

APPENDIX 3

WIRRAL COUNCIL

CABINET

7TH JULY 2014

SUBJECT:	TRANSFORMATION OF LEISURE SERVICES SPORTS AND LEISURE FACILITIES PRICING STRUCTURE
WARD/S AFFECTED:	ALL
REPORT OF:	STRATEGIC DIRECTOR FAMILIES AND WELLBEING
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR CHRIS MEADEN
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 In September 2013, Cabinet approved the outline of the Leisure Transformation Plan, which required savings in excess of £2m to be delivered by the end of the financial year 2015/16. Considerable progress has been achieved including the development of a £2m capital improvement scheme which will see major improvements to Leisure Centres in the upcoming year.
- 1.2 Current prices for activities at the leisure facilities are very competitive when compared to other local authorities in the area and the discounts provided by the Council in the form of concessions are amongst the most generous in the region. At present, all of the discounts are available to everyone, whether or not they live in Wirral. Even after the proposed changes, the Council will still be offering generous concessions when compared to other local authorities in the region.
- 1.3 The Council is determined to make all leisure facilities accessible and affordable and to continue to protect the most vulnerable people in the area. The challenge is how to maximise income (especially at peak times), without making the facilities unaffordable to those for whom price is a genuine barrier to access.
- 1.4 The current pricing policy has evolved over many years, and is quite complex and needs to be simplified. Prices need to be standardised across all Leisure Centres and we need to be able to promote a very competitive and fair membership offer, which also allows the Leisure Centres to maximise income from those who can afford to pay a fair market price.
- 1.5 At present, anyone over 60 or under 18 receive a discount (currently up to 50%), irrespective of where they live. Almost all local authorities now only offer major concessionary discounts to local residents.
- 1.6 This report identifies a range of proposals which will increase the income generated at the Leisure Centres whilst achieving the Council's commitment

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to protect the most vulnerable and continue to offer some of the most generous special discounts to targeted groups of local people at specified times. If accepted, the new pricing policy will help to reduce the leisure subsidy further, but will also provide excellent value for money in facilities which will see over £2m of major investment from the Council within the next twelve months.

- 1.7 Price is not the main consideration when promoting the use of Leisure Centres for sport and physical activity to inactive people. The service needs to maximise revenue to ensure that the Council can continue to improve quality and afford to deliver the £2m investment programme and have sufficient funding to provide a range of highly targeted promotions and other activities which will encourage more local people to improve their health and wellbeing.
- 1.8 If implemented, the changes are anticipated to deliver an additional £500,000 worth of income between implementation and the end of the financial year 2016/17.

2.0 BACKGROUND AND KEY ISSUES

2.1 Sports and Leisure provision in the Wirral

- 2.1.1 Members were presented with a report in September 2013, that set out a range of challenges that need to be met if the service is to be affordable and viable within the increasingly challenging financial context. One of the key aims of the transformation programme is to improve the quality of the facilities and the service offered to customers and to generate more income, but not at the expense of those who are most vulnerable. The overall aim is to generate more usage and revenue at peak times and to use concessionary pricing in a much more targeted and focused way, by targeting specific groups of local people for whom price is a genuine barrier to access.
- 2.1.2 The current pricing structure, membership benefits package and the range of concessions / discounts have evolved over many years and are complex and difficult to market and administer. Discounts are available to non-Wirral residents for casual pay and play activities, including casual swimming. In 2013/14 around 48% of the income generated was discounted. (60% of paid users are currently eligible for some form of concession)
- 2.1.3 The Council is not generating as much revenue as we can from the highly subsidised facilities and services we provide. Managers need to be given the opportunity to use pricing more strategically, within a general policy set out and agreed by Elected Members.
- 2.1.4 The proposals presented aim to;
 - a) Ensure that our Leisure Centres remain affordable and accessible to the most vulnerable people who live in Wirral.
 - b) Target concessionary prices at those for whom price is a genuine barrier to access – rather than making free or highly subsidised use available

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- (even at peak times) to people who are economically active and able to pay a fair market price.
- c) Rebalance the price structure to allow the service to maximise income in order to achieve the necessary return on the £2m investment programme which is currently underway.
 - d) Retain more peak time capacity for full paying members.
 - e) Modernise the concessionary pricing to reflect the reality that older people are remaining active and in employment until an older age, and that not all people aged over 60 are economically disadvantaged.
 - f) Retain some of the best value pricing for memberships and activities in the region.
 - g) Remove the complexity within the existing Invigor8 membership offer.
 - h) Those who can afford to pay a reasonable "fair market price" should do so; especially at peak times.

