

Item No.	Classification: Open	Date: 16 September 2022	Decision Taker: Cabinet Member for Leisure, Parks, Streets and Clean Air
Report title:		Amendment to Leisure Department fees and charges – at leisure centres and Burgess Park Sports Centre	
Ward(s) or groups affected:		All	
From:		Head of Parks and Leisure	

RECOMMENDATIONS

1. That the cabinet member for leisure, parks, streets and clean air:
 - I. Approves the increase in the leisure centres fees and charges schedule for implementation in October 2022, detailed in Section A of this report.
 - II. Approves the implementation of a new fees and charges schedule for the redeveloped Burgess Park Sports Centre that is due to be partially opened before the end of 2022, detailed in Section B of this report.

SECTION A – LEISURE CENTRE FEES AND CHARGES

BACKGROUND INFORMATION

2. In 2016 Southwark Council signed a contract with Strategic Leisure Management, also known as Everyone Active (EA), for the management of the council's leisure centres for a period of seven years, with an option to extend for up to a further seven years.
3. In September 2021, cabinet chose to insource the management of leisure centres from Everyone Active (EA) at the expiry of the current contract, in June 2023, and until this date EA will continue to manage the contract according to the original terms.
4. EA have reported increased financial pressures due to current global events, which have led to a sharp increase in their costs to operate leisure centres. Particular areas of concern include the rapid increase in utility costs in the past few months, as well as chemical costs and material supplies.
5. Everyone Active have now approached the council seeking to put their prices up to help cope with these increased costs. EA have stated that they

are approaching all their local authority partners seeking to review their fees and charges agreements.

KEY ISSUES FOR CONSIDERATION

6. The council has been approached by EA and requested to increase the prices charged to visitors utilising the leisure centres. The authority has considered the proposal for change and through this paper seeks to formally approve this request in accordance with the council's fees and charges policies.
7. The contract between the council and EA allows for the prices charged to have inflationary increases. This involves the contractor presenting the council with a proposal for increases in prices and the council ensuring the proposed prices do not exceed the parameters as agreed in the contract.
8. There are ongoing challenges for the leisure sector created by the pandemic and subsequently with the period of rising inflation, with the cost of chemicals, materials and utilities increasing the cost of providing services. Staff costs have also increased with a rise in the London Living Wage.
9. Due to the rapid increase in inflation between the beginning of the approval process and implementation, EA have requested that they carry out a mid-year increase to help cover their increased costs referred to in paragraph 8, and on the basis of reserving the contractual right to do so. On this basis, a further uplift will not be applied in April 2023, when the wider corporate annual fees and charges are set.
10. The free Swim and Gym opportunities that are available across the leisure sites will remain unaffected by these proposals.
11. The proposed increase of fees and charges are listed in Appendix 1 – 'Leisure Centre Fees and Charges'.

Policy implications

12. The request to increase leisure centre fees and charges within this financial year is being considered due to the special circumstance of unprecedented inflation costs, and predicted future increases, and does not conflict with Southwark Council policy.

SECTION B – BURGESS PARK SPORTS CENTRE

BACKGROUND INFORMATION

13. Burgess Park Sports Centre is a council managed facility that sits within Burgess Park that opened in 2005 and was jointly funded by the council and the Football Foundation under an agreement lasting until 2025. Facilities included one full size 3G synthetic pitch, cricket table, cricket nets, grass

rugby pitch, changing facilities and community room.

14. In 2016, the council approved the allocation of £3 million towards improving and increasing the sports and physical activity offer within the park and one of the projects identified was the expansion and redevelopment of the football facilities to accommodate growing demand and future proof the facilities for a growing local population.
15. Since that time the council has been working with the London Football Association (London FA), The Football Foundation, local clubs and other National Governing Bodies of sport to explore how best to take the facility forward and secure its future as a community sports facility.
16. In 2018, after a number of external funding routes had been explored the council decided to award an additional £4 million of council capital for the improvement of football facilities across the borough as part of the ongoing leisure investment programme. A successful funding bid to the Football Foundation secured a further £2.4 million towards the development.
17. The new centre design will relocate and rebuild the changing rooms and clubhouse to better serve the pitches, construct an additional full size 3G football pitch, include some traffic calming measures on the road that separates the grass pitches from the 3G pitches, and create a free to use multi-use games area which can support wheelchair recreational activities. It will also have new pitch sizes that will enable greater use for FA affiliated leagues at junior and senior age groups, rugby play, and can be divided in more sections to increase group play.

KEY ISSUES FOR CONSIDERATION

18. The new Burgess Park Sports Centre is due to open before the next fees and charges process takes place, and with the new configurations on the pitches – booking as quarter pitch, half pitch, and full pitch – there are some gaps in the current fees and charges list.
19. Officers have benchmarked fees with other Football Foundation funded facilities in London Local Authorities to understand their structure for charging, and the rates provided – Appendix 2. Using this information with the current fees, the following charges in Table 1 are proposed for hourly pitch hire for the different hire options once the centre re-opens.

