

Operational Decision Record

Publication Date 25/11/21	Decision Reference Number 4449
Decision Title	
Approval of Active Nottingham Pricing proposal - key price changes for the Sport and Leisure Service from 1 st Jan 2022 until 31 st March 2023.	
Decision Value	
Based upon the 2022-23 fees and charges budget these proposals will target a delivery of an additional £10,500 in year (January to March 22) and target a delivery of an additional £59,000 in 2022-23.	
Revenue or Capital Spend?	
Revenue income	
Department	
Residents – Sport and Culture	
Contact Officer (Name, job title, and contact details)	
Nicola Smyth – Service Manager Nicola.smyth@nottinghamcity.gov.uk Tel 0115 8761625	
Decision Taken	
To implement the recommendations set out in the pricing paper with effect from 1 st January 2021 across some sport and leisure memberships and activities.	
Reasons for Decision and Background Information	
<p>Due to the lockdown, pricing increases were held in 2020/21. Given ongoing restrictions through the beginning of 2021 the service prioritised the need to recover and re-establish customer confidence in a particularly volatile marketplace.</p> <p>A decision was made to delay any price increases until 2022 allowing time to make use of leisure centre user data, providing a better understanding of user confidence and product demand post lockdown and through subsequent months.</p> <p>Pricing has been considered against core cities, neighbouring providers and regional comparator data. We have carefully modelled demand and the impact of changes applying sensitivity analysis in predicting uplift in income of approximately £69,500 with sensitivity of 10% applied.</p> <p>Pricing this year represents 1.1% inflation on forecasted total income and 1.49% in 22/23.</p>	
Other Options Considered and why these were rejected	
Not to increase any prices – this was not considered viable due to 1- The service needs to recover its income to pre covid levels without reliance on pressure funding and demand has been identified	

2- We need to remain competitively priced in the market place and prevent the need for significant increases in 23/24 should a further year be missed

Delaying until April 2022 was considered however given the need to recover income and be less reliant on pressure funding maximising the opportunity at the earliest opportunity was considered to be a sensible approach.

Reasons why this decision is classified as operational

This is an operational decision due to the financial impact – the value of the decision is less than £150,000, delivering an additional income in year of £10,500 and £59,000 in 2022/23. Pricing is based upon the operation of the service and needs to be reactive to market forces.

Consultation has taken place with the Portfolio Holder for the service area.

Finance Comments

The price increases have been deemed sustainable and appropriate to reflect the recovery of direct costs and a contribution towards overheads by the service area. In determining the price increase, the impact on customer behaviour has been assessed by the service area, along with ensuring the prices are competitive in relation to other providers. The service area will need to closely monitor, review customer behaviour, and if necessary update the prices in order to maximise overall income generation.

The draft 2022/23 income budgets for Sports & Leisure are expected to total £5.741m after allowing for the £1.591m pressure funding to reflect the impact of the pandemic on income generation.

The price increases are supported. A timely decision is necessary to ensure systems are updated to reflect the planned changes.

Maria Balchin

Senior Commercial Business Partner (Resident Services)

15 November 2021

Additional Information

See attached for detailed proposals on the price changes

Decision Maker (Name and Job Title)

Frank Jordan – Corporate Director Resident Services.

Scheme of Delegation Reference Number

Date Decision Taken

25/11/2021