



City of Westminster

Cabinet Member Report

**Meeting or Decision
Maker:**

**Cabinet Member for Sports, Leisure and Open
Spaces**

Date:

14 November 2014

Classification:

For General Release

Title:

**Approval of the Annual Fees and Charges Review to
be Implemented at the Sports and Leisure Facilities
from January 2015 and at the Sayers Croft Centre
from September 2015**

Wards Affected:

ALL

**Better City, Better Lives
Summary**

**The activities of the sports and leisure service make
a key contribution to Better City, Better Lives and
the fees and charges review seeks to promote
participation for residents and visitors.**

Key Decision:

**This is a key decision and has been included in the
Forward Plan**

Financial Summary:

**The outcome has no negative financial impact on the
City Council and the associated financial
implications are contained within the agreed revenue
budgets for the Sports and Leisure service.**

Report of:

**Richard Barker
Director of Sports, Leisure & Wellbeing**

1. Executive Summary

- 1.1 This report seeks approval from the Cabinet Member for Sports, Leisure and Open Spaces to approve the revisions to the fees and charges for all 8 contracted Council sports and leisure facilities, community use schools facilities and for Sayers Croft Field Centre from January 2015.

2. Recommendations

- 2.1 That the Cabinet Member for Sports, Leisure and Open Spaces approves:
- the fees and charges for the indoor sports and leisure centres set out in Appendix 1-5 of this report effective from 1st January 2015.
 - the fees and charges for Paddington Recreation Ground set out in Appendix 6 of this report effective from 1st January 2015.
 - the fees and charges for Academy Sport and St Augustine's set out in Appendix 8 and 9 of this report effective from 1st January 2015, subject to further agreement from the 'Community Management Group' for the individual school sites.
 - the fees and charges for Sayers Croft Field Centre set out in Appendix 7 of this report effective from 1st September 2015.

3. Reasons for Decision

- 3.1 Under the sports and leisure management contract provisions for the indoor and outdoor leisure sites, an annual review of fees and charges for services is required to be undertaken by the Council for implementation by the contractor from 1st January each year. The Community Use Agreement for Academy Sport at Westminster Academy and for the St Augustine's sports facilities ensures that the Council retains control over fees and charges for the sites subject to approval from the established 'Community Management Group' at each school.
- 3.2 The fees and charges for the 'in house managed' Sayers Croft Field Centre are reviewed annually to ensure services remain attractive to customers and that increases in operational costs are contained through increases in fees and charges in order to meet the associated revenue budgets.
- 3.3 In liaison with the appointed contractors/ providers and the in house site management teams, proposals for the annual price changes are provided for approval and detailed in the attached Appendices.

- 3.4 The changes in fees and charges will need to be advertised to users in advance of implementation. Computers and admission Electronic Point of Sale Systems will need to be reprogrammed to facilitate the proposed changes.
- 3.5 Officers have consulted the Cabinet Member for Sports, Leisure and Open Spaces as well as Members from the Council's Commercial Opportunities Review Board (CORB) who are content with the proposals.

4. Background, including Policy Context

Contract Managed Sports & Leisure Facilities

- 4.1 The main sports and leisure management contracts provide for fees and charges to be reviewed annually and, if requested by the contractor, increased by RPI (Retail Price Index) inflation, with effect from the 1st January ("The Prices Review Date").
- 4.2 Clause 15.2 of the contracts states:
"The fees and charges to be levied at each centre will be reviewed in conjunction with the Contractor annually. All prices to be charged by the Contractor shall be agreed by the City Council with effect from the 1st January in each Contract Year (the "Prices Review Date")."
- 4.3 Clause 15.3 states:
"In reviewing the prices to be charged by the Contractor for general users, the City Council shall take into account any recommendations made by the Contractor. The Contractor must notify the City Council in writing of its recommendations in relation to such price changes by no later than 7th October in each contract year before the relevant Prices Review Date. If requested by the Contractor in such written recommendations the City Council shall permit such prices to be increased by percentage equal to the percentage increase (if any) shown by the Index since the previous price review or, in the case of the first such review, since the Commencement Date. The City Council may at its discretion permit a greater percentage price increase if the Contractor can justify such increase based on market forces or improvement in individual services or Facilities."
- 4.4 Community use of schools sports facilities charges are agreed through individual 'community management groups' and seeks to promote alignment with the charges in the council's portfolio where possible.
- 4.5 Sayers Croft Centre fees and charges for the in house managed Centre are reviewed annually to ensure services remain attractive to customers and that increases in operational costs are contained through increases in fees and

charges in order to meet the associated revenue budgets (which generate a net income to WCC).

