

Report of	Meeting	Date
Director of Early Intervention and Support (Introduced by the Executive Member for Early Intervention)	Executive Member Decision	2 February 2018

LEISURE CENTRE FEES & CHARGES 2018/19

PURPOSE OF REPORT

- To consider recommendations made by Active Nation for fees and charges for 2018/19 and approve the fees and charges.

RECOMMENDATION(S)

- To approve the fees and charges, as proposed by Active Nation, with effect from 1 April 2018.

EXECUTIVE SUMMARY OF REPORT

- As part of the Council's Indoor Leisure Contract, Active Nation are required to make recommendations for fees and charges for the coming financial year. Any additional income is retained by Active Nation.
- The average increase proposed by Active Nation is 4%

Confidential report Please bold as appropriate	Yes	No

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- To approve the increase in fees and charges for the period 1 April 2018 to 31 March 2019.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- If the recommended fees and charges were excessive, the council could refuse them. The proposed fees and charges are viewed as appropriate.
- To increase fees and charges significantly more than recommended. Active Nation are of the opinion this would reduce attendances and impact on income.

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities	√	An ambitious council that does more to meet the needs of residents and the local area	

BACKGROUND

9. Under the terms of the Contract, Active Nation are allowed to increase fees and charges for use of the facilities as long as they are in line with inflation and rounded up to allow for efficient cash collection. They are, however obliged to inform the council and obtain approval that they are compliant. Any additional income from these approved changes is retained by Active Nation.
10. In making their recommendations, Active Nation analyse existing usage at the centres, fees and charges made by other providers and the required outcome to increase usage. For example David Lloyd who provide a health and fitness facility in Chorley charge from £70 per month for a comparable adult membership. South Ribble Council whose facilities are operated by SERCO charge £37 per month for adult membership. Active Nation promotes reduced price membership packages and offers periodically through the year.
11. Active Nation are taking on average 240 Time Credits per month, equating to 240 hours of swimming, gym use or class activity at nil cost for Chorley residents who contribute their time as a volunteer in the community.
12. The November 2017 RPIX value was 2.5%. The average percentage price increase is 2.65%; charges have been rounded to allow for efficient cash collection. There is no increase in monthly direct debit fitness subscriptions at Clayton Green.
13. The table below shows the most popular activities at Active Nation facilities in Chorley and the proposed changes.

Activity	% of total attendance	Current Charge £	Proposed Charge £	Change in Price
Fitness Subscription Monthly Direct Debit	30	35.00	35.00	NIL
Annual Fitness Subscription	8	350.00	350.00	NIL
Adult Swim	6	4.22	4.20	-0.02
Group Exercise (average)	6	4.54	5.13	59p
Swimming Lessons (Juniors)	4	4.90	5.00	10p
Junior Swim	4	2.78	2.80	2p
Football Pitch Hire	2	45.00	45.00	NIL
Senior Swim	2	2.78	2.80	8p
Family Swim	2	11.20	11.20	NIL
Junior Activities	1	4.70	5.0	30p
Casual Fitness Session	1	7.30	7.30	NIL
50+ Group Exercise	1	3.05	3.10	5p
Crèche, per hour	1	3.30	3.50	15p

14. Currently Active Nation have over 100 different prices for various group exercise classes. A number have been in place for many years and with low attendances a high number are now unsustainable. In order to ensure we can be more cost effective and supply the largest timetable of activities, Active Nation have decided to introduce four different group exercise prices. A 30-minute class will be £3, A 45 minute to 1 hour class will be £5 and a 90 minute class will be £7.00. The only variation is any Les Mills class will be £5.50 due to the additional licence cost. These costs are fully in line with industry and competition.

15. It is important the fees and charges are set at a reasonable level to encourage usage of the Leisure Centres. This then helps to increase physical activity levels, support people in living healthy lifestyles, provide affordable family activities and offer positive diversionary activities for children and young people. All of these factors contribute to the Council's Corporate Strategy vision, priorities and outcomes.

IMPLICATIONS OF REPORT

16. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	√	Customer Services	
Human Resources		Equality and Diversity	
Legal	√	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

17. As the Director of Early Intervention and Support has outlined, any additional income arising from these recommendations is retained by Active Nation, as per the contract agreement. The increases, as recommended, have a neutral impact on the Council's revenue budget.

COMMENTS OF THE MONITORING OFFICER

18. The Monitoring Officer has no comments.

Chris Sinnott
Deputy Chief Executive / Director of Early Intervention and Support

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Angela Barrago	5816	17/01/2018	***

Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.

B Murray Dated 31/1/18
Councillor
Executive Member Designation