

Meeting date: 2nd December 2021
Report to: Cabinet Member for Leisure, Tourism and Sport
Subject/report title: Leisure Centre Fees and Charges 2022
Report from: Director of Public Health
Report author/lead contact officer: Nick Garnett, ngarnett@solihull.gov.uk, 0121704 6996



Wards affected:

All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

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1. Purpose of Report

- 1.1 To approve the charges for Tudor Grange Leisure Centre and North Solihull Sports Centre from January 1st 2022 for the calendar year, which includes a Retail Price Index (RPI) uplift of 5.4%.
- 1.2 To approve the continue price differential in key prices between the two centres.

2. Decision(s) recommended

- 2.1 The Cabinet Member is asked to:
 - a) Approve the charges as set out in Appendix A to this report.
 - b) Approve the continued differential between the key charges between Tudor Grange Leisure Centre and North Solihull Sports Centre

3. Matters for Consideration

- 3.1 The admission charges for key activities and facilities within the Council's Sports Centres, Tudor Grange Leisure Centre (TGLC) and North Solihull Sports Centre (NSSC), are reviewed each year. With the transfer of the day to day management of the service to Everyone Active (SLM), this process continues with proposals being sought from the service operator for the core charges. These are then analysed

before presenting to the Cabinet Member for approval.

- 3.1.1 In order to promote the Council's objectives to address health inequalities two pricing mechanisms are in place. The leisure concession card and prices for swimming, sports hall use, gym casual admissions and track are lower at North Solihull Sports Centre than at Tudor Grange Leisure Centre. With participation rates in sport and physical activity lower in the North of the Borough than in the South this policy should be continued. The Cabinet Member is asked to approve the continuation of this pricing differential.
- 3.2 In making these proposals the Contractor is able to implement minimum price increases in accordance with the change in the Retail Price Index.
- 3.3 VAT applies to these charges and the charges detailed include VAT. VAT is currently 20%.
- 3.4 The Cabinet Portfolio Holder approved the recommendation to not increase the 2021 charges given the uncertainty associated with the pandemic and the low RPI of 0.5%. This means that there has not been a price increase since January 2020.
- 3.5 In taking account for no increase in the charges since 2020 the change in the RPI since 2019 is to be used to determine the level of increase for 2022. The RPI index for August 2021 was 307.4 and 291.7 for August 2019, so this gives an uplift of 5.4% across the 2 years. Everyone Active are reporting significant increases in costs. In some parts of their business cost increases are far beyond this price RPI, for instance pool chemical costs have increased by 28% in the last year and utility costs are also likely to increase significantly.
- 3.6 Under the Council's policy these charges represent the maximum charges that may be applied.
- 4. What options have been considered and what is the evidence telling us about them?**
- 4.1 The TGLC key undiscounted 2021 prices have been benchmarked against neighbouring authorities and other tennis centres where data is available.
- 4.2 The analysis of prices charged across the Coventry, Solihull and Warwickshire (CSW) authorities showed the TGLC prices were:
 - Above average on adult swim, junior swim, junior swim instruction single court peak hire, single court off peak hire, fitness class, adult monthly centre membership and hire of a third size all weather pitch;
 - Below average on 60+ swim, unemployed swim, gym casual peak and off peak, and hire of a full size all weather pitch.
- 4.3 An analysis of the prices for indoor tennis court has been reviewed and the peak charge is below average compared to other authorities. The off peak charge is the highest of those tennis centre where a comparison has been made, £14.00 versus an average of £11.49.

- 4.4 As a result of this benchmarking the price proposals for the adult peak swim price and tennis winter off peak court price have been held below inflation and having no increase respectively.
- 4.5 Twelve of the charges are proposed not to increase. There are eleven prices that are being reduced and twelve prices that are to increase by a figure higher than inflation. The remaining charges are proposed to increase by a figure lower than inflation.
- 4.6 The prices that are proposed to increase by more than inflation are:

TGLC	NSSC
Parent & child swim joint admission	Family swim ticket
Aquafit class price	Single badminton court hire off peak
Adult 10 week instruction course	Half sports hall off peak hire
Gym casual admission	Fitness class admission
Health suite admission	Health suite admission
Fitness class admission	
All of these increases are as a result of rounding up of the proposed price by 2 pence or in the case TGLC fitness class by 3pence and NSSC Half sports hall off peak hire by 1 pence.	

