

Leisure Service Pricing Schedule Proposals 2024

Purpose

- 1.1 To provide an update on the 2024 pricing proposals for Leisure Centres and relevant leisure partners.
- 1.2 To seek approval to implement the proposals.

Recommendation(s)

- 2.1 To approve the principles of the changes proposed to the leisure pricing structure and charges to be implemented from:
 - 1 January 2024 Leisure Operating Partner (Everyone Active) prices.
 - 1 January 2024 Leisure (Derby Active) prices.
- 2.2 To delegate authority to the Strategic Director for Place, in consultation with the Cabinet Member for City Centre, Regeneration, Culture & Tourism, to agree further changes to memberships, fees and charges if appropriate during 2024, to ensure the services maximise income generation opportunities and are able to be responsive to other implications for the business.

Reason(s)

- 3.1 To maximise the income potential for the Council, whilst still maintaining value for money for the residents of and visitors to Derby.

Supporting information

- 4.1 The Leisure Service (Place Directorate) annually reviews its fees and charges across a range of services. This is to ensure that the fees and charges where applicable reflect the cost of delivering services, considering comparator rates for these services in the sector, ensure that inflationary cost increases are taken into account and to enable budget income targets to be achieved.
- 4.2 Taking the above into account during the analysis of the pricing review, the approach has been to consider an inflationary increase of between 3% and 5% on the fees and charges for the activities listed in paragraph 4.3. Where appropriate, prices have been rounded to assist customers and staff and to aid marketing.

Significant variations are listed below at 4.4 and are also found in Appendix 1.

Typical reasons for variances may include that there is the case for the proposed charge to better reflect market conditions, the quality of the offer and/or to optimise access and usage, as well as the potential to increase gross income whilst maintaining good value for money.

- 4.3 The annual inflationary increase, and a decrease, or price freeze, to fees and charges will be applied to the following activities across Leisure Centres and its' Partner organisation, Everyone Active.
- Pay as you play sports activities.
 - Memberships.
 - Facility space hire and block bookings.
 - Coaching courses.
 - Track cycling.
 - Sports Pitch hire and booking.
 - Everyone Active core prices.
- 4.4 Examples of where there has been a significant variance from the 3% to 5% increase include the following activities where it is proposed not to increase the price:
- Leisure Card scheme prices (Derby Active and Everyone Active).
 - Outdoor courts (Springwood Leisure Centre).
 - Certain leisure "Pay as you play" Standard and Junior.
 - Indoor cycling (Derby Arena).
 - Infield and studio hire (Derby Arena).
 - Non-commercial events & Meeting rooms (Derby Arena).
 - Everyone Active core prices.
- 4.5 The proposed 2024 inflationary price increases are outlined in Appendix 1. The specific prices have been checked by the Finance team before being submitted for approval at the Cabinet Member Meeting.
- 4.6 **Derby Arena**
- 4.6.1 Non-Commercial event and Infield prices
- 4.6.1.1 To simplify the pricing strategy for Derby Arena, it is proposed to delete the non-commercial event pricing, as detailed in Appendix one.
- 4.6.1.2 These prices will be replaced with the current infield and studio hire prices.
- 4.6.1.3 The infield prices for multiple hires of infield halls have been realigned to be match the number of halls being hire. For example, the hire of two infield halls is now the twice the cost of the hiring one hall. This has resulted in some prices reducing as detailed in Appendix 1.
- 4.6.2 Track Cycle prices

- 4.6.2.1 Track cycle prices have been benchmarked against the other velodromes to ensure Derby's prices are comparable. Following the benchmarking the British Cycling Club prices have not been increased. To do so would make Derby's track hire prices higher than the other providers. This could also have an adverse effect on participation.