Table 1 – Summary of fees and charges for pitch hire at the sports centre

	Full pitch hire (e.g. 11-a-side)	Half pitch hire (e.g. 7/9-a-side)	Quarter pitch hire (e.g. 5-a- side)
Non discounted rate / Commercial - Peak (All sports)	£188.70 £157.50 (10+ block)	£95.80 £79.80 (10+ block)	£47.90 £39.90 (10+ block)
Non discounted rate / Commercial; Off-peak (All sports)	£95	£48	£25
Adult Community rate (All sports)	£113.80 £95 (10+ block)	£78 £65 (10+ block)	£42 £35 (10+ block)
Adult Community rate – Off-peak (All sports)	£80	£42	£23
Junior Community rate (All sports)	£101.50 / £84.10 (10+ block)	£51.60 £43 (10+ block)	£29 £24.10 (10+ block)
Southwark School rate (All sports)	£39 (post 3:30pm) £20 (pre 3:30pm)	-	-
Out of borough School rate (All sports)	£49		
Basketball court (event hire)	£14.50 £12 (10+ block)		
Community room hire	<u>Non discount</u> Peak £43.50 Off-peak £32.70	<u>Community</u> Peak £38.10 Off-peak £19.00	<u>School</u> Peak £16.05 Off-peak £12.05

20. There will be specific times at weekends where the centre will allocate time for FA affiliated league matches to support the grass roots game to grow in Southwark. The fixtures played at these times will be charged using new 'match' booking rates instead of hourly hire, as shown in Table 2.

Table 2 – New match charges for FA affiliated grass root fixtures

Fixture Type	Pitch size	Duration	Cost
5 v 5 matches	Quarter	1 hr	£20.50 £17 (10+ block)
7 v 7 matches	Half	1.5 hrs	£54.90 £45.70 (10+ block)
9 v 9 matches	Half	1.5 hrs	£65.80 £54.80 (10+ block)
11 v 11 matches	Full	2 hrs	£128.60 £107.10 (10+ block)

21. The proposed fees and charges hopes to achieve the following objectives:

Objective	Measure
Increase income from commercial activity to keep fees low for grass roots community sport	Charge commercial sport leagues that want to use the facility at peak times a commercial rate for use
Attract local Junior and Adult clubs to play league games to the site, relieving pressure on grass pitches	Regular weekend football matches and leagues being held at the sports centre. Working with the London FA at exploring central venue leagues
Create a sustainable community sports centre that doesn't rely on council subsidy	Increase the total income by increasing community activity at the site, both at peak and off-peak times

22. Selected 'partner clubs' that work with the council will have access to free booking times in order to deliver health and social impact to the local children and young people in the area. Details about this are included in a previous IDM report – Burgess Park Sports Centre, Community Usage Principles.

Policy implications

23. The recommendations contained within this report are consistent with the Active Southwark sport and physical activity strategy 2019-23, in terms of making improvements to Active Places:

- **Active Places:** Maintaining and building on the improvements already completed across our facility infrastructure
- **Active Places:** Shaping the borough's sporting hubs that offer a range of activities in key areas of the borough
- **Active Places:** Ensuring the places where we are active are fully accessible

Community, equalities (including socio-economic) and health impacts for both fees and charges changes

Community impact statement

24. Most of the people that use the leisure centres and Burgess Park Sports Centre will be living or working close to the venues.
25. Not all of the fees in Table 1 (Burgess Park sports centre) are new fees, but are continuations from the previous annual fees and charges process agreed by cabinet in April 2022.
26. New off peak prices at Burgess Park sports centre (off-peak will be weekday daytime hours before 3pm) are discounted to encourage use by local community groups at traditionally quieter periods. The off-peak policy is extended to Southwark schools encouraging cheaper daytime use for educational activities.
27. The introduction of a match fee at Burgess Park sports centre for FA affiliated league games is a construct that creates a fee comparable to booking a grass pitch, not based on the hourly fee payable at other times. This should make using the site for grass root sport fixtures more attractive to local clubs, and reduce the over use of grass pitches.
28. The Free, Swim and Gym programme in Southwark helps residents to access the Leisure Centre facilities without cost being a barrier. In addition there are free activities for older adults and Disabled people, and an Access price list providing discounted rates.
29. With the exception of those benefits and risks identified above, the recommendations are not considered to have a disproportionate effect on any specific community or group.

Equalities (including socio-economic) impact statement

30. The change of fees proposed are not considered to have any adverse effect on socio-economic or health equalities. This is because, both the leisure centre and Burgess Park Sports Centre, have free protected times in the programme.
31. The Leisure centres offer the Free Swim and Gym programme, as well as other discounted programmes for target groups, and the sports centre will allow local 'partner' clubs to run free or low cost activity for local children,

youths or families to prevent price being a barrier to using the sports centre for personal and community improvement.