- 4.7 The price reductions are a result of the wider review of our leisure centre prices in the market place by Everyone Active and the testing of these prices in the form of a promotion by the operator, that they want to make permanent. The basis for the change is that the base price will decrease, increasing the competitiveness of our price and then selling more membership, generating a greater net revenue.
- 4.8 Under existing temporary contract arrangements, the Council is responsible for meeting the net loss of income receivable through the leisure centres.

5. Reasons for recommending preferred option

- 5.1 These price proposals from the operating contractor are compliant with the requirements of the leisure centre management contract, they take account of the latest RPI and been benchmarked as part of the assessment of the proposals. Adjustments have been made relative to the benchmarking exercise. These prices are therefore recommended for adoption.

6. Implications and Considerations

- 6.1 Delivery of key themes in the Council Plan:

- Improve Health and Wellbeing - The leisure centres provide a wide range of

opportunities for residents and visitors to participate in physical activity and sport which has the benefit of improving physical health and resilience as well as mental health.

- Build Stronger Communities – Voluntary and community clubs provide a wide range of opportunities and a number make use of the Council’s leisure centres.
- Deliver Value – with the significant financial pressures the pandemic has created along with the uncertainty about the speed and extent of people returning to use the leisure centres, the proposals have been set in the context of increasing prices, setting prices that will attract residents back to use the centres and the overall financial position.

6.2 Consultation and Scrutiny:

- 6.2.1 The prices proposed are meeting the minimum contractual requirement for RPI price increases.
- 6.2.2 As a result of the contractual requirements, there has not been consultation on these price proposals. Local research identified that price and the wider cost of participation such as transport created an issue of affordability locally. In addition, ‘pay and play’ activities were seen as being crucial as certain parts of the community cannot commit to contracts so the flexibility of participating when people could afford helped. The concession policies seek to address these issues so those on lower income might be find it easier to pay.
- 6.2.3 These proposals have not been to a Scrutiny Board although the Leisure Fees and Charges report will be considered as part of the Budget report to Scrutiny (Stronger Communities and Neighbourhood Services Scrutiny Board) in January and also be included in the report to Resources and Delivering Value Scrutiny Board (where all fees and charges are reported).

6.3 Financial implications:

- 6.3.1 The Council’s leisure centre management contractor, Everyone Active, collects the income derived from admissions.
- 6.3.2 Under normal contract arrangements, income risk is held by Everyone Active. However, given the limitations to opening the centres to meet the requirements to provide a COVID secure offer (which has effected a change in law clause under the contract) the net loss of income for the service is being borne by the Council.
- 6.3.3 Financial performance of the contract is improving with improved net position against the 2021/22 forecast. Officers anticipate a further improvement in the overall financial position in 2022/23 with forecasting work taking place at the moment.

6.4 Legal implications:

- 6.4.1 The consideration and approval of these fees and charges proposals are required as part of the Leisure contract.

6.5 Risk implications:

6.5.1 No net red risks have been identified as a result of this report.

6.6 Equality implications:

6.6.1 The schedule has contained within it a series of concessions for hard to reach groups, where low/lower income proves to be a barrier to participation. The concessions are to Juniors (under 16's) generally and looked after children particularly, People with disabilities, People who are 60 and over, Under 4's and those people unemployed, on low income and on benefit.

6.6.2 The swimming prices at North Solihull Sports Centre have been set lower than those at Tudor Grange Leisure centre for many years. This policy reflects the health inequality and these activities potential to improve people's health. The Cabinet Member is asked to re-affirm this differential as part of these set of proposals.

7. List of appendices referred to

7.1 Appendix 1: Proposed pricing schedule

8. Background papers used to compile this report

8.1 No other documents.

9. List of other relevant documents

9.1 No other documents.