4.7 **Partnership Prices**

- 4.7.1 In January 2022, the Council appointed Everyone Active (EA) as its' Leisure Operating Partner for Moorways Sports Village, including Moorways Stadium.
- 4.7.2 As part of the management contract the Council set, four core prices for certain activities, which it will review annually with the Operator. The core prices are for:
- Learn to Swim – 30-minute lesson.
 - Full Health and Fitness membership.
 - Pay as you go standard swimming.
 - Pay as you go standard water park.
- 4.7.3 As part of this pricing review, EA has made a proposal to increase the prices of the four core activities detailed in 4.9.2. These are detailed in Appendix 1.
- The rationale for the proposed price increases are to help mitigate the some of the risk and impact of the utility price increase experience over the previous and current year.
- 4.7.4 Everyone Active have undertaken a competitor benchmarking exercise of providers within a 15-minute drive time of Moorways Sports Village to support their price proposals.
- 4.7.5 The Operator is free to set these prices for all other activities, services and memberships set out in the contract, other than key core prices, providing that a concessionary scheme is offered at the Facilities and for the Active Communities Programme. Charges for facilities, activities and services not set out in the contract are at the Operator's discretion provided they do not in any way inhibit the achievement of the Local Authority's Strategic Priorities for the service.
- 4.7.6 In line with their proposed price increase, Everyone Active will continue to adapt their approach to all marketing initiatives with flexible joining options and partner incentives. These will include two months free, when joining on an annual membership, no contractual tie in for direct debit customers, 14-day money back guarantee on all memberships and Everyone Active card holders receiving 20% discount of our café.

More importantly though, these prices increase underpin our abilities to deliver the principles of equality with an access "for all approach." We will continue to build on the number of free memberships we provide directly to community groups such as Jericho House, Parkinson groups, Children in care and many more.

4.8 Artificial Grass Pitch at Moorways Sports Village

- 4.8.1 The Council is working in partnership with Everyone Active and the Football Foundation to replace the current synthetic pitch and pitch floodlighting at Moorways Stadium with a new Artificial Grass Pitch (3G).
- 4.8.2 Work on the new pitch is expected to commence early in the next financial year and be completed by the end of summer.
- 4.8.3 The new pitch will be larger than the current pitch with a different configuration of and pitch layout.
- 4.8.4 As a result, the prices current charges for the synthetic pitch, as detailed in Appendix 5 of the Moorways Sports Village management contract will be deleted and replaced with a new set of prices. The exact date of this will be determined by the opening date of the new facility.

The new prices are detailed in Appendix one – Leisure Partnership tab.

- 4.8.5 It is important to note that these new prices have been benchmarked and are in line with the pricing model and the racecourse ATP development.

Public/stakeholder engagement

- 5.1 Existing holders of any relevant memberships will be given up to four weeks' notice of price changes in line with standard terms and conditions of membership.
- 5.2 Information on price changes will be displayed within facilities up to four weeks prior to the changes being implemented.

Other options

- 6.1 There are options to reduce or increase the inflationary increase, however the pricing structure and charges proposals have been developed to provide value for money to Derby residents and an attractive offer to people living outside the city.

Financial and value for money issues

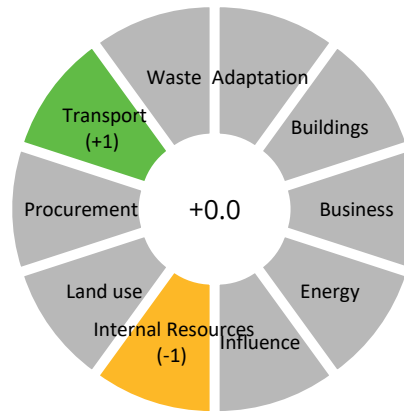
- 7.1 The pricing schedule is informed by benchmarking exercises with other local authorities as well as with other local, regional and national service and facility providers and represents value for money for Derby residents.
- 7.3 The proposals ensure that the facilities are affordable including those on low incomes and the most financially disadvantaged in the city.

