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| Title of Report: | Leisure Centres' Fees and Charges 2014 |
| Report to be considered by: | Council |
| Date of Meeting: | 12th December 2013 |
| Forward Plan Ref: | C2593 |

Purpose of Report: To implement the contractual requirement for an annual price review for 2014 for Parkwood Community Leisure to come into effect from 1st January 2014.

Recommended Action: (1) That Council approves of the proposed increase in Fees and Charges for the Leisure Management Contract.

Reason for decision to be taken: It is a contractual requirement that West Berkshire Council and Parkwood Community Leisure review core charges and for West Berkshire Council to agree for Parkwood to implement any increase from 1st January each year.

Other options considered: N/A

Key background documentation: None

The proposals contained in this report will help to achieve the following Council Strategy priority:

CSP2 – Promoting a vibrant district

The proposals will also help achieve the following Council Strategy principle:

CSP5 - Putting people first

The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by:

Ensuring that Leisure Centre users are provided with clear information about the costs of participating in physical activity at council leisure centres for the next 12 months.

| Portfolio Member Details | |
|---|---|
| Name & Telephone No.: | Councillor Hilary Cole - Tel (01635) 248542 |
| E-mail Address: | hcole@westberks.gov.uk |
| Date Portfolio Member agreed report: | 01 November 2013 |

| Contact Officer Details | |
|--------------------------------|--------------------------|
| Name: | Chris Jones |
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Implications

Policy: The Leisure Contract was changed in 2010/11 to accommodate a review of Fees and Charges prior to January of the following and subsequent years. This now forms a condition of the contract between West Berkshire Council and Parkwood Community Leisure.

Financial: There are no direct implications to the Council's own budgets in Parkwood Community Leisure implementing any increase in Fees and Charges. Within the terms of the Leisure Contract, Parkwood retain all income. A profit share arrangement is specified within the contract should end of year surpluses be above a certain threshold.

Personnel: None

Legal/Procurement: Agreement to any increase in Leisure Contract Fees and Charges will be formally recorded through an exchange of letters and will be included in the Council's published schedule of Fees and Charges for 2014/15.

Property: None

Risk Management: Nonechri

| Is this item relevant to equality? | Please tick relevant boxes | Yes | No |
|---|----------------------------|-------------------------------------|----|
| Does the policy affect service users, employees or the wider community and: | | | |
| • Is it likely to affect people with particular protected characteristics differently? | | <input checked="" type="checkbox"/> | |
| • Is it a major policy, significantly affecting how functions are delivered? | | <input checked="" type="checkbox"/> | |
| • Will the policy have a significant impact on how other organisations operate in terms of equality? | | <input checked="" type="checkbox"/> | |
| • Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics? | | <input checked="" type="checkbox"/> | |
| • Does the policy relate to an area with known inequalities? | | <input checked="" type="checkbox"/> | |
| Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality) Relevant to equality - Complete an EIA available at www.westberks.gov.uk/eia <input type="checkbox"/> Not relevant to equality <input type="checkbox"/> | | | |

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|--|-------------------------------|---|
| Is this item subject to call-in? | Yes: <input type="checkbox"/> | No: <input checked="" type="checkbox"/> |
| If not subject to call-in please put a cross in the appropriate box: The item is due to be referred to Council for final approval <input checked="" type="checkbox"/> | | |

Executive Summary

1. Introduction

- 1.1 It is a contractual requirement for Parkwood Community Leisure to introduce any increase in Fees and Charges on 1st January of each year. The proposed Fees and Charges within this report reflect an average increase of 3.00% across the contract as a whole. This will take into account local variations based on market trends, local circumstances and nearest competition such as charges for facilities in adjoining areas.

2. Proposals

- 2.1 Parkwood Community Leisure are looking at flexible competitive charges across the contract which particularly factor in the competition and market rates for West Berkshire centres in the east of the district within an easy travel time for Reading facilities.
- 2.2 The indicative proposed average charges for 'core' activity for the leisure centres would be as set out in Appendix B.
- 2.3 The proposed increase in the level of charging has been presented to the recent round of Joint Advisory Committees and no objections have been raised.

3. Equalities Impact Assessment Outcomes

- 3.1 A Stage 1 EIS has been undertaken (Appendix A). Concessionary pricing will still apply to ensure prices and core activities remain accessible. On this basis the item has been assessed as not relevant to equality.

4. Recommendations

- 4.1 That Council approves the content of this report for Parkwood Community Leisure to set Fees and Charges for 2014 on 1st January in line with the requirements of the Leisure Contract.

Executive Report

1. Introduction

- 1.1 West Berkshire Council's leisure centres are managed by Parkwood Community Leisure. For 2011 the Council agreed to a variation in the contractual arrangements to allow for the review of charges to be brought forward to 1st January each year. The review of core fees and charges for implementation on 1st January 2014 falls into the agreed cycle.
- 1.2 The Council agrees the maximum level for any increase in Fees and Charges that can be charged for core activities for the leisure contract. The actual level of charge is set in accordance with Parkwood's own marketing policies, taking account of the Council's objectives for the residents' leisure card. This approach is designed to ensure access to core services at charges that can be afforded by all whilst allowing for Parkwood to achieve a full cost recovery for value added activity such as teaching, coaching, and instructional programmes and other commercial activity within the Council's leisure centres.
- 1.3 For 2013 West Berkshire Council agreed a maximum average increase for Parkwood of 3.15%.

2. Proposals

- 2.1 For 2014, Parkwood Community Leisure are looking at flexible competitive charges across the contract which particularly factor in the competition and market rates for West Berkshire centres in the east of the district within an easy travel time for Reading facilities. To accommodate this, Parkwood are looking at flexible charges to respond to local markets with an average rise across the contract of 3.00%, against the RPI rate of 3.10% for June 2013 - the end of the previous contract year.
- 2.2 The indicative proposed average 'Core' activity charges for the leisure centres would be as set out in Appendix B.
- 2.3 The proposed increase in the level of charging has been presented to the recent round of Joint Advisory Committees and no objections have been raised.
- 2.4 Any increase in Parkwood's prices will have no impact on the Council's budget. The terms of the contract allow the contractor to retain all income up to an agreed threshold. If the total income exceeds this threshold then a sliding scale of income share arrangements start to apply. Both the threshold and the actual scale of charges are subject to year on year inflationary uplifts. In practical terms the threshold is unlikely to be reached unless windfall conditions apply. For example, the complete closure of a significant competitor in the same catchment area. Increases in fees and charges for leisure centres will therefore have no effect on the income generated by West Berkshire Council.

3. Equalities Impact Assessment Outcomes

- 3.1 A Stage 1 EIS has been undertaken (Appendix A). Concessionary pricing will still apply to ensure prices and core activities remain accessible. It is on this basis that the item has been assessed as not relevant to equality.

4. Recommendations

4.1 That Council approves the content of this report.

5. Conclusion

5.1 A rise in Fees and Charges by Parkwood Community Leisure for 2014 will have no impact on Council budgets and are in line with contractual requirements.

Appendices

Appendix A - Equality Impact Assessment – Stage One

Appendix B - Core Charges for Leisure Centre Users

Consultees

Local Stakeholders: Members of the Joint Advisory Committees for Willink, Lambourn, Kennet and Hungerford - i.e Governing Bodies of Schools, Town and Parish Councils. Plus Leisure Centre customers. Parkwood Leisure.

Officers Consulted: Head of Culture & Environmental Services Steve Broughton; Leisure Officer Jeanette Hodge, Arts & Leisure Information Officer Jim Sweeting.

Trade Union: N/A