

Record of Executive Member Decision Taken Under the Scheme of Delegation	On
	29th March 2021

Title	Report of
Direct Debit Leisure Centre Members	Deputy Leader and Cabinet Member (Health and Wellbeing)

Is this report Confidential	No
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Purpose of the Report

1. To bring forward a proposal that agrees not to charge Leisure Centre Members their Direct Debit for the period 12th April to 30th April 2021.

Recommendations

2. That no Direct Debit Payment be taken from Leisure Centre Members for the period of 12th April to 30th April 2021 from Leisure Centre Members.

Reasons for recommendations

3. South Ribble Borough Council are taking the Leisure Centres back into Council Management from the 1st April 2021. The Leisure Centres are allowed to re-open on 12th April 2021 with a limited amount of available activities in-line with Government regulations. We currently have 4000 Direct Debit members who in normal times pay their direct debit on the 1st of the month.
4. With the re-opening of the Leisure Centres on 12th April it is planned not to take the April Direct Debit as members would only have 18 days of use and will only have access to a limited range of activities at the centres.
5. This decision is part of an overall Marketing Plan in providing an incentive for existing Direct Debit Leisure Centre members to remain members and use the gesture of goodwill enticing new Customers to become Leisure Centre Members

Other options considered and rejected

6. Other options were considered of having a Direct debit but at a lower level of £5 or £10 but it was felt that giving the limited availability of activities and the cost of paying a

third party to carry out the Direct Debit on our behalf it would be more beneficial to customers paying a direct debit a free 18 days which would benefit them and the service in the long-term.

Corporate outcomes

7. The report relates to the following corporate priorities: *(tick all those applicable)*:

An exemplary council	x	Thriving communities	x
A fair local economy that works for everyone	x	Good homes, green spaces, healthy places	x

Background to the report

8. During 2019 the monthly collection of Direct Debit membership fees across South Ribble Leisure Centres averaged £120k. These fees covered payments for; Health and Fitness Memberships, Swimming Memberships, Swimming Lesson Memberships, Tennis Lesson Memberships and Gymnastics Lesson Memberships across all four leisure centres.
9. Following the first Covid-19 related closure of leisure facilities on 20th March 2020, Direct Debit requests were 'frozen' and no further payments requested until September 2020.
10. The Direct Debit collection on 1st November 2020, just prior to the second period of lockdown from 2nd November, was the last significant Direct Debit collection and generated £89.5k.
11. This reduction in Direct Debit income was the result of a significant number of membership cancellations between March – October 2020. Facilities were operated at reduced opening hours as activities were limited in accordance with UK Government guidelines.
12. Facilities closed again prior to Christmas 2020 and are due to open on April 12th, 2021. During this period, there has been a further decline in memberships as customers have been unable to use the facilities.
13. Social distancing measures will remain in place when the facilities re-open under the management of South Ribble Borough Council and numbers attending activities will continue to be limited. Opening hours will also be reduced and Staff will return on the Flexi Furlough scheme.
14. It is anticipated that were a Direct Debit collection be requested in mid-April 2021, the value will reduce further to approximately £55k – this is based upon the full membership fee being collected.

Proposal

15. Thought has been given to reducing the April DD to £10 or £5. Such discounts would reflect the fewer activities on offer due to Government restrictions and limits faced by

customers around reduced opening hours. However, this does not take into account the difficulties of taking a Direct Debit for only part of the month

16. Reaching the proposal of not taking a Direct Debit in April for Leisure Centre members is partly explained on the difficulties presented by taking a part month Direct Debit. It is likely that as a service we will be presented with requests for refunds which will result in administrative difficulties and not improve customer relations.
17. Not taking a Direct Debit in April is also related to the fact that Legend IT system will not be set up in time to collect Direct Debits on behalf of South Ribble Borough Council. We could ask that a collection is made by Serco Leisure on behalf of South Ribble Borough Council but this likely to incur an administration fee of approximately 25%.
18. After administration charges, a £10 Direct Debit would generate £30.5k and a £5 Direct Debit would generate £15.25k for South Ribble Borough Council in April 2021.
19. Given all of the above an agreement has been reached to bring forward a proposal that agrees not to charge Leisure Centre Members their Direct Debit for the period of 12th April to 30th April 2021. The will result in the potential loss of income of between £15 and £30k as outlined above

Risk

20. The risk involved with this proposal is the loss of income outlined above which is circa £15k to £30k

Equality and diversity

21. This proposal will promote Equality and Diversity through providing a genuine incentive for existing Leisure Centre Members to stay with the Leisure Centres as members and potentially new customers to become Leisure Centre Members and start paying a Direct Debit in the future

Comments of the Statutory Finance Officer

22. The council will continue to charge for visitors attending the leisure centres, but the council will not take payment for direct debits in April 2021. The financial impact is outlined in the report and will be brought into the council's budget monitoring processes. Funding for any shortfalls in income from the leisure centres will be assessed during 2021/22 however it is justifiable to utilise un-ringfenced Covid-19 funding if this is required.

Comments of the Monitoring Officer

23. There are no concerns from a Monitoring Officer perspective.

Background documents

There are no background papers to this report

Appendices

None

Report Author:	Email:	Telephone:	Date:
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Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained within this report in accordance with my delegated power to make executive decisions.

Signed:		
	Cllr Mick Titherington Deputy Leader and Cabinet Member (Health and Wellbeing)	
Date:	31 st March 2021	
Publication Date (DSO use only):	31 March 2021	CL

This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.