32. The fees are benchmarked with other sites in London and have been set to provide a fair representation of the marketplace.
33. No potential negative, disproportionate or adverse impacts on those with protected characteristics has been identified. As the likelihood and seriousness of any potential negative, disproportionate or adverse impacts of this proposal is deemed to be very low, a full equalities analysis is not proposed to be carried out. However, the need for a full equalities analysis will be reviewed again following the implementation and in response to any objections that might be received.

Health impact statement

34. The proposals support the council's mission to deliver infrastructure to support regular active participation in sport, enabling people to get and stay active, with a varied charging schedule to enable access from across the community.

Climate change implications

35. The proposals are not considered to have any adverse effect on climate change.

Resource implications

36. All resource implications will be contained within the existing Leisure Department budgets.

Legal implications

37. Please see the concurrent report of the director of law and governance below.

Financial implications

38. The existing fees and charges at Burgess Park Sports Centre do not fit the new hire options created through the redevelopment and therefore new charges are required.
39. Expanding the Burgess Park Sports Centre site from one to two pitches will increase the number of booking slots available, and this additional income will help the centre to pay for the additional maintenance and staffing required,
40. Leisure centres use lots of energy to heat pools and run gym equipment. Costs have increased significantly this year and with further increases due again, additional income generated with the increase in fees will support the maintenance of services.

Timeline

- 41. Should the recommendations in this report be approved, the leisure centre fees will be introduced in the autumn, after a period of advanced customer notification (minimum of 3 weeks).
- 42. The Burgess Park Sports Centre fees will be introduced at the point when the pitches are ready for community use, which is currently estimated to be November 2022 (subject to the project remaining on the current schedule).

Consultation

- 43. No consultation has been carried out at this point.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

- 44. This report seeks approval of a proposed increase in the fees and charges for leisure centres in Southwark in early October 2022 as detailed in Section A and the implementation of a new fees and charges schedule for the redeveloped Burgess Park Sports Centre once opened, as detailed in Section B.
- 45. The decision to approve the report recommendation is a matter reserved to the cabinet member for individual decision making in accordance with Part 3D paragraph 3 of the council's constitution.
- 46. Paragraphs 8 and 9 of this report explain the reasons why it has become necessary to recommend an increase in the current levels of fees and charges. The proposed increases and the new pricing structure for Burgess Park Sports Centre are intended to be consistent with corporate income policy, and the proposed increases will apply to the existing non-statutory fees and charges.
- 47. Section 93(1) of the Local Government Act 2003 enables the council to charge for providing discretionary services. The power in the Act is subject to the requirement that the council is not prevented from charging for the services by virtue of any other legislation. The director of law and governance is not aware of any specific legislative provision which would prevent the council from relying on these powers to charge.
- 48. The power to charge for a service under the Act is also subject to the duty to make sure that, taking one financial year with another, the income from charges made from a service does not exceed the cost of the provision of the service.
- 49. The council is, therefore allowed to set the level of the charge for each discretionary service that it thinks fit and considers reasonable, subject to those charges not exceeding the costs of the provision.

50. The report notes that the proposed fees and charges will be subject to public consultation and the proposals should be publicised and notified at each leisure centre and on the council website. Officers should ensure that all forms of notification explain how and to whom any representations should be made.

Strategic Director of Finance and Governance (EL22/046)

51. This report is seeking approval from the cabinet member for leisure, parks, streets and clean air to approve the increase in the leisure centres fees and charges schedule for implementation in October 2022, as detailed in Section A of the report.
52. This report is also seeking approval from the cabinet member leisure, parks, streets and clean air to approve the implementation of a new fees and charges schedule for the redeveloped Burgess Park Sports Centre that is due for the opening before the end of 2022, as detailed in Section B of the report.
53. The strategic director of finance and governance notes the financial implications detailed in the report and understand that this will be incorporated within the regular departmental revenue budget monitoring and reporting arrangements.
54. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Active Southwark Sport and Physical Activity Strategy	Southwark Council Environment and Leisure Parks and Leisure 160 Tooley Street London SE1 2QH	Jardine Finn 020 7525 3944
Link: Sport and Physical Activity Strategy - Southwark Council		

APPENDICES

No.	Title
Appendix 1	Leisure Centre fees and charges
Appendix 2	Sports Centre fees benchmarking

AUDIT TRAIL

Lead Officer	Tara Quinn, Head of Parks and Leisure		
Report Author	Ashoke Chaudhury, Group Manager Physical Activity		
Version	Final		
Dated	6 September 2022		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments Included
Director of Law and Governance		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
Cabinet Member		Yes	No
Date final report sent to Constitutional Team			16 September 2022