

**COFNOD O BENDERFYNIAD WEDI'I DDIRPRWYO GAN SWYDDOG
RECORD OF DELEGATED OFFICER DECISION**

Penderfyniad Allweddol | Key Decision ✓


PWNC | SUBJECT: Leisure Fees and Charges

DIBEN YR ADRODDIAD | PURPOSE OF THE REPORT:

The purpose of the report is to approve the pricing strategy for Leisure for Life Memberships for the next 3 year period 2020 to 2023 and to agree the uplift for Leisure Pay and Play fees for 2020.

PENDERFYNIAD WEDI'I DDIRPRWYO | DELEGATED DECISION:

To approve the current price freeze on Leisure for Life Memberships for a further 3 year period, 1st January 2020 to 31st December 2022 and to implement a price rise of 1.5% on all non-membership prices from 1st January 2020.

	<i>A. SINCERNI</i>	<i>20/12/19.</i>
Llofnod y Prif Swyddog Chief Officer Signature	Enw (priflythrennau) Name (Print Name)	Dyddiad Date

Mae'r penderfyniad yn cael ei wneud yn unol ag Adran 15 o Ddeddf Llywodraeth Leol 2000 (Swyddogaethau'r Corff Gweithredol) ac yn y cylch gorchwyl sy wedi'i nodi yn Adran 5 o Ran 3 o Gyfansoddiad y Cyngor.

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution.

YMGYNGHORI | CONSULTATION

A. Morgan

20/12/2019

LLOFNOD YR AELOD YMGYNGHOROL O'R CABINET
CONSULTEE CABINET MEMBER SIGNATURE

DYDDIAD | DATE

LLOFNOD SWYDDOG YMGYNGHOROL
CONSULTEE OFFICER SIGNATURE

DYDDIAD | DATE

RHEOLAU'R WEITHDREFN GALW-I-MEWN | CALL IN PROCEDURE RULES.

A YW'R PENDERFYNIAD YN UN BRYD A HEB FOD YN DESTUN PROSES GALW-I-MEWN GAN Y PWYLLGOR TROSOLWG A CHRAFFU?:

IS THE DECISION DEEMED URGENT AND NOT SUBJECT TO CALL-IN BY THE OVERVIEW AND SCRUTINY COMMITTEE:

YDY | YES ✓ NAC YDY | NO

Rheswm dros fod yn fater brys | Reason for Urgency:

To ensure the decision is communicated prior to implementation on the 1st January 2020.

Os yw'n cael ei ystyried yn fater brys - llofnod y Llywydd, y Dirprwy Lywydd neu Bennaeth y Gwasanaeth Cyflogedig yn cadarnhau cytundeb fod y penderfyniad arfaethedig yn rhesymol yn yr holl amgylchiadau iddo gael ei drin fel mater brys, yn unol â rheol gweithdrefn trosolwg a chraffu 17.2:

If deemed urgent - signature of Presiding Member or Deputy Presiding Member or Head of Paid Service confirming agreement that the proposed decision is reasonable in all the circumstances for it being treated as a matter of urgency, in accordance with the overview and scrutiny procedure rule 17.2:



20.12.19

.....
(Llywydd | Presiding Member)

.....
(Dyddiad | Date)

DS - Os yw hwn yn benderfyniad sy'n cael ei ail-ystyried yna does dim modd galw'r penderfyniad i mewn a bydd y penderfyniad yn dod i rym o'r dyddiad mae'r penderfyniad wedi'i lofnodi.

NB - If this is a reconsidered decision then the decision Cannot be Called In and the decision will take effect from the date the decision is signed.

DYDDIADAU CYHOEDDI A GWEITHREDU | PUBLICATION & IMPLEMENTATION DATES

CYHOEDDI | PUBLICATION

Cyhoeddi ar Wefan y Cyngor | Publication on the Councils Website:- 20th December 19

DYDDIAD | DATE

GWEITHREDU'R PENDERFYNIAD | IMPLEMENTATION OF THE DECISION

Nodwch: Fydd y penderfyniad hwn ddim yn dod i rym nac yn cael ei weithredu'n llawn nes cyn pen 3 diwrnod gwaith ar ôl ei gyhoeddi. Nod hyn yw ei alluogi i gael ei "Alw i Mewn" yn unol â Rheol 17.1, Rheolau Gweithdrefn Trosolwg a Chraffu.

