

AGENDA ITEM NO.9

CABINET

Date 15 DECEMBER 2011

Title LEISURE SERVICES FEES AND CHARGES 2012

SUMMARY

This report outlines recommendations with respect to leisure services fees and charges for 2012.

KEY ISSUES

Leisure Service Fees and Charges

Leisure service fees and charges are changed in January each year. In 2011 the fee structure changed considerably;

- Pricing became single tier and far simpler than the previous 2 tier scheme
- A points reward scheme was introduced, replacing a discount scheme
- The concession age was raised to 65 years
- Leisure Centre members aged over 65 no longer received discounted access to the facilities after 4.30pm
- All under 5's charged £1 to swim, previously free
- Fees rose across the board to accommodate the 2.5% VAT rise

Despite the economic downturn, the leisure service has managed to sustain income levels. The prices charged by the service are already at the market level, with any significant increase in prices likely to lead to fewer participants and reduced income levels.

In order to consolidate the changes introduced in 2011, it is recommended that prices should generally be maintained at the current levels, with inflationary increases applied to those activities that are less price sensitive.

The Overview and Scrutiny Panel considered this report on 28 November 2011. The Panel's recommendation was not to increase any leisure fees and charges for 2012. If adopted by Cabinet, the Overview & Scrutiny recommendation is estimated to have negative financial impact of around £30,000 on revenue estimates, compared to the fees and charges proposals set out in Appendix C.

RECOMMENDATION

1. That Cabinet notes the recommendation made by the Overview & Scrutiny Panel on 28 November 2011, not to increase leisure fees and charges for 2012.
2. That Cabinet determine if the proposed leisure fees and charges for 2012, as set out in Appendix C, should be adopted.

Wards Affected	All
Portfolio Holder	Cllr John Clark - Portfolio Holder, Quality Organisation Cllr Steve Garratt – Portfolio Holder, Leisure
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1 Background

1.1 Leisure Services

- Fenland operates three leisure centres based in Whittlesey, Wisbech and March. Attendances are approximately 750,000 visits per year.
- There is spare capacity in each centre to accommodate more users during the daytime.
- The leisure service is a discretionary service, provided by the Council for the benefit of the community.
- Customers are, on the whole, pleased with the service that they receive and are happy to recommend the service to a friend or colleague.

1.2 Fees and Charges

Please see Appendix C for the proposed charges.

1.3 Budget Position

Fees and charges levied for use of the leisure centres contribute towards reducing the running cost of the service. The net position is a deficit, however the cost of running the centres should be considered in conjunction with the number of customer visits.

1.4 Income Trends

Leisure service income has been maintained, despite the economic challenges, over the past few years. The table below illustrates recent income levels.

	2009-2010	2010-2011	2011-2012 Original
Income	-1,844,307	-1,839,898	-1,917,110

Despite the wide ranging changes to the fees and charges that took place in 2011, at month 7 of the current financial year, total income is £19k (1.7%) below budgeted levels. The leisure team continues to focus on marketing the service and maintaining customer satisfaction.

This years income performance is illustrated below:

	Approved budget	Expected income to 31 October 2011	Actual income to 31 October 2011	Variance
Income 2011 / 2012	1,917,110	1,135,138	1,115,815	19,332

2 Key Issues

2.1 General Leisure Services Pricing

The current economic climate makes an increase in prices unlikely to realise increased income. Prices are at the market rate and further increases are likely to reduce sales, admissions and overall income.

A comparison of key leisure activities is shown in Appendix A. This data highlights that the Council's leisure fees are higher than the average. The table below puts the Council's monthly direct debit fees in context with other providers.

	Leisure Connection Stamford & Spalding	Vivacity, Peterborough	Alpine Fitness (no pool or fitness classes)	Abbey Leisure Centre Cambridge	Huntingdonshire District Council	Fenland District Council	Kings Lynn & West Norfolk Borough Council	Oliver Cromwell Hotel	LA fitness, Huntingdon	Marriot Hotel Huntingdon	Bannatynes & Virgin Active, Peterborough
Direct debit charge, adult monthly membership	£36.50	£36	£37	£38.50	£39.00	£39.50	£39.80	£40	£55	£60	£62

2.2 Fees charged by the Council are still somewhat cheaper than those charged by the private sector. This reflects the type of facilities and what experience is on offer to the customer when comparing private and public leisure.

2.3 Consolidating the changes of 2011

Following the wide ranging changes that the Council implemented in 2011, it is considered that 2012 should consolidate these changes.

2.4 Leisure memberships

There is little scope to further increase the cost of monthly memberships without the risk of losing members to other local facilities.

2.5 General admission fees

The analysis of other activities, for instance fitness classes, shows that the Council's prices are generally higher than equivalent neighbours. Therefore it is considered that there is little scope for an increase at this time. However, a number of activities, for instance swimming, could have a price increase to match inflation.

2.6 Recommendation:

To adopt the revised price schedule in Appendix C.

3 Summary of Financial Effects

If attendances are maintained at the current levels, excluding inflation, the adjustments recommended will increase the income of the service by 1.6% on the current year's original income target.

The increases in income are detailed in the table below, based on the current year's first 7 months performance:

Product	Income increase £ (based on previous 7 months performance)	12 month pro-rata increase £
Swimming	8,000	13,700
Swimming Lessons	7,650	13,100
Pool Hire	2,150	3,700
Other products	685	1,175
Total		£31,675

The projected increase in income of £30,500 reflects an overall increase in the leisure income budget of 1.6% based on the 2011/12 original income target.