3.0 PROPOSALS

3.1.A number of proposals are presented to Cabinet to deliver a modernised programme of concessions and pricing. These are listed below.

3.1.1 At present the Council uses the "Passport A" scheme to provide validation for local people who are entitled to concessionary prices due to the fact that they meet one or more of the following criteria ;

- Resident in Wirral
- Income Support/Income Related Employment& Support Allowance
- Income Based/Contribution based Job Seekers Allowance
- Council Tax Support
- Housing Benefit
- Incapacity Benefit/Contributory
- Employment and Support Allowance
- Working Tax Credit
- Child tax Credit (income limit applies)
- Full Time Students
- Apprenticeships
- Work-based Learning for young People
- Dependant partner/child those in any of the above groups
- Residents age 60+

The Passport is used to access a 50% discount which applies to "pay and play " activities and to access discounts for Invigor8 memberships. Passports need to be renewed each year and currently costs each customer £5.00.

3.1.2 The proposals in this report aim to standardise prices for all casual pay and play activities and introduce a maximum discount of 25% for all Wirral "Passport A" customers, which currently includes people who are in receipt of any of the benefits set out above

3.1.3 An adult who is currently purchasing an Invigor8 product in conjunction with a Passport A, will therefore be paying £14.75. (The current full price of an Invigor8 product is £29.50. A Passport A entitles the customer to a 50% reduction - £14.75). The new proposal would allow the customer to purchase an 'Invigor8 Standard' (see

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Appendix 1) for £15.00 (without having to purchase a Passport A), which allows for unlimited public swimming and access to a range of other facilities at 'off-peak' times.

3.1.4 This proposal would also include removing the 'Residents aged 60+', from the entitlement criteria outlined in 3.2.2 below.

3.2

3.2.1 At present, people aged 60 or over benefit from very generous concessions, whether or not they live in the Wirral, whereas in many other Council's, these concessions are only available to people aged 65 or older who are residents of that Council area. Many people who are aged 60 – 65 are still in employment and they are economically active. This age group can be relatively affluent and many are able to afford to pay a fair market price for activities.

3.2.2 The proposal is that from September 2014 the general concession available to everyone over 65 be limited to Wirral residents, who join the Passport A scheme (using proof of residence). They will benefit from free swimming, (Monday between 7am and until 12.00 noon) plus a discount of up to 25% on all other "pay and play" activities.

3.2.3 Current Passport A holders who are aged 60-65 will not lose their existing benefits.

3.3

3.3.1 At present, all current serving and former armed service personnel receive free use of facilities at all Leisure Centres, at all times. Currently 2,400 individuals have registered for this generous concession.

3.3.2 The proposal is to target the free use benefit to current serving members of the armed forces (including the Territorial Army and reservists) who are from Wirral and for former service personnel who have suffered a disabling injury when in the services and/or in receipt of a disability benefit.

In addition, a new programme of support will be available for currently serving members of the armed services and injured / disabled former service personnel which will include one to one gym instruction and a regular newsletter which will be developed with other agencies and departments to help to ensure they receive every support possible to reflect the Council's complete commitment to support people who rightly serve our utmost respect and support.

3.3.3 Those who currently have the benefit of free use but who would not qualify under the new policy will be given access to a discount of up to 25% on the corporate Invigor8 membership.

3.3.4 This package of support will remain one of the most extensive concessions in the region for armed forces personnel and will commence from September 2014.

3.4

3.4.1 People aged under 18 currently benefit from major discounts in Wirral, regardless of where they live. In most other Council's, these discounts are available to people

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aged 16 and under (generally, those in full time education), and only to local residents (including resident students).

