

REPORT FOR EDLC BOARD	
Report Title:	Pricing Review 2023/2024
Contact officer:	Mark Grant
Date:	1st February 2023
Agenda Item No:	9
Report No:	EDLCT/106 /23/MG

1. INTRODUCTION

- 1.1 The purpose of this report is to update the Board of proposed changes to EDLCT charges for 2023/2024. These charges take into account the results of a recent benchmarking exercise both locally and across Scotland.
- 1.2 This does not include changes to the gym membership and concessions schemes which were implemented in April 2020 during the first lockdown period.
- 1.3 In considering a pricing levels for EDLCT Services, there are a number of key factors which require to be considered in order to make informed decisions regarding pricing.

These include:

- Impact of Covid – 19.
- Financial Objectives.
- Forecast Income.
- Policy Objectives.
- Usage Patterns.
- Forecast of effects on use including the impact of competitors etc.
- Comparisons and Benchmarking with Competitors and Other Service Providers.
- User Views.
- Increased cost of provision including energy costs.
- Cost of Living Crisis.

2. BACKGROUND

- 2.1 EDLCT has a number of product categories each with their own pricing level. The core pricing categories are adult, juvenile and concession. The pricing level should relate to strategic outcomes and detailed competitor analysis.

2.2 Current Charges:

The existing charges for EDLC activities have generally increased by inflation or in some cases above inflation to reflect the cost of providing the activity and the charge for the activity in comparison to other providers. The table below outline current activity charges for some key activities in EDLC facilities with a comparison for a selection of competitors.

Activity	EDLC 2022.23	WDL 22/23	One Ren 22/23	Glasgow Life 22/23	Falkirk 22/23	Inverclyde 22/23	North Lan 22/23	Mean*
Adult Swim	£4.40	£3.40	£4.20	£3.00	£4.50	£6.50	£4.60	£4.69
Junior Swim	£3.15	£2.45	£2.00	£1.00	£2.60	£5.10	£3.50	£2.82
Group Fitness Class	£6.00	£6.00	£6.00	£5.00	£6.50	£7.30	£5.00	£6.18
Adult Badminton	£9.90	£8.00	£10.00	£	£11.33	£13.20	£10.90	£11.21
Junior Badminton	£7.10	£4.00	£5.00	£	£5.87	£7.00	£5.45	£7.18
Swimming Lane – Club hire	£11.55	£16.00	£20.00	£10.00	£16.00	£9.60	£	£17.09
All Inclusive subscription (Contract)	£29.75	£35.00	£29.99	£27.00	£36.00	£39.99	£34.99	£32.40
All Inclusive concession (Contract)	£24.70	£20.00	£24.99	£20.00	£	£	£24.00	£25.00

*Average price across Scotland – data provided by sportscotland facility charges 22/23

Proposed Charges Leisure Centres 2023/24

Activity	2022/23	2023/24	Real % increase rounded
Adult Swim	£4.40	£4.65	5%
Junior Swim	£3.15	£3.30	5%
Group Fitness Class	£6.00	£6.30	5%
Adult Badminton	£9.90	£10.40	5%
Junior Badminton	£7.10	£7.40	5%
Swimming Lane – Club hire	£11.55	£12.15	5%
All Inclusive subscription (Contract)	£29.75	£29.75	0%
All Inclusive concession (Contract)	£24.70	£24.70	0%

3. PROPOSED INCREASE IN CHARGES

- 3.1 Raising income from charges and being commercial in our outlook has become increasingly important however raising some charges may also have a negative impact on our performance both financial and reputational.
- 3.2 EDLCT must also be aware it competes in a challenging business environment and should take account of the charges of competitors. If our customers can go elsewhere and receive the same or similar service levels at a lower price then price increase exemption must be considered for specific products.
- 3.3 From discussions with other Trusts and Local Authorities it has been established that they are preparing to increase pricing by a minimum of 3% and up to 10% from April 1st 2023 although many of these have still to be approved by Board or Council.

3.4 The proposed increase in charges will cover all activities across EDLC with the exception of the Gym membership scheme. It is proposed to retain this at the same price for now as our loyal customers have faced many reductions in services due to the pandemic recovery and it is felt that an increase should be introduced once the new Allander has opened and we have a more settled service provision including a more consistent Group Fitness Programme.