**Appendix A
Market Analysis**

Fees charged by neighbouring public sector leisure providers

	Adult Swim	Fitness Classes	Adult Monthly Membership
Fenland District Council	£3.50	£5.60	Joining Fee £26 £39.50
Peterborough - Vivacity	£3.60	£5.00	Joining Fee £20 Peak Membership - £36 Off-peak Membership - £24
Harpers at Castle Complex	£2.55	£4.60 Average	Information unavailable without a personal visit
Stamford Leisure Centre	£4.30	£5.10	Joining Fee £25 Membership -£36.50
Huntingdonshire District Council	£3.50	£4.70 Average	Joining Fee £65 Peak Membership - £39 Off-Peak Membership - £30
Kings Lynn & West Norfolk	£3.25	£4.30	Gym Only - £28.50 Gym plus either Classes or Swimming - £34.15 Gym, Swimming and Classes - £39.80

Appendix B

Leisure Charges 2011

General Admission Fees

Swimming Pool

	Adult	Concessions
Swimming	£3.50	£2.50
Lesson - per half hour	£5.30	£4.35

Lifestyle Fitness Studio

Fitness Studio	£6.50	£4.60
GP Referral & Energetix	£3.00	£3.00
Mobile Gym	£3.75	£3.75

Sauna & Steam Rooms

£2.50	£2.50
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Sports Activities

Badminton / Table Tennis	£10.00	£10.00
Fitness Classes including aqua	£5.60	£4.00
Tennis	£6.10	£4.00
Ladies & Active ageing Session	£4.00	£3.00
Indoor Netball / Basketball / Volleyball	£31.00	£31.00
All weather area	£21.00	£21.00
All weather with lights	£22.50	£22.50
Football Pitch & Changing Room	£41.00	£41.00
Artificial Turf Pitch	£31.00	£22.00
Artificial Turf Pitch with lights	£32.50	£23.50
Children's Activities		£3.50
Creche		£2.60

Pool Hire (per hour)

Large Pool	£73.50
Small Pool	£37.50
Lifeguard	£13.30
Gala	£94.50

Membership Fees

Optimum Loyalty Card

Adult	£1.00
Concession	£1.00

Lifestyle Joining Fee

Adult	£26.00
Concession	£15.50

Ambassador

Annual Single	£395.00
Annual Joint	£710.00
Monthly Single	£39.50
Monthly Joint	£71.00

Ambassador Concession

Annual Single	£280.00
Annual Joint	£505.00
Monthly Single	£28.00
Monthly Joint	£50.50

Family Ambassador

Monthly Fee	£90.00
Additional Children	£14.50

Swimming Pool Membership

Annual Adult	£243.00
Annual Concession	£170.00
Monthly Adult	£24.30
Monthly Concession	£17.00

up to 2 adults & 3 children

Appendix C

Proposed Leisure Charges 2012

General Admission Fees

Fees rounded up to nearest 10p

	Adult	% Increase	Concessions	% Increase
Swimming Pool				
Swimming	£3.70	5.7%	£2.60	4.0%
Lesson - per half hour	£5.60	5.7%	£4.60	5.7%
Lifestyle Fitness Studio				
Fitness Studio	£6.50	-	£4.60	-
GP Referral & Energetix	£3.20	6.7%	£3.20	6.7%
Mobile Gym	£3.90	4.0%	£3.90	4.0%
Sauna & Steam Rooms	£2.60	4.0%	£2.60	4.0%
Sports Activities				
Badminton / Table Tennis	£10.00	-	£10.00	-
Fitness Classes	£5.60	-	£4.00	-
Fitness Class for prepaid concession member			£2.50	-
Tennis	£6.10	-	£4.00	-
Ladies & Active ageing Session	£4.00	-	£3.20	-
Indoor Netball / Basketball / Volleyball	£32.30	4.2%	£32.30	4.2%
All weather area	£21.90	4.3%	£21.90	4.3%
All weather with lights	£23.40	4.0%	£23.40	4.0%
Football Pitch & Changing Room	£42.70	4.1%	£42.70	4.1%
Artificial Turf Pitch	£32.30	4.2%	£22.90	4.1%
Artificial Turf Pitch with lights	£33.80	4.0%	£24.50	4.3%
Children's Activities			£3.50	-
Creche			£2.60	-
Pool Hire (per hour)				
Large Pool	£76.50	4.1%		
Small Pool	£39.00	4.0%		
Lifeguard	£13.90	4.5%		
Gala	£98.30	4.0%		

Membership Fees

	£1	% Increase
Optimum Loyalty Card		
	£1	
Lifestyle Joining Fee		
Adult	£27.10	4.2%
Concession	£16.20	4.5%
Ambassador		
Annual Single	£395.00	-
Annual Joint	£710.00	-
Monthly		
Single	£39.50	-
Monthly Joint	£71.00	-
Ambassador Concession		
Annual Single	£280.00	-
Annual Joint	£505.00	-
Monthly		
Single	£28.00	-
Monthly Joint	£50.50	-
Family Ambassador	up to 2 adults & 3 children	
Monthly Fee	£90.00	-
Additional Children	£14.50	-
Swimming Pool Membership		
Annual Adult	£252.80	4.0%
Annual Concession	£176.80	4.0%
Monthly Adult	£26.00	-
Monthly Concession	£18.50	-