3.4.2 This proposal is to reconfirm the Council's commitment to providing free swimming for juniors/under 18's during all main school holiday periods. Figures indicate that the free swimming initiative has increased young people's health and wellbeing and has had a significant effect on reducing crime and anti social behaviour in and around Leisure Centres of up to 50% (within a 1 km radius).

3.4.3 This proposal also reconfirms the current 40% concession available to young people aged 18 or under on all 'pay and play' activities, providing they are residing in Wirral, (including resident students).

3.4.4 From July 2014, the concession (free swimming and the 40% 'pay and play' discount) will not be available to young people who do not live in Wirral.

3.5.1 Looked After Children, their siblings and carers currently enjoy free access to all facilities at all Leisure Centres. There is no proposal to change or alter this concession

3.6

3.6.1 The £2m investment programme will deliver two new fitness centres by January 2015 and demonstrates the Council's commitment to improving opportunities for local people to participate in sport and physical activity. This presents an opportunity to re-launch and revitalise the well-established and increasingly popular Invigor8 scheme.

3.6.2 The proposal is to introduce new offers from September 2014 across the Invigor8 brand incorporating an "All inclusive" and "Family Pass". (see Appendix 1) The proposals aims to simplify a complicated price structure yet maximise income and protect concessions to targeted groups and individuals.

3.6.3 The new pricing and changes to member benefits will be introduced to coincide with the opening of new fitness facilities at Guinea Gap and West Kirby Concourse. This will allow sufficient time to communicate the changes and market the new member benefits and to allow officers more time to agree the details with Elected Members.

4.0 Financial Impact

4.1 New membership packages will be designed to protect concessions for the most vulnerable people as set out earlier in this report, and to maximise revenues generally and specifically from the extra capacity and income from full paying customers at peak times, that will become available as a result of the £2m investment programme.

4.2 Invigor8 benefits will include the Golf offer, which is currently not marketed effectively. Economically active adults who exercise predominately on weekday evenings will be encouraged to purchase the Invigor8 plus and inclusive packages that will continue to offer unlimited use during peak times and the addition of Golf activity discounts.

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4.3 Economically active adult people should now respond very positively to the £2m investment programme which will deliver vastly improved fitness suites, changing areas, studios and activity classes especially at peak times. With good publicity and marketing combined with an effective new Group Fitness Manager and sales team, we should anticipate a significant improvement in Invigor8 membership sales and retention by the end of 2014/15.

4.4 Wirral Passport A members will see a reduction in their 'pay and play' discount, but if they convert to the Invigor8 standard package they will be able to enjoy the same level of discount - albeit only at off peak times. This will still represent one of the most generous concessionary pricing structures in the area.

4.5 The aim is to increase participation from all user types and the new membership packages will appeal to a wider cross section of Wirral's communities protecting opportunities to access affordable and accessible healthy physical activity, in high quality facilities.

5.0 CONSULTATION

5.1 Consultation has been undertaken with colleagues in finance, with facility managers at all levels and with the members of the Leisure Transformation Board. If the general principals are agreed, further consultation will commence with wider stakeholders. In addition, discussions have been held with the Leader of the Council and the Cabinet Member with responsibility for Leisure; and the Strategic Director – Families and Wellbeing.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY, AND FAITH GROUPS

6.1 There are no detrimental impacts on voluntary, community and faith groups.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The 2013/14 cost of providing sports and leisure facilities needs to be reduced by over £2m by the end of 2016/17, and the changes to pricing policy that are recommended are anticipated to deliver around £500,000 in extra income to accrue between implementation and the end of 2016/17. With any pricing review, there will be "winners and losers", and difficult choices will have to be made. If the Council does not decide to implement transformational changes to the pricing structure the major budget reductions attributed to the service over the next two years will not be delivered.

8.0 LEGAL IMPLICATIONS

8.1 This report is based on the structure of delegation

9.0 EQUALITIES IMPLICATIONS

9.1 Equality Impact Assessment included for consideration..

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are no carbon reduction implications.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 Planning permission not required.

