

Report of: Head of City Leisure

To: City Executive Board

Date: 22nd October 2008

Item No:

Title of Report: Implementation of the recommendations from the Strategic Leisure (consultants) Pricing Review

Summary and Recommendations

Purpose of report: To seek approval for the implementation of the recommendations from the Leisure Pricing Review

Key decision: No

Executive lead member: Cllr Bob Timbs

Report Approved by:

Finance: Chris Kaye

Legal: Jeremy Thomas

Policy Framework:

- Transform Oxford City Council by improving value for money and service performance.
- Stronger and more inclusive communities.

Recommendations:

- Simplify Active Slice and Aqua Slice Memberships to core activities only as part of the membership entitlement i.e. fitness suite, swimming (public sessions) and fitness classes (studio). This excludes racket sports.
- Review the increase in price for the staff slice memberships through the JCC process. This is to be progressed jointly by the Head of Leisure and the Head of Human Resources.
- That car park charges at Ferry and the Ice Rink are further evaluated before any decision is made.
- That the report is used to inform the annual price increases for the service in 09/10.

1. Background

1.1. As part of the fundamental service review of leisure centre provisions the Leisure Services Steering Group commissioned Strategic Leisure, a leading consultancy in the field, to advise on fees and charges for leisure services. Strategic Leisure have conducted literally hundreds of pricing reviews and are well placed to make informed recommendations.

1.2. The conclusions and recommendations of the Strategic Leisure report is reproduced in Appendix 1. Full copies have been sent under separate cover to Board Members and Leaders of the political groups on the Council. An electronic copy of the report is available for view on the Council's website.

1.3. Strategic Leisure compared current fees and charges with the costs of providing the services and with competitive providers. They also held focus groups of users and non-users of the services to hear views about charges and perceptions about the value for money offered at the City Council's leisure centres.

1.4. The report makes specific recommendations in the following areas:

- Slice Memberships (Oxford City Council's leisure discount and membership scheme)
- Free child swimming policy
- Leisure centre car parking policy
- Opening times
- Swimming lesson provisions

2. Consideration of the recommendations

2.1. *Simplify Active Slice and Aqua Slice Memberships to core activities only as part of the membership entitlement i.e. fitness suite, swimming (public sessions) and fitness classes (studio and/or aqua).*

The view is that the current membership is overly complex and therefore difficult to market and costly to administer.

The recommendation is to streamline the options and benefits in line with other providers with a core package of gym, swim and classes.

2.2. *Cool Slice Membership category is removed and all Oxford Ice Skating users participate on a 'pay as you play' basis.*

Cool Slice Membership category is removed and all Oxford Ice Skating users participate on a "pay as you play" basis.

There are 74 membership holders in this category and as such there is no case to remove cool slice.

2.3. *Adult and junior Ice Skating session casual session prices are increased by 5%.*

This advice will be considered during the budget process.

2.4. *Adult and junior swimming casual session prices are increased by 5%.*

This advice will be considered during the budget process

2.5. *Staff Slice card is brought in line with the best corporate membership available to companies and a new monthly direct debit of monthly fee is established resulting in increased income.*

The view here is that the current staff discount scheme is very generous and out of step with the best corporate membership schemes available. It is recommended that this issue is discussed with the staff representatives through the JCC process. This will also be informed by the work that is being undertaken on developing a pay and conditions package.

2.6. *Kid's Slice Membership is revised. Free children's swimming sessions are still made available, but not at all public sessions and limited to set period throughout the year.*

This recommendation is noted. However in view of potential changes arising from the new government initiative on free swimming, no action is proposed until such time as we hear of the possible additional funding for Oxford.

2.7. *Strategic Leisure recommends free car parking for leisure facility users for two hours at Ferry Sports Centre and Oxford Ice Rink to offer higher "value for money" for the leisure centre users and make the memberships more attractive in a highly competitive market place.*

This recommendation appears attractive from a service provider and customer perspective, particularly as it has been the subject of customer comments at both the Ice Rink and Ferry Sports Centre. The financial implications are difficult to predict. An initial assessment suggests that there could be a net cost of around £120,000 per year for this change, due to loss of income from those parking at the leisure sites and a loss of available parking spaces at the Ferry Pool Centre for paying parkers. Due to the significant financial implications more work needs to be conducted before proceeding.

2.8. *It is recommended that the opening hours at Oxford City Council sports and leisure facilities are consistent at the larger facilities:*

- *Monday to Friday 06.30 – 22.00*
- *Saturday 08.00 – 20.30*
- *Sunday 08.00 – 20.30*

These changes have been further reviewed and in part implemented by management; the changes made have been further informed by a full review of usage times of the centres. Appendix two shows the current and the changes to the Leisure Centres opening times.

2.9. *It is recommended that the above (point 2.8) are implemented at Ferry Sports Centre, Temple Cowley Leisure Centre and Blackbird Leys Leisure Centre.*

Where possible these changes have been implemented by management, where notice is required staff consultation is taking place.

2.10. *It is recommended that one standard price remains in place and no differential pricing for peak and off peak periods need to be established.*

This recommendation is noted. No action is required.

2.11. *It is recommended that Oxford City Leisure Services revert back to operating swimming lessons in-house in preparation for the potential externalization of the leisure service in the future and prior to market testing the service.*

This advice will be considered as the market testing exercise progresses.