3.5 The gym membership is currently beyond pre – covid levels and the focus will be to grow the membership during the next financial year to increase overall income.

All three gym facilities including the new Allander will be upgraded with new equipment by April 2023 which will help with membership sales and retention of members.

The table below details the proposed increases to activities.

Activity	2022/23	2023/24	Real % increase rounded
Adult Swim	£4.40	£4.65	5%
Junior Swim	£3.15	£3.30	5%
Group Fitness Class	£6.00	£6.30	5%
Adult Badminton	£9.90	£10.40	5%
Junior Badminton	£7.10	£7.40	5%
Swimming Lane – Club hire	£11.55	£12.15	5%
All Inclusive subscription (Contract)	£29.75	£29.75	0%
All Inclusive concession (Contract)	£24.70	£24.70	0%

3.6 Taking account of all of the activities out with the gym and sports development charges the table below outlines the potential impact on income if an uplift of 2.5% - 7.5% is applied and forecasted usage levels are achieved.

Percentage Increase	Additional Income
2.5%	£26,625
5%	£93,500
7.5%	£140,250

3.7 Sports Development Direct Debit prices did not increase for 2022/23 as the new Direct Debit payment system only began in October 2021. The current DD period operates for 38 weeks of the year and this is being increased to 40 weeks of classes for 2023/24 and the increase of £20.00 a year for swimming reflects this and takes account of the benchmarking exercise from a range of neighbouring Trusts / Local authorities that offer a similar programme.

3.8 For the Learn to Swim Scheme the benchmarking exercise showed that three were priced lower and five priced higher in 2022/23 ranging from £17 - £27.65 with an average price of £21.68. This is similar for 2023/24 and although we only know the increases for two

thirds of the Trusts/Las that we spoke to, we would still be below the average of £22.68 with our proposed increase to £22.00. See table below:

Learn to Swim benchmarking	2022/23	2023/24
EDLC	£20.00	£22.00
Glasgow Life	£24.00	£24.50
West Dunbartonshire	£18.00	£19.50
North Lanarkshire	£25.50	£25.50
South Lanarkshire	£27.65	Increase unknown
Live Argyll	£17.00	£20.00
Inverclyde	£24.00	Increase unknown
East Ayrshire	£18.00	Increase unknown
West Lothian	£20.95	£22.95

- 3.9 For dryside sports (60 mins) there was one priced lower and three higher ranging from £17.05 - £26.75 with an average price of £21.75. Again, we would still be below this average price with our proposed increase to £20.50. The proposed increases to Sports Development DD are detailed below.

Activity	2022/23	2023/24
EDLC Learn to Swim	£20.00	£22.00
EDLC Sport (60 mins)	£19.00	£20.50
EDLC Sport (90 mins)	£23.00	£24.50

- 3.10 Taking account of all sports development charges the table below outlines the potential impact on income if an uplift of 2.5% - 7.5% is applied and forecasted usage levels are achieved.

Activity	2.5% increase	5% increase	7.5% increase
EDLC Learn to Swim	£7,300	£14,600	£21,900
EDLC Sport (60 & 90 mins)	£6,675	£13,350	£20,025
Total	£13,975	£27,950	£41,925

4. IMPLICATIONS

- 4.1 There is potential for negative feedback from customers around the increase in price for activities especially during the current cost of living crisis when individual and family budgets are under pressure.

- 4.2** The change in pricing level if the current level of usage is maintained will mean an increase in income between £40,600 and £182,175.
- 4.3** Potential reduced demand for EDLCT services due to the extent to which demand is influenced by price.
- 4.4** EDLCT will produce an annual service charges document detailing all product pricing levels in February each year. Any price increases will be advised to customers in advance from early March of each year by poster, leaflet notification and other communication methods as deemed appropriate.

5. RECOMMENDATIONS

- 5.1** It is recommended that the Board:-
- a) Notes the details provided on proposed changes to EDLC charges for 2023/2024 and Membership Scheme.
 - b) Agree an uplift in charges of 5% on Leisure Centre charges and approve the implementation of these charges from 1st April 2023.
 - c) Note the increase in the Sports Development DD programme to 40 weeks from 38 weeks and approve the increase in charges as detailed in the report.
 - d) Agree that Gym Direct Debit charges remain at the current level subject to review in February 2024.