

Dear Councillor

COMMUNITY OVERVIEW AND SCRUTINY PANEL - TUESDAY, 17TH NOVEMBER, 2015

Please find attached, for consideration at the next Tuesday, 17th November, 2015 meeting of the Community Overview and Scrutiny Panel, the following reports that were unavailable when the agenda was printed.

Please bring this document with you to the meeting.

Agenda No Item

14. **Health and Leisure Centres - Fees and Charges 2016 (Pages 1 - 10)**

To consider Cllrs Harrison's & Wade's call-in the Health & Leisure Portfolio Holder's decision on setting Health and Leisure Centre Fees and Charges 2016.

Please note: In accordance with the Council's procedures, if two or more members wish to call in an Executive decision, the decision shall not be implemented until the procedure set out in Chapter 8 of the Council's Constitution has been completed.

Yours sincerely

Committee Administrator

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COMMUNITY OVERVIEW AND SCRUTINY PANEL – 17 NOVEMBER 2015

HEALTH & LEISURE CENTRE FEES AND CHARGES 2016 – CALL IN FROM COUNCILLORS HARRISON & WADE

1. INTRODUCTION

- 1.1 As part of the annual review of budgets, the Health & Leisure Portfolio Holder on 11 November 2015 set the Health & Leisure Centre fees and charges for the forthcoming year (2016).
- 1.2 Cllrs Harrison and Wade have given formal notice that they wished the decision to be called in.
- 1.3 In accordance with Council procedures, if two or more members call in an Executive decision, the decision shall not be implemented and the decision must be considered at the appropriate Overview & Scrutiny Panel within 10 working days of the date specified in the decision notice.
- 1.4 The matter has therefore been brought to the Community Overview & Scrutiny Panel for consideration. Cllrs Harrison and Wade have been invited to attend the Panel to present their views. Cllr Binns, Health and Leisure Portfolio Holder has also been invited to attend.

2. BACKGROUND

- 2.1 The Portfolio Holder's decision on 11 November 2015 is attached as appendix 1.
- 2.2 Cllrs Harrison and Wade have given the following reasons for the call-in "The decision to re-define "Seniors" as age 65 +, from the current 60 + will act as a strong disincentive for large numbers of people in the age group 60 - 65 to exercise in our Health & Leisure Centres because of the increased costs involved. The decision may also result in a drop in income for New Forest District Council. The Portfolio Holder should be actively seeking ways to encourage older people to use our Leisure Centres and this decision, if allowed to stand, runs counter to that".

3. CONCLUSION

- 3.1 In accordance with the Council's constitution where a decision is being reviewed by an Overview & Scrutiny Panel, the Panel shall either: -
 - a) Accept the decision (in which case it may be implemented immediately); or
 - b) Request the decision-maker to reconsider the decision, giving reasons for the request. The decision-maker shall reconsider the decision as soon as reasonably practicable. After reconsideration, the decision, whether amended or not, may be implemented immediately, and may not be called in for a second time; or

- c) Where the decision is of particular high local significance or public interest, refer the decision to full Council for debate at a Council meeting to be held within ten working days of the Panel meeting. The decision-maker shall reconsider the decision as soon as reasonably practicable after the Council meeting, in light of the Council debate.

4. RECOMMENDATION

- 4.1 That the Panel considers Cllrs Harrison's and Wade's call in submission and takes one of the steps set out in paragraph 3.1 above.

For further information please contact:

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Background Papers:

Published documents

HEALTH & LEISURE PORTFOLIO HOLDER DECISION: OCTOBER 2015

FEES & CHARGES 2016

ITEM FOR DECISION

As part of the annual review of budgets, decisions are required to agree any non-statutory fees and charges for the forthcoming year.

Portfolio Holders now have the responsibility for setting the fees and charges, which was established at Cabinet in November 2009.

POLICY FRAMEWORK

Council policy for fees and charges is to maximise income unless a conscious decision is made not to do so. In relation to this Portfolio, there are many Industry and market conditions to consider. These are explained below to accompany the proposals.

RATIONALE FOR PROPOSALS

Charges within the Appendix 1 are shown inclusive of the standard rate of VAT, unless specified. Where charges are shown as net, the relevant standard rate of VAT is to be applied.

The rationale behind the proposed fees and charges is a balance between optimising income in the context of limited capacity, and using 'price' as part of the Marketing mix to ensure that we can encourage people to adopt active lifestyles and consider the health and leisure centres as a key element of the communities' facilities.