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12.0 RECOMMENDATION/S

It is recommended that this revised pricing policy presents a more targeted approach to the offer of concessions to specific groups of people for whom price is a genuine barrier to access. It targets concessions at Wirral residents, and will maximise income in general and specifically from the extra capacity that will be generated from the £2m investment programme.

Members are asked to approve the general approach and key principles, as set out below. Delegation will be required for officers in consultation with the Portfolio Holder for Leisure and the Leisure Transformation Board to complete the details of the new pricing and Invigor8 scheme, and to implement agreed changes.

The general principles and policy aims can be described as follows;

- Identify and deliver changes to the pricing and concessions policy that can deliver additional income of £500,000 by the end of 2016/17 as part of the Leisure Transformation Programme and savings requirement of £2m.
- Maximise the revenue that can be generated from the increase in quality and capacity that will be delivered by the £2m investment programme.
- Preserve the Council's commitment to providing high quality facilities and services which are affordable and accessible.
- Target concessions at people who live in Wirral.
- Target concessions at those for whom price is a genuine barrier to access.
- Simplify and standardise prices for all casual pay and play activities so that the pricing policy can be communicated and marketed far more effectively.
- Provide a discount of at least 25% on pay and play activities for Older People (aged 65 + years), Young People aged under 18 and students in full time education, the registered disabled and people on benefits and all former armed service personnel.
- Change the Invigor8 membership benefits package to introduce new products to launch from September 2014, that introduces peak/off peak memberships, with the effect that Passport holders have their access restricted to off peak times unless they chose to pay an additional "peak time" supplement of £2 per session.
- Protecting the free / reduced price access for Passport holders for all activities at all facilities for off peak usage
- Retain free swimming during school holidays for Young People aged under 18 who live in the Wirral.
- Retain free swimming during morning times (Monday to Friday 7am – 12noon) for Older persons who live in Wirral.
- Target free use for currently serving and members of the Armed Forces (including the territorial army and reservists) who are from Wirral and former service personnel who have suffered a disabling injury when in the services and are in receipt of disability benefit. Retain present Armed Forces discounts until September 2014. Those who will no longer meet the criteria after this date convert to Corporate Invigor8 Membership, with the benefit of a discount of at least 25%.
- Introduce a new programme of one to one support for all qualifying service personnel and work more closely with other agencies to produce a newsletter offering advice and support and promoting other benefits.

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- Protect all concessions and discounts for Looked After Children, their siblings and carers.
- Protect free swimming for all children under 5, as at present.
- Protect the benefit of unlimited swimming as part of the relevant Invigor8 packages.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 The recommendations are being made as they will enable the Council to meet its aim of ensuring Leisure Services will be delivered through an efficient and effective service model in line with corporate priorities.

Leisure Services will be offered which meet the requirements of the Wirral community now and in the future in a sustainable and viable way.

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APPENDICES

1

REFERENCE MATERIAL

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet September 2013 Leisure Transformation report	

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INVIGOR8 MEMBERSHIP PRODUCTS APPENDIX 1

Invigor8 **Indusive**

- **Unlimited free public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Unlimited free Golf** (*Applicable to Wirral Municipal Courses only*)
- **Access to state of the art fitness suites**
- **Over 280 wet and dry exercise classes per week**
- **50% off Badminton** (*single court hire*)
- **50% off Squash** (*single court hire*)
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Access to running track at Oval Leisure Centre**
- **Advanced 8 day booking**
- **25% off Sailing Courses at Wirral Sailing Centre**
- **Access to Sauna at Guinea Gap Leisure Centre**
- **Parking at Europa Leisure Centre** (*2 hours*)

£34 per month

Invigor8 **Plus**

- **Unlimited public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Access to state of the art fitness suites**
- **Over 280 wet and dry exercise classes per week**
- **25% off single court hire**
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Advanced 8 day booking**
- **Access to Sauna at Guinea Gap Leisure Centre**
- **Parking at Europa Leisure Centre** (*2 hours*)

£29 per month

Invigor8 **Standard**

- **Unlimited public swimming** