

Cabinet – 4 December 2024

Leisure – Update and Proposed Fees and Charges 2025

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report</p> <ul style="list-style-type: none">• Provides the latest update regarding the Council's Leisure partner, Freedom Leisure, including proposals to the ongoing pricing structure.• Seeks Council approval for changes to the pricing structure which required such approval in line with the terms of the contract with Freedom Leisure
Recommendation(s)	<p>Cabinet is asked to:</p> <ol style="list-style-type: none">1. note the operational update from the Council's leisure partner2. recommend that Council approves the proposed increases in fees and charges as set out in Appendix 1.
Reasons for recommendation(s)	<p>To ensure greater understanding of the current position regarding delivery of the Council's leisure service.</p> <p>To comply with the contractual arrangements relating to price increases.</p>
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron - Finance & Corporate Councillor Dan Poole – Community Safety & Wellbeing
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources & Transformation (Section 151 Officer)
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Introduction and background

1. The Council entered into an agreement in July 2021 for Freedom Leisure to manage and operate the Council's five leisure facilities at Applemore, Lymington, New Milton, Ringwood, and Totton.
2. As part of this contract Freedom Leisure has the ability to make most operational and business decisions. However, there are a number of contractual clauses which require additional approval by the Council for specific changes.
3. Freedom Leisure's latest annual report as presented to the Housing & Communities overview and scrutiny panel in September can be found here [New Forest Leisure Partnership Annual Report](#).
4. Appendix 1 provided by Freedom Leisure sets out the case for their fee proposals and includes the schedule of proposed fees for consideration of the Cabinet and ultimately approval by Council.

Leisure Fees and Charges

5. The Council's Leisure partner, Freedom Leisure, sets fees in line with the contractual agreement. As part of this any increases greater than the Consumer Price Index (CPI) require Council approval.
6. Due to cost pressures particularly associated with pay and energy, an increase in fees greater than CPI has been proposed by Freedom Leisure as detailed in Appendix 1 and form part of this paper's recommendations. It is the responsibility of Freedom Leisure as the Council's operator to respond to external factors and set a pricing strategy that seeks to maximise their income, whilst continuing to support long-standing concessions previously offered by the Council.
7. This price increase will have a neutral impact on the Council's financial position, but by the Council supporting appropriate price increases to maintain a healthy viable business model, its Medium Term financial interests are protected.

Corporate plan priorities

8. Having high quality, well-funded, leisure services underpinned by strong, successful partnership working relationships supports the corporate objective of empowering residents to live healthy, connected and fulfilling lives.
9. Supporting the Council's partners' financial sustainability ensures the Council are being financially responsible by protecting the Council's Medium Term Financial Plan from any unplanned impact.

Options appraisal

10. The Council could choose to not to approve the proposed fee increases which would lead to a funding shortfall within the Freedom Leisure budget necessitating the need to potentially cut back services, staffing levels or opening hours to enable the business to operate within the constraints their funding allows.
11. In the worst-case scenario (albeit highly unlikely at this time), Freedom Leisure may need to withdraw from the contract altogether, effectively handing back leisure operations to the Council with all the financial and operational issues associated with it, including the additional costs and challenges currently being faced by the operator.

Consultation undertaken

12. Internal consultation between finance officers, budget holders, partners and the portfolio holder has informed the contents of the report.

Financial and resource implications

13. All financial and resource implications are contained within the body of the report.

Legal implications

14. Where Freedom Leisure seek to increase specific prices above CPI the contract provides that this first requires Council approval before such increases can be implemented. As the proposed price increases are above CPI, they need to be considered by the Council which has the decision as to whether to approve. These charges are the ones set out in Appendix 1.
15. In addition, some increases are limited by the contract to an increase in line with CPI and no further. These charges can be made without Council approval however consultation with the Council is required. These are the charges set out in Appendix 1 and although Council does not have the final decision on this element it is entitled to provide comments which should be taken into account by Freedom Leisure.

Risk assessment

16. None at this stage, although the options appraisal section highlights some risks that could crystallise, should the recommendation not be approved.

Environmental / Climate and nature implications

17. None at this stage, although it is worthy to note that the Council's Medium-Term Financial Planning will need to seek to support the delivery of the Council's Climate and Nature Action Plan.

Equalities implications

18. Considered as part of Appendix 1.

Crime and disorder implications

19. There are no direct implications regarding crime and disorder as a result of this report.

Data protection / Information governance / ICT implications

20. There are no direct implications regarding data protection, information governance or ICT as a result of this report.

Appendices

Appendix 1 – Freedom Leisure Fees and Charges Proposal

Background Papers:

[New Forest Leisure Partnership Annual Report](#)