There is one key strategic change which is being proposed from 1st January 2016, which is the redefining of the criteria for 'Senior' and the 'Senior' price level. The rationale for this is detailed in the report.

There are a number of relevant and timely issues in understanding the proposals and as part of the review, a comprehensive evaluation of prices in the local market has been undertaken.

Business has continued to grow in the last 12 months albeit at a slower pace, however competition in the Fitness Sector is strong and there are a number of competitors in our local markets offering good quality facilities at low cost. This continues to pull prices down within the whole market and despite holding our membership prices since 2010; our membership prices are still top end.

Below are highlighted the key proposed features and the Industry/market/local issues that have been considered in making these proposals.

Fitness Direct

A recent members' survey carried out in September 2015 had 1018 returns and 'price' is still a major issue for members, although retention is likely to be due to the quality of our staff and the 'family appeal' of our Centres. However any increase could 'tip' many members to consider an alternative provider, and our assessment is, that there is a high risk that this could have a negative impact on membership and therefore, revenue.

Historically, the student membership offered a 50% reduction on the full membership as many students were away from home for lengthy periods, but at the time that policy was introduced, there was a 12 month commitment. When the service introduced a 3 month commitment period, many students only took out a membership for the Summer (June to September) relying on 'offers' at other times of the year. We also receive frequent requests for a 3 month upfront payment to avoid the setting up of a direct debit. It is proposed to now offer a 3 month membership for students instead of a 6 month (which now has very low sales) which will meet demand from many university students who want to join for the summer but do not wish to set up a direct debit. Students who commit to a direct debit tend to be school age children and those in apprenticeships who require access all year round

Swimming

There continues to be high demand for swimming, and this is one area where prices are still around average. Given the significant investment in pools, changing rooms and the swimming experience it is felt that a modest increase in prices for casual swimming and swim only memberships will not damage business and still represents excellent 'value for money'.

Swim Academy

The number of children enrolling on our academies continues to increase, however the level of pool time allocated to lessons does have an impact on other aspects of wet programmes. An increase in the price of a lesson was introduced in April 2015, so it is felt that with the capacity to improve take up a further price increase should now be deferred until January 2017.

Seniors

The current pricing structure offers a senior membership to anyone over 60 based on a historical assumption that most people retire at this age and are on a 'limited' income. The Chart below shows the age range of our 7329 'members'. Additionally we have 870 over 60's on a Club Active membership which gives up to 50% discount on prices for every activity on a play and pay basis.

Age group	No of members Sep 2015
0-19	1033
20-29	1589
30-39	1160
40-49	1401
50-54	678
55-59	472
60-64	380
65-69	364
70-95	252

There have been a significant number of changes in the last decade which have redefined the criteria or concept of a Senior citizen, and these are a combination of legislative, demographic and lifestyle/health changes.

In 1995, the state pension age was equalised for men and women and it was set to raise the state pension age from 60 to 65 between April 2010 and April 2020. In 2007, a new law raised the state pension age to somewhere between 66 and 69 depending on when an individual was born.

Entitlement to Pension credit is now linked to state pension age, and free bus pass and winter fuel payment is also now linked to state pension age or other social service benefits.

Life expectancy has increased in the last decade and men can now expect to live to 79.5 and women to 83.3 (2013 data) and by 2030, 90 years is expected to be the norm in some areas.

The consequence of these factors is that people in the 60-65 age group are often still working, frequently enjoy good health, and, in many cases, do not have the financial limitations of dependants or a mortgage.

A review of key competitors in our market locally shows that some providers only have an adult price level and make no provision for Seniors (Active nation) and some have already set the Senior price at 65 (Valley leisure) whilst some still have Senior prices at 60 but may also be reviewing this policy.

For the above reasons we propose to redefine a Senior from 60+ to 65+ from January 2016.

This will not affect any existing members who will retain the price they are currently paying, and anyone who is not in employment (of any age) can access an off peak membership which is discounted and currently linked to the 'Senior' price.

In future years this could generate additional income without affecting usage which could contribute towards the reduction of the Services recovery rate. An estimate of additional income by 2020 is £52,000 per annum.

PROPOSED DECISION

It is proposed that the fees and charges scheduled in the appendix 1 be implemented from 01/01/2016 and that the qualifying age for Senior rates is set at 65 from 01/01/2016.

ENVIRONMENTAL, EQUALITY & DIVERSITY IMPLICATIONS

There are no implications arising directly as a result of this decision.

