to supply and demand. The sport and leisure service are keen to mitigate any negative impacts upon income generation from an excessive and non-targeted fees and charges increase for 2022 / 2023.

- 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. This is evident in the work done recently to procure new services such as a Leisure Management Software system that can support the leisure services over the next five years and beyond.
- 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 2022 / 23. These are presented in Appendix two (B).

4.0 Report details

- 4.1 Setting the fees and charges for the Leisure Centres for the financial year 2022 / 2023 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. The impact of the Covid pandemic is still very real and will be for some time. 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 two (B.)

- 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.
- 4.1.5 The choices available to people living in the borough, particularly those that have become popular during the covid pandemic.
- 4.2 The approach to fees and charges is consistent for both centres without any areas of market differential.
- 4.3 The approach to fees and charges is consistent for both centres without any areas of market differential.
- 4.4 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.
- 4.5 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 2022 / 2023. These are attached within Appendix two (B.) 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.
- 4.6 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.
- 4.7 The proposed fees and charges for 2022 / 2023 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 because 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 was deemed to be the most appropriate action to take from April 1 2022 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 budget and the market and budget pressures that exist as a result of the Covid-19 pandemic.

6.0 Implications for consideration – Financial and value for money

- 6.1 Targeting specific fees and charges associated with the highest costs of delivery to achieve the income expectation is an effective way of supporting the council in working towards a balanced budget; whilst recognising the challenges that the Covid-19 pandemic has placed upon our leisure centre customers.
- 6.2 The price comparison as shown in appendix two (B) 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 one (A) does not present the council with any specific financial implications.

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 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.

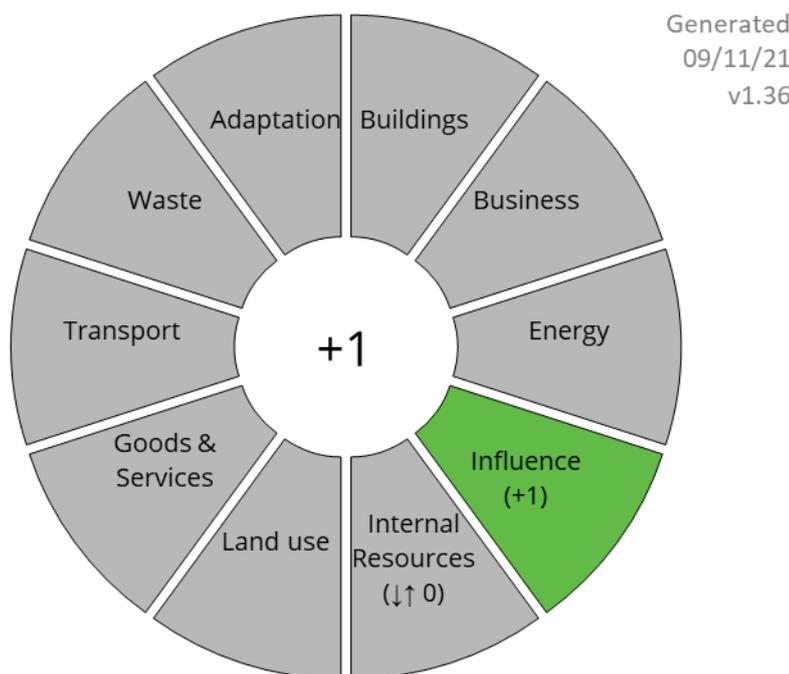
9.0 Implications for consideration – Council plan

9.1 The recommendations within this report underpin the values of the council with specific reference to being customer focussed. In addition they fulfil the priority regarding value for money within the council plan, specifically VFM item 8 namely - responding to and developing plans for re-engaging communities with leisure and cultural facilities to maximising customer safety, health, wellbeing and value for money.

9.2 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.

10.0 Implications for consideration – Climate change

10.1 A climate change impact assessment has been undertaken and there is no negative impact, rather a small positive one relating to influence.



Chesterfield Borough Council has committed to being a carbon neutral organisation by 2030 (8 years and 1 months

11.0 Implications for consideration – Equality and diversity

11.1 A preliminary equality impact assessment has been undertaken and there are no requirements to complete an equality impact assessment. There are no implications for consideration.

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	High	Medium	The impact of Covid-19 is still significant, particularly any economic impact, and so the pricing has been developed. The service is developing a plan to include three to five year from now to recover from Covid and reduce any subsidy to the council. Marketing, promotion, retention planning, etc. will develop to ensure that both centres remain a feasible option for residents of the Borough. Funding opportunities will be pursued for initiatives to integrate with users of	High	Low

			<p>the centre through targeted activities.</p> <p>Regular review of financial performance is carried out monthly.</p> <p>Ongoing staff training to support good customer service to aid retention.</p>		
Competition	High	High	<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	Medium
Exclusion of groups	Medium	Low	<p>Accessible usage and charging schemes 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>	Medium	Low

Decision information

Key decision number	1060
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Wards affected	All
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Document information

Report author	
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Appendices to the report	
Appendix 1 (A)	Fees and charges 22 - 23
Appendix 2 (B)	Fees and charges comparison Nov 21