Note: This decision will not come into force and may not be implemented until the expiry of 3 clear working days after its publication to enable it to be the subject to the Call-In Procedure in Rule 17.1 of the Overview and Scrutiny Procedure Rules.

Yn amodol ar y drefn "Galw i Mewn", caiff y penderfyniad ei roi ar waith ar / Subject to Call In the implementation date will be

N/A - 20th December
DYDDIAD / DATE 19

WEDI'I GYMERADWYO I'W GYHOEDDI: ✓ | APPROVED FOR PUBLICATION : ✓

Rhagor o wybodaeth | Further Information:

Cyfadrn Directorate:	Public Health, Protection and Community Services
Enw'r Person Cyswllt Contact Name:	David Batten
Swydd Designation:	Head of Leisure, Parks and Countryside
Rhif Ffôn Telephone Number:	01443 562202 – option 2

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

DELEGATED OFFICER DECISION

19th DECEMBER 2019

LEISURE FEES AND CHARGES

REPORT TO ACCOMPANY A DECISION OF THE DIRECTOR OF PUBLIC HEALTH, PROTECTION AND COMMUNITY SERVICES

Author: David Batten, Head of Leisure, Parks & Countryside – 01443 562202

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to approve the pricing strategy for Leisure for Life Memberships for the next 3 year period 2020 to 2023 and to agree the uplift for Leisure pay and play fees for 2020.

2. RECOMMENDATIONS

- 2.1 The recommendation is to approve the following changes to Leisure prices.
- 2.2 The continuation of the current price freeze for Leisure for Life Monthly Members for a further 3 year period from 2020 to 2023.
- 2.3 To implement a 1.5% increase on all Leisure non-membership charges with effect from 1st January 2020

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Council has invested heavily in the provision of health and fitness facilities across its entire leisure centre estate. The investment, which is in excess of £5m, has resulted in RCT customers having access to facilities that not only match but also exceed many of those provided in neighbouring Local Authorities and commercial facilities in terms of quality and choice.
- 3.2 This leisure facility investment has seen a significant increase in membership and usage over the last 4 years, particularly in centres where previous usage was low (e.g.) Abercynon, Rhondda Fach and Bronwydd Pool.



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- 3.3 Our current membership has a wide range of activities included and exceeds the offers of other neighbouring Authorities and all commercial operators who offer comparable memberships. However, price is still an important factor when committing to a membership scheme and in an increasingly competitive environment, careful consideration needs to be given to any pricing proposal.
- 3.4 The freezing of prices for a set period has been an important marketing tool over the past few years. However, during the same period other providers, particularly the private sector have reduced their prices in a bid to increase their market share.
- 3.5 The increase in memberships has led to a far more stable income stream for this Council. Memberships currently account for 60% of Leisure Centre income. Over the period, covered by the price freeze on memberships, the Council has continued to apply price rises in line with CPI to all non-membership prices. This practice has also served to incentivise the uptake of membership packages.

4. **BACKGROUND**

- 4.1 The current two year price freeze on leisure centre memberships is due to end on 31st December 2019 therefore the Council will need to decide whether to implement an increase on all memberships from 1st January 2020. The current 2 year freeze includes all Leisure for Life monthly direct debit, annual payments and corporate membership level.
- 4.2 The price freeze has proved a very effective marketing tool which has been welcomed by customers and moved the Council away from very traditional annual increases. The new pricing structures have allowed the service the opportunity to react to market forces. The development of key promotional activities, such as the 12 days of Christmas and 7 days for £7 have helped by offering customers payment alternatives and have been targeted at times when historically customers cancel their memberships and we receive no income.
- 4.3 The use of social media channels, the Leisure for Life App and Leisure for Life website has allowed us to reach customers and make them aware of these promotions, which has without doubt assisted retention.
- 4.4 The current scheme offers both full and concessionary levels (unemployed, junior, disability) of payment for a range of activities at the leisure centres including gyms, fitness classes, aqua classes, swimming lessons, racquet sports and health suites.
- 4.5 The redevelopment of facilities, the purchase of quality fitness equipment, the development of the staff and implementation of a varied fitness activity programme have all served to further boost and secure



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our place in the fitness market with a product that provides great quality, and value. This can be quantified by the level of monthly cancellations averaging around 3% per month and the length of stay of each member which currently stands at 13 months and both are comparable with top performing commercial operators.