2.12. *It is recommended that the sauna and steam room is removed from the Slice Card Memberships so that VAT on leisure memberships does not affect any future external management option of the leisure service especially if the preference is a Trust option.*

This advice will be considered as the market testing exercise progresses. If the services were to be transformed to a charity, this would have to be implemented to protect the Vat position around membership fees.

3. Financial Implications

3.1. It is estimated that the full year revenue implications of the changes recommended in this report are an increase in income of £54,000 per annum. The majority of this is income would come from the potential increases in employee charges.

4. Conclusion

The changes will widen community access to facilities and support the transformation to a value for money high performing leisure service.

5. Recommendations:

5.1 Simplify Active Slice and Aqua Slice Memberships to core activities only as part of the membership entitlement i.e. fitness suite, swimming (public sessions) and fitness classes (studio). This excludes racket sports.

5.2 Review the increase in price for the staff slice memberships through the JCC process. This is to be progressed jointly by the Head of Leisure and the Head of Human Resources.

5.3 That car park charges are further evaluated before any decision is made.

5.4 That the report is used to inform the annual price increases for the service in 09/10

Name and contact details of author:

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Background papers:

Review of Leisure Pricing Structure, Strategic Leisure, June 2008

Appendix One – Conclusion and recommendations from the Strategic Leisure Pricing Review

Conclusion

- 6.1 In conclusion the review has identified that the core prices are on a par with similar authorities and in some cases the prices offer good value for money and there is the capacity in some cases for a price increase.
- 6.2 Oxford City Leisure offer a range of concessionary schemes that benefit members of the community that need discounted prices such as the Bonus Slice Card and reduced rates of approximately 50% and 60% for over 60 years and students respectively.
- 6.3 Oxford City Leisure has made significant investment into leisure facilities i.e. Ferry Sports Centre, Barton Pool and Blackbird Leys Leisure Centre to improve the leisure facility stock. There is a need to refurbish or replace facilities such as Temple Cowley Leisure Centre which does lower the overall quality of leisure facility provision and the perceived and actual value for money of using the facilities to the public.
- 6.4 The following recommendations are made to increase throughput, facility usage, optimize income, improve value for money and customer satisfaction.

Recommendations

- 6.5 *Simplify Active Slice and Aqua Slice Memberships to core activities only as part of the membership entitlement i.e. fitness suite, swimming (public sessions) and fitness classes (studio and/or aqua)*
- 6.6 *Cool Slice Membership category is removed and all Oxford Ice Skating users participate on a 'pay as you play' basis.*
- 6.7 *Adult and junior Ice skating session casual session prices are increased by 5%.*
- 6.8 *Adult and junior swimming casual session prices are increased by 5%.*
- 6.9 *Staff Slice card is brought in line with the best corporate membership available to companies and a new monthly direct debit or monthly fee is established resulting in increased income.*
- 6.10 *Kid's Slice Membership is revised. Free children's swimming sessions are still made available, but not at all public sessions and limited to set period throughout the year.*
- 6.11 *Strategic Leisure recommends free car parking for leisure facility users for two hours at Ferry Sports Centre and Oxford Ice Rink to offer higher 'value for money' for the leisure centre users and make the memberships more attractive in a highly competitive market place.*
- 6.12 *It is recommended that the opening hours at Oxford City Council sports and leisure facilities are consistent at the larger facilities:*
- *Monday to Friday 06.30 – 22.00*
 - *Saturday 08.00 – 20.30*
 - *Sunday 08.00 – 20.30*
- 6.13 *It is recommended that the above opening times are implemented at Ferry Sports Centre, Temple Cowley Leisure Centre and Blackbird Leys Leisure Centre.*
- 6.14 *It is recommended that one standard price remains in place and no differential pricing for peak and off peak periods need to be established.*

- 6.15 *It is recommended that Oxford City Leisure Services revert back to operating swimming lessons in-house in preparation for the potential externalization of the leisure service in the future and prior to market testing the service.*
- 6.16 *It is recommended that the sauna and steam room is removed from the Slice Card Memberships so that VAT on leisure memberships does not affect any future external management option of the leisure service especially if the preference is a Trust option.*

Appendix Two – Current and proposed changes to the Leisure Centres opening times

The current opening times are:

Facility	Weekday	Saturday	Sunday
Temple	06.10 - 22.00	08.00 -18.30	08.10 -19.00
Ferry Sports Centre	06.30 – 22.00	08.00 - 21.30	09.00 - 20.30
BLLC	09.00 – 21.00	09.00 – 20.00	09.00 – 21.00
Barton	07.00 – 22.00	08.00 – 20.00	08.30 – 20.00

Changes to opening hours using the information attained from entry times at the leisure centres combined with the recommendations made by Strategic Leisure. The trial changes are underway and proving successful.

- To standardise weekday opening times across the 4 sites to 6.15am
- To maintain opening times on a Saturday at 8am at Barton, ferry and Temple and to open Blackbird Leys Leisure at 8am instead of 9am.
- To standardise opening times on Sunday's to 8am at the 4 sites
- Last weekday bookings at Blackbird Leys to be 9 -10pm resulting in the facility closing one hour earlier than current.
- To open each of the 4 sites until 8.30pm on Saturday evenings on a trial basis.
- To trial the opening of Temple Cowley pool until 8.30pm on Sunday's in line with Ferry Sports Centre. Following the trial make a further assessment of demand before deciding on the possible later opening of Barton and Blackbird Leys Leisure Centre.