

To: City Executive Board

Date: 12th January 2011

Item No: 5

Report of: Head of Leisure and Parks

Title of Report: Approval of Fusion Lifestyles 2011/ 2012 fees and charges increase for Oxford City Council leisure facilities.

Summary and Recommendations

Purpose of report: A report requesting the City Executive Board agree Fusion Lifestyle's fees and charges for Oxford City Council leisure facilities for 2011/ 2012.

Key decision? No

Executive lead member: Councillor Bob Timbs (Leisure Partnerships)

Policy Framework:

- Transform Oxford City Council by improving value for money and service performance
- Improving the local environment, economy and quality of life

Recommendation(s):

1. That the Leisure Management Providers' 2011/ 2012 fees and charges for Oxford City Council leisure facilities be approved for implementation on the 18th of January 2011.

Appendices to report

One - Risk and mitigation register

1. Introduction

1.1 The Leisure Management Contract incorporates the delivery of service for the Council's main seven leisure facilities; Barton Leisure Centre, Blackbird Leys Leisure Centre, Blackbird Leys Swimming Pool, Ferry Leisure Centre, Hinksey Outdoor Pool, Oxford Ice Rink and Temple Cowley Pools.

1.2 Fees and charges for leisure facilities have historically been reviewed annually and implemented at the start of the Council's financial year.

1.3 The Council's Leisure Management provider, Fusion Lifestyle, have proposed implementing revised fees and charges in advance of the start of the Council's new financial year so that they can be increased at the same time as the VAT increase.

2. Detailed changes

2.1 The increase in fees and charges are justified due to **the increase of VAT and inflation.**

2.2 Fusion Lifestyle would apply a single price rise of 6.7% in January 2011 to include the VAT increase plus the increase in fees and charges of a flat rate of 4.7%. This would avoid applying two price rises, one in January 2011 for the VAT and again in April 2011 for the fee increase.

2.2 Fusion Lifestyle would also offer a new concessionary subscription membership option.

2.3 All prices would be increased by 6.7% from January 2011, rounded up to the next 10p for activity prices and the next £1 for monthly subscription memberships:

- Choice all-inclusive membership £44 to £47;
- Active Slice from £37.70 to £41;
- Aqua Slice from £27.70 to £29.

2.4 There is no change to the existing concessionary Bonus Slice membership scheme, which remains as an affordable membership option to support those, (and their dependants), on low incomes or in receipt of approved social benefits.

2.5 An additional concessionary, off-peak membership (for use Monday to Friday, 09:30 to 16:00); Choice all-inclusive membership at £29, will be introduced; Fees and charges would be the same as those applied to the existing bonus slice membership. It is your Officers view that there is no significant impact to citizens or concessionary group.

2.6 Fusion Lifestyle have taken this approach to keep things simple; increase customer offer options; avoid the negative customer impact of applying two price rises in quick succession and to continue to offer great value in the newly invested portfolio.

2.7 In addition, the price increases will increase the possibility of an improved net surplus from which, should it occur, the Council would benefit via the surplus share mechanism within the Leisure Management Contract.

4. Level of risk

There is a medium level of risk to service provision. Descriptions and mitigation for this level of risk are demonstrated in the Risk Register.

5. Equalities impact

Membership packages and concessionary pricing options will continue to support inclusivity and offer affordable participation opportunity. There is no change to the existing concessionary Bonus Slice membership scheme, which remains as an affordable option to support those, (and their dependants), on low incomes or in receipt of approved social benefits. Additionally, concessionary membership options will be enhanced with the introduction of a new off-peak membership.

7. Financial implications

The Leisure Management Contract with Fusion Lifestyle is a major project in supporting the Council's commitment to achieving cashable savings. There is potential within this recommendation for additional Council income to be raised, through the Leisure Management Contract profit share principle.

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List of background papers:

April 2010 to March 2011, leisure facilities fees and charges.
SLICE and Choice Lifestyle Membership Scheme's

Version number: V3 4

Risk Register

Risk ID	Risk						Corporate Objective	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed
Category-000-Service Area Code	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	1 to 6	I	P	I	P	I	P		
CEB-001-CL	Council Reputation	T	Customer or stakeholder dissatisfaction with the level of increase applied to fees and charges.	Increase changes applied without a reasonable period of notice.	Increase in complaints; impact on affordability to be able to participate; decrease in participation.	08.12.10	6	3	3	3	2	3	2	IB	08.12.10

Risk Action Plan

Risk ID	Risk Title	Action Owner	Accept, Contingency, Transfer, Reduce or Avoid	Details of Action	Milestone Delivery Date	Date Reviewed
CEB-001-CL	Council Reputation	I. Brooke	Reduce	Widely communicate the 'proposed changes to Fees and Charges, prior to implementation.	January 2011	08.12.10
CEB-001-CL	Council Reputation	I. Brooke	Accept	To demonstrate fees increases were in-line with comparative competitors, officers completed a benchmarking exercise against other near local authorities, nearest neighbour Cities, and by utilising Chartered Institute of Public Finance and Accountancy financial comparison data.	29 th December 2011	08.12.10