- 4.6 Over the past five years the number of customers using gym and fitness classes has risen from 480,000 in 2014/15 to 600,000 in 2018/19 and Leisure for Life Membership has risen from 7,200 members to 9,900 members over the same period.

5. PRICING STRATEGY

- 5.1 Previous experience has shown that the introduction of a price freeze has assisted in the marketing of the facilities and has been universally acknowledged by customers. Holding prices at their current level would ensure that prices for committed memberships would remain lower than they were in 2015 prior to any facility investment.

- 5.2 A significant price rise would take our membership prices above those of neighbouring Authorities and commercial providers. To maintain our current market position, the preferable option would be to continue to freeze membership prices for a further period, ideally until January 2023. This will ensure that we remain competitive during a period when we open the Council's first fitness only facility in the Llys Cadwyn development and where we know that a number of private sector providers are seeking to extend their operations into Rhondda Cynon Taf.

- 5.3 All other non-membership prices will increase in line with CPI (1.5%).

- 5.4 The pricing strategy will need to be supported by a robust marketing plan, which allows flexibility to use "special" promotions such as Summer Student Memberships, 12 Days of Christmas and 7 days for £7.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 Following the equality impact screening assessment, a full equality and diversity impact assessment is not required.

7. CONSULTATION

- 7.1 The recently completed 2019 Leisure for Life customer survey results were completed by 1159 members and customers. Over 78% of customers who responded felt very strongly that the current membership was good value for money. Comments included



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"The ability to use the Leisure for Life card across RCT is a significant bonus"

"Great value for money and an asset to the community"

"My corporate membership means I save a lot of money each week".

8. FINANCIAL IMPLICATIONS

- 8.1 The continuation of the current price freeze, whilst not contributing to the Council's overall budget position will be an effective marketing tool which could very well facilitate an overall rise in the average number of memberships for the year.
- 8.2 The proposed annual increase of general fees and charges will also make the annual and monthly membership offers a more attractive membership option for customers.
- 8.3 The price freeze on memberships will create a budget pressure of £43k per annum. The rise in Pay and Play income has already been included in the Council's Medium Term Financial Plan (MTFP).

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 There are no legal implications arising from this report.

10. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 10.1 The proposed price increase, frozen until 2023, will continue to provide reduced pricing for specific groups. The reduction of prices for residents that require financial assistance supports the Council's Well-being objectives, in particular, *People – Promoting independence and positive lives for everyone.*
- 10.2 The continued offer of affordable leisure facilities throughout the County Borough delivers '*a healthier Wales*' and '*a more equal Wales*' working to ensure '*a Wales of vibrant culture*'. (Well-being of Future Generations (Wales) Act 2015).
- 10.3 The continued delivery of leisure facilities that are affordable and value for money will assist in '*helping people to live long and healthy lives*' whilst assisting the development of '*safe, confident, strong and thriving communities improving the well-being of residents and visitors and building on our community assets*'. (Cwm Taf Well-being Plan 2018-2023).

11. CONCLUSION

- 11.1 The freezing of Leisure for Life Memberships for an additional 3 years would also serve as another positive promotional tool on social media and via the Leisure for Life App.
- 11.2 The price freeze would allow the Authority to demonstrate the fact that the investment has not come at a cost to the customer as prices are still lower than those paid prior to any investment.
- 11.3 The freezing of the price point will give customers cost certainty and allow centre based staff to use this as a tool when selling to customers.



LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

DELEGATED OFFICER DECISION

19th DECEMBER 2019

**REPORT OF DIRECTOR OF PUBLIC HEALTH, PROTECTION AND
COMMUNITY SERVICES**

Item: Leisure Fees and Charges

Background Papers: None

**Officer to contact: David Batten, Head of Leisure, Parks & Countryside
01443 562202 (Option 2)**