



Pricing Policy

Board approved and accepted 25 August 2016

Version 1

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1. Purpose of Policy

Establishing a pricing policy enables West Dunbartonshire Leisure Trust (WDLT) to create pricing strategies that will assist the organisation to deliver the financial goals of the trust within a defined framework of guidelines and specific pricing procedures.

The pricing goals set out by WDLT include:

- effectively addressing competition
- increasing income
- increasing cash flow and usage through promotional pricing strategies
- stabilising product charges
- industry benchmarking on price points for specific services
- meeting the needs of all sections of the community by being fair and balanced

Pricing strategies are necessary when setting pricing policies. WDLT will consider the prevailing market conditions to determine the right charges of their products. Other important factors that have been considered when developing this pricing policy are competition, costs, balancing budgets and the needs of our customers.

2. Pricing Categories

WDLT has a number of product categories each with their own pricing level. The core pricing categories are adult; juvenile; and concession. The adult pricing level should relate to strategic outcomes and competitor analysis with the other two categories maintaining a percentage figure based on the adult price.

Consideration is also given to discounted price level for 'off peak' use although this should be explored fully on a product by product basis to establish if a discount is appropriate.

In addition WDLT shall offer discounted access through a Passport to Leisure Scheme.

3. Access to Leisure Scheme

Access to Leisure is the discounted access scheme operated by West Dunbartonshire Leisure Trust's three main leisure facilities. The scheme entitles members to discounted charges against a range of the activities on offer when visiting the Trust's main leisure centres. The scheme has three categories, resident, non-resident and concession. The concession element of the scheme also acts as a membership for those over 60 years of age, those on low incomes and on certain benefits and those with or affected by disabilities.

4. Increasing Charges

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.

WDLT will look to increase revenue and an annual standard percentage increase across all price levels to meet increased income targets will be a consideration each year.

WDLT must also be aware it competes in a business environment and should take account of the charges of competitors. If our customers can go elsewhere and receive the same or similar service at a lower price then price increase exemption must be considered for specific products.

Charges should be rounded up to sensible round numbers, this approach should be adhered to firstly from the top rate price and then applied throughout the subsequent discounted range of related price points. Individual charges should not rise by a rate of over 10% unless in very exceptional circumstances.

The cost of delivering the service must be taken into account in the price setting process for any new products or one off services. Where costs of delivery have increased for a particular service the cost margins of the service should be considered when setting the price. The ongoing delivery of a product or service may need to be reconsidered where there is no commercial benefit and cost recovery becomes marginal; although it is noted that commercial considerations may not always be paramount.

5. Annual Pricing Review

The annual pricing review will commence in August each year with the focus on income levels, usage, customer feedback and the local competitors to our business.

The management team will meet in September to discuss and produce a pricing strategy for review/approval by the Trustees at the November WDLT Board Meeting. This will allow the new pricing structure to be implemented in an effective and efficient manner on 1st April the following year.

All charges and charges shall be agreed between the Council and WDLT. The Council reserves the right to instruct WDLT to amend prior to implementation any proposed increase or reduction to Charges which may conflict with the policies of the Council or adversely affect the provision of other Council services.

6. Promotions

The WDLT Management Team has the authority to reduce charges for set periods of time according to the demands of the service for promotional purposes. Any such promotional price reductions will be discussed at a management meeting and must be approved by the General Manager or the Senior Leisure Trust Officer. There is no authority to increase or reduce charges on a permanent basis out with the annual pricing review process which requires full board approval.

7. Service Charges

WDLT 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 and leaflet notification as deemed appropriate.