

Report to: Income Management Sub-Committee, 15th November 2023

Report of: Corporate Director - Operations, Homes and Communities

Subject: FREEDOM LEISURE - PROPOSED FEES & CHARGES FOR 2024

1. Recommendation

- 1.1 That following review at the Communities Committee meeting on 8 November 2023, the Sub-Committee recommends to the Council the approval of the proposed Fees & Charges submitted by Freedom Leisure for 2024, covering the period 1 January 2024 to 31 December 2024 inclusive (Appendix 1); and**
- 1.2 To note that this report will go to the Council meeting on the 30 November 2023 for final approval.**

2. Background

- 2.1 Freedom Leisure was appointed as the City Council's approved leisure operator to manage the public leisure facilities and associated services with effect from 1 December 2015 through a ten year contract with the option for a further three year extension.
- 2.2 Contractually Freedom Leisure is required to submit their proposed fees and charges for the following year by 31 August each year.
- 2.3 Fees and charges are approved annually as part of the budget setting process and are approved by Full Council. The majority of the Council's fees and charges are agreed at the February Council meeting and implemented with effect from 1 April to the 31 March.
- 2.4 Freedom Leisure has previously submitted a formal request to submit their fees and charges for approval with effect from 1 January each year, instead of 1 April. The rationale for this is that demand for indoor leisure provision is at its highest in the first quarter of the calendar year, as outdoor options are more limited due to the lack of natural daylight and adverse weather conditions.
- 2.5 It should be noted that the prices contained within the Freedom Leisure Fees and Charges proposal for 2024 are the maximum charges applicable. However, with due notification to the City Council a reduced price can be promoted as part of a targeted marketing campaign (which would usually be run on a national basis).

3. Pricing and Rationale for 2024

- 3.1 The proposal from Freedom Leisure is that their prices are increased by an average of 4.6% across the various categories of their Fees & Charges proposal document.

Full details are set out in the report to Communities Committee attached at **Appendix 1.**

4. Preferred Option

4.1 That the proposed fees and charges for 2024 are approved.

5. Alternative Options Considered

- 5.1 As part of the budget-setting process for 2024/25 all Council income-generating services have been asked to identify a minimum fee increase of 6%, subject to any exceptions. Freedom Leisure have taken into account relevant consideration when setting prices and have determined these according to the demand pressures on each specific service, rather than applying a fee increase across all services at the same level. As a commercial service, Freedom Leisure must respond to a competitive market place in a dynamic way and it is important that the delivery partner for Leisure Services is able to influence price setting with appropriate rationale.
- 5.2 There is an option that no price increases are applied. This option is discounted due to the impact of high inflation and costs. Therefore, in order for Freedom to be able to meet their contractual obligations as much as possible in the current economic climate there is a need to apply some increases to fees and charges, as well as a reduction in expenditure. It is recommended that fees and charges are increased in a planned way, to ensure that participation is supported.

6. Implications

6.1 Financial and Budgetary Implication

The new fees and charges recommended enable Freedom Leisure to continue to provide efficient services and will assist them in a return to meeting their contractual obligations in terms of the future management fee due to the Council. A series of cost-saving measures have been introduced which resulted in Freedom Leisure meeting their obligations to the Council in terms of management fee payable in 2023/24 and this needs to be sustained into 2024/25.

6.2 Legal and Governance Implications

Responsibility for reviewing fees and charges is delegated in part 3 of the Council's constitution to the Income Management Sub-Committee. An annual review is carried out as part of the budget-setting process for the forthcoming financial year. However, as the proposed changes affect Freedom Leisure's income and expenditure only, there is no budget impact for the Council, outside of that outlined in 6.1 above.

6.3 Risk Implications

There is always a risk that with any increase in fees and charges that fewer members of the community will be able to participate. It is the view of officers that this risk is mitigated since the number of fees and charges which are receiving a significant increase are limited to casual pay and play activities.

6.4 Corporate/Policy Implications

Links to the City Plan corporate theme number 3 – A Healthy and Active City.

6.5 Equality Implications

No specific equality impacts were identified in relation to these proposed charges. However, as part of the Council's annual budget setting process an overall equalities impact assessment will be undertaken.

6.6 Human Resources Implications

None arising directly as a consequence of this report.

6.7 Health and Safety Implications

None arising directly as a consequence of this report.

6.8 Social, Environmental and Economic Implications

Maintaining a fee & charges schedule that promotes participation with a differentiated approach (i.e. targeted programmes and reductions through the concessions recommended) enables a broad range of the community to participate in activity and meet with other people throughout leisure centres and community based activity. The geographical spread of the three leisure centres and activities also supports the Council to meet its aspirations in relation to sustainability, with fewer journeys than would be the case if there were a single centre serving the City.

Ward(s)

All Wards

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Background Papers:

Appendix 1 – Freedom Leisure - Proposed Fees and Charges schedule for 2022 (1st Jan to 31st Dec inclusive)