CONFLICTS OF INTERESTS DECLARED: None

RECOMMENDATION

That the fees and charges scheduled in the appendices be implemented from 01/01/2016.

That the qualifying age for Senior rates is set at 65 from 01/01/2016

Portfolio Holder's endorsement: I agree the recommendation

SIGNED: CLLR J E BINNS

Date: 11 November 2015

Date Notice of Decision given: 12 November 2015

Last Day for call-in: 19 November 2015

For Further Information Please Contact:
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HEALTH & LEISURE PORTFOLIO

PROPOSED SCALE OF FEES AND CHARGES FOR 2016

HEALTH & LEISURE CENTRES

		Current Charge £	Proposed Charge £	Increase £
Charges for all centres unless specified.				
All Increases with 1st January 2016				
Swimming Charges				
Adult	per hour	4.20	4.40	0.20
Junior	(under 8's "	Free	Free	N / A
Junior	(8 - 16 inc "	2.60	2.60	0.00
Senior	65+ "	3.10	3.30	0.20
Concessionary	Adult "	1.80	2.00	0.20
	Junior "	1.10	1.20	0.10
Swim Academy	(44 price per lesson	6.25	6.25	0.00

Area Hire (Commercial) - Poc	"	136.00	136.00	0.00
Area Hire (Club Rate) - Pool H	"	70.00	70.00	0.00
# Applemore Only				

Memberships

Concessionary	(Six Months)	3.80	3.80	0.00
Club Active	(Six Months)	16.50	16.50	0.00
Club 816	(Six Months)	16.50	16.50	0.00

Fitness Suite

Profiles	Fitness Direct Indivi	Monthly	44.00	44.00	0.00
		6 months	275.00	275.00	0.00
		Annual	484.00	484.00	0.00
	Fitness Direct Joint	Monthly	82.00	82.00	0.00
		Annual	902.00	902.00	0.00
	Fitness Direct Indiv.	Monthly	33.00	33.00	0.00
		Annual	363.00	363.00	0.00
	Family	Monthly	90.00	90.00	0.00
		Annual	990.00	990.00	0.00
	Student	Monthly	22.00	23.00	1.00
		3 months	N/A	69.00	
		Annual	242.00	253.00	11.00

Senior / Concessior	Monthly	33.00	33.00	0.00
	Annual	363.00	363.00	0.00
Corporate Individual	Monthly	37.00	37.00	0.00
	Annual	410.00	410.00	0.00
Corporate Joint	Monthly	73.00	73.00	0.00
	Annual	805.00	805.00	0.00
NFDC Staff Individu	Monthly	28.00	28.00	0.00
	Annual	308.00	308.00	0.00
NFDC Staff Joint	Monthly	63.00	63.00	0.00
	Annual	693.00	693.00	0.00
Swim Direct (adult)	Monthly	28.00	29.00	1.00
	Annual	308.00	319.00	11.00
Swim direct (senior monthly	Monthly	22.00	23.00	1.00
	Annual	242.00	253.00	11.00
Casual Use		6.75	6.75	0.00
Group Exercise Class *		5.50	5.50	0.00

* Majority exempt from VAT

Healthy Horizons / GP Referrals

First Assesment		7.50	7.50	0.00
20 Sessions (price per session)		3.60	3.60	0.00
20 Sessions (price per session) Conce		3.00	3.00	0.00
Package (Assesment, 20 Sessions & K		80.00	80.00	0.00
HH graduate package (Fitness direct - r		27.00	27.00	0.00

Available on completion of the Health Programme; monthly price

Sports Hall

Sports Hall (4 Court	Peak	per hour	45.00	45.00	0.00
	Off Peak	"	30.00	30.00	0.00
Sports Hall (6 Court	Peak	per hour	72.00	72.00	0.00
# Applemore only	Off Peak	"	45.00	45.00	0.00

Dryside Activities Charges

Badminton	Peak	per hour	9.25	9.25	0.00
	Off Peak	"	6.90	6.90	0.00
Squash Court #	Peak	per hour	9.00	9.00	0.00
# New Milton only	Off Peak	"	7.00	7.00	0.00

ATP	1/3 Area Lymington per hour	33.00	33.00	0.00
	Whole Lymington "	78.00	78.00	0.00
	Whole Ringwood "	33.00	33.00	0.00
Playsite #	per session	3.00	3.00	0.00
# Ringwood and Applemore only				

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