Legal implications

- 8.1 An Equality Impact Assessment has been completed and attached at Appendix 2 of this report.

Climate implications

- 9.1 A climate impact assessment has been completed, as shown below.



- 9.2 The Internal Resources segment shows a negative impact from a climate impact perspective. This is due to the need to print and post price change letters to direct debit customers.

Customer price change posters are printed and displayed in site. Again, to reduce this as far as possible, price information will be displayed on Derby Active and Everyone Active websites and Apps.

- 9.3 The transport segment shows a positive impact from a climate impact perspective. This is due to the work to change the prices is undertaken by colleagues during their normal working hours. The work will take approximately two colleagues one day to conduct this work, with the work being able to be undertake in their normal place of work or at home.

Socio-Economic implications

- 10.1 The Leisure service is aware of the importance that regular exercise can have on an individual's physical and mental health wellbeing and as such it looks to use its pricing policy to reduce inequality in access to sport, physical and health activities caused by socio-economic disadvantages.
- 10.2 Residents and non-residents are able to obtain discounted prices on a range of pay as you go activities through the Leisure card and Recreation Leisure card schemes. The discounts are detailed in Appendix 1. The Leisure card and Recreation Leisure card schemes also provide discounts on certain activities at Derby City Council facilities managed by Everyone Active.
- 10.2.1 The Leisure card scheme provides discounted activities to the following groups:
- Resident – adults and juniors receive a 20% discount on the standard Leisure Centre Pay as you go prices.
 - Non-resident – adults and juniors receive a 10% discount on the standard Leisure Centre Pay as you go prices.
 - Family – families living in Derby can receive a 20% discount on the standard Leisure Centre Pay as you go prices, with families living outside the city receiving a 10% discount.

- Concessionary – Residents who live within the city in the following categories receive a 40% discount on the standard Leisure Centre Pay as you go prices. Residents aged over 65 years, disabled residents, unemployed and full-time students.

10.2.2 The Recreation Leisure card provides discounted activities, at a substantially discounted price for adults and juniors, for certain activities as detailed in Appendix 1. This includes racket sports. Card holders also receive the concessionary prices on all other pay as you go activities.

Residents who live within the city in the following categories can purchase a Recreation Leisure card:

- Residents over 18 and in receipt of universal credit. There are some exclusions which apply.
- An unemployed school leaver between 16 and 18 years old.
- Disabled residents claiming Disability Living Allowance, Incapacity Benefit or Carer's Allowance.
- Volunteers through the European volunteer services.
- Unemployed asylum seekers.
- Derby City Council foster carers, their children and foster children.
- Residents receiving Guaranteed Pensions Credit.

10.2.3 Further information on the Leisure card and Recreation Leisure card schemes can be found at [Leisure Card terms and conditions](#).

10.3 The Derby Active health and fitness membership scheme, offers a range of price points dependant up on an individual's circumstance, these include fulltime students, those customers falling within our concessionary categories, including over 75's.

Members also received discounted hire rates for a range of other activities.

10.4 Leisure Centre prices includes reduced prices for juniors and also those customers falling within our concessionary categories.

Other significant implications

11.1 None arising from this report

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	31.10.23
	Janice Hadfield, Head of Finance	08.11.23
Finance		
Service Director(s)		
Report sponsor	Catherine Williams – Acting Director City Growth and Vibrancy	31.10.23
Other(s)	Robbie Kerr, Head of Culture and Leisure	18.10.23
	Cait Aldridge, Commercial Manager, Derby Arena	09.10.23
	Mark Williamson, Health & Operations Manager, Derby Arena	12.10.23
	Stuart Bailey, Springwood Leisure Centre Manager	14.10.23
	Simon Morgan, Contract Manager (Everyone Active)	10.10.23

Background papers:	Appendix 2 Equality Impact Assessment
List of appendices:	Appendix 1 Culture and Leisure Service – Leisure Services Pricing Schedule 2024