Proposed Fees and Charges Changes

- 4.6 Overall, the average increases in fees and charges proposed are approximately 4% which is slightly ahead of the average Retail Price Index (RPI) rate, (an average of 2.4% over the past 12 months).
- 4.7 A number of additional increases are also proposed above the 4% rate in order to deliver a 'Westminster rate' which will ensure charges for similar activities are consistent across all facilities.
- 4.8 Where moving to a 'Westminster' rate, charges for some activities will be increased above the average 4% rate noted. These are highlighted in the attached appendices (please refer to the 'notes' section).
- 4.9 The overall approach promoted will help to ensure positive income levels across all sports and leisure facilities are maintained which is particularly important for the Council as part of the re-tendering for the leisure facilities contract.
- 4.10 It is proposed that charges will not be reduced under any circumstances. Where a 'Westminster rate' results in fees reducing, the affected rate will be frozen.
- 4.11 Utilisation levels at the Sayers Croft site (i.e. the number of bookings/ percentage of occupied dormitories) has remained strong, however the actual number of visitors for overnight stays has decreased by approximately 11% over the past 5 years due to a continuing trend of schools bringing fewer pupils as part of their booking - the off-site residential centre market is very price sensitive for parents & there is a continuing trend of teachers being less willing to visit for weekend stays.
- 4.12 The proposed changes to the Sayers Croft fees and charges structure seeks to take a market orientated approach so customers remain incentivised to book for the less popular periods and that larger increases are made for more popular periods - this is reflected in the proposals in Appendix 7. It is proposed to retain the peak/ off peak and Westminster/ Non Westminster differential and to increase charges by 4% overall, in line with the leisure centres.
- 4.13 It is anticipated that with like for like usage at Sayers Croft, income will rise by £42,400 (a 3.8% increase overall) if these changes are approved.
- 4.14 Appendices 1- 9 provide the detailed fees and charges proposals showing the maximum 2014 price, the proposed maximum price for 2015 and the percentage

difference. Fees and charges can be rounded up or down to the nearest 5p for cash handling purposes.

- 4.15 Through the ActiveWestminster strategy, the Council is seeking to make access to sporting provision easier, particularly for sports clubs, Westminster schools children, concessionary groups, young people and 'low participation' groups, which is reflected through fees and charges structures. This approach strongly aligns with the Council's Better City, Better Lives vision, particularly by promoting a healthier Westminster

5. Financial Implications

- 5.1 There are no direct financial implications arising from this report as, if the recommended proposals are implemented, the changes will be contained within the approved revenue budget provision for the sports and leisure service. Whilst there are no negative financial implications, there is potential for a positive financial return through the agreed over-performance mechanisms contained within the sports and leisure facilities management contracts.

6. Legal Implications

- 6.1 Under S.19 of the Local Government (Miscellaneous Provisions) Act 1976 the Council has power to provide a wide range of recreational facilities, including swimming pools, and may impose such charges 'as the authority sees fit'. Although this gives the Council a wide discretion it must nevertheless act reasonably and its decisions may be subject to challenge by judicial review if it does not.

7. Staffing Implications

- 7.1 There are no direct staffing implications arising from this report.

8. Consultation

- 8.1 Sports and Leisure Contract Managers have consulted with the Contractor, the Cabinet Member responsible for Sports & Leisure and the Members of the Commercial Opportunities review Board who are content with the proposals.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

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Sports and Leisure Contracts Manager
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020 7641 2962

BACKGROUND PAPERS:

Appendices

Appendix 1- 5	Indoor Sports & Leisure Centre Fees & Charges
Appendix 6	Paddington Recreation Ground Fees & Charges
Appendix 7	Sayers Croft Fees & Charges
Appendix 8	Academy Sport Fees and Charges
Appendix 9	St Augustine's Sports Centre Fees and Charges

For completion by the **Cabinet Member for Sports, Leisure and Open Spaces**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report entitled **Approval of the Annual Fees and Charges Review to be Implemented at the Sports and Leisure Facilities from January 2015 and at the Sayers Croft Centre from September 2015.**

Signed:

Date:

NAME:

Councillor Steve Summers
Cabinet Member for Sports, Leisure and Open Spaces

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Approval of the Annual Fees and Charges Review to be Implemented at the Sports and Leisure Facilities from January 2015 and at the Sayers Croft Centre from September 2015** and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Sports, Leisure and Open Spaces

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.