

**4 December 2015**

Report of the Acting Strategic Director for  
Communities and Place

## **Leisure & Culture Pricing Schedule Proposal for 2016/2017**

### **SUMMARY**

- 1.1 The Communities and Place Directorate annually reviews its fees and charges across the range of services. This is to ensure that the fees and charges where applicable reflect the cost of delivering services, take into account comparator rates for these services within the sector, ensure that inflationary cost increases are taken into account, and that budget income targets are achieved.
- 1.2 Taking the above into account during the analysis of the pricing review information, the fees and charges for the activities listed in paragraph 1.3 on the whole have only been increased by the annual inflationary increase of 5%. Where notable variations to this are proposed these are highlighted in Appendix 2, with an explanation as to the reasons and case for proposing a different charge to the 5%. Typical reasons may be that there is a case that the proposed charge will better reflect market conditions and has the potential to increase gross income whilst maintaining good value for money. Equally, there may be a case to maintain or reduce a price in order to retain income share in the current market.
- 1.3 The increase to fees and charges will be applied to the following activities across Leisure Centres, Parks and Events;
  - Pay as you play activities
  - Learn to Swim and Education swimming
  - Sports Centre space hire and block bookings
  - Coaching courses
  - Fitness memberships and leisure cards
  - Track cycling
  - Events
  - Car Parking
  - Mundy Play Centre
  - Sports Pitch hire and bookings
  - Golf and Pitch and Putt
- 1.4 This report proposes to change the date for the introduction of the price changes. Historically, on the whole, the Council has introduced annual price increases from 1

April each year. It is proposed to introduce the inflationary increases in Leisure from 4 January 2016 and to inform customers from 4 December 2015 of the changes to prices. Price changes for memberships are covered in the standard terms and conditions of membership which state that “We will give you four weeks’ notice in writing of any increase in the price of a bfit membership paid for by monthly Direct Debit. You can cancel your bfit membership without penalty if you decide not to continue membership at the new price.”

The benefits of informing customers and introducing price increases from 4 January are outlined below. The changes:

- Allow the service to effectively utilise the New Year period to market new programmes that are launched over the January period.
- Provide the opportunity to increase income by launching new pricing charges at the same time as launching new products and programmes over the New Year period.
- Negate the negative impact of the timing of the historic price increases to new Health and Fitness members gained during the first quarter of the year as this is a time when most new members join.
- Bring forward the approval for charging much earlier and this avoids potential clashes with purdah.
- Create the flexibility to promote the annual price increases that will take into account the seasonal demand for activities.

1.5 The plan would be to publicise the new charging schedule prior to January, though it is recognised that specific seasonal activities; such as Football, Golf, and Car Parking etc; where it still makes sense to introduce the inflationary increase from the 1 April will still be the case.

1.6 It is anticipated that a further report will be submitted for consideration, early in 2016, that will make recommendations on the development of the Council’s overall Health and Fitness offer. Subject to an appropriate Equalities Impact Assessment and the necessary approvals, the aim would be to re-launch the Council’s Health and Fitness offer from the 1 April 2016.

<b>RECOMMENDATION</b>
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2.1 To note the benefits of introducing the new charging schedule from 4 January 2016 and to approve the principles of the approach being adopted in January 2016 and for future years until any further review is proposed.

2.2 To approve the principles of the changes proposed to the leisure pricing structure and charges to be implemented from 4 January 2016 and for the seasonal activities from 1 April 2016.

- 2.3 To note that the specific price increases have been sample checked by the Finance team before being submitted for approval at the Cabinet Member Meeting.

## REASONS FOR RECOMMENDATION

- 3.1 To establish a consistent approach to the pricing structure and introduce the inflationary charges at the best time to market new leisure products and programmes and to maximise the gross income potential for the Council.
- 3.2 To implement a schedule that still retains a concessionary pricing structure which targets people on low income and the most financially disadvantaged people living in the city, ensuring that the facilities are accessible and affordable to everyone.

## SUPPORTING INFORMATION

- 4.1 The proposed 2016/17 inflationary price increases are outlined in Appendix 2. These have been sample checked by the Finance Team before being submitted for approval at the Cabinet Member Meeting.
- 4.2 Explanations for the notable variations to the 5% inflationary increase are outlined in Appendix 2.

## OTHER OPTIONS CONSIDERED

- 5.1 There are options to reduce or increase the 5% 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.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Olu Idowu, Head of Legal Amanda Fletcher, Head of Finance  Claire Davenport, Director of Leisure, Culture and Tourism. Wayne Sils, Facilities Development Manager
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Ed Green, Marketing and Business Development Manager on tel. 01332 255442 or email <a href="mailto:egreen@derby.gov.uk">egreen@derby.gov.uk</a>  Appendix 1 Implications Appendix 2 Leisure Pricing 2016/17 Variations

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<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The pricing is based on a comprehensive benchmarking exercise that was undertaken in 2014/2015 against neighbouring local authorities and represents value for money for Derby residents.

**Legal**

- 2.1 Existing holders of memberships will be given 4 weeks' notice of price changes in line with the standard terms and conditions of membership. Depending on the nature of the information known and held in relation to patronage of facilities by persons from any known equality strands, consideration of the need to undertake an equality impact assessment is advised.

**Personnel**

- 3.1 None arising from this report

**ICT**

- 4.1 None arising from this report

**Equalities Impact**

- 5.1 The proposals ensure that people on low incomes and the most financially disadvantaged in the city ensuring that the facilities are affordable to everyone.

**Health and Safety**

- 6.1 None arising from this report

**Environmental Sustainability**

- 7.1 None arising from this report

**Property and Asset Management**

- 8.1 None arising from this report

**Risk Management**

9.1 None arising from this report

### **Corporate objectives and priorities for change**

10.1 The proposals link into the Council Plan priorities of - all people in Derby will enjoy good health and wellbeing, an active cultural life and good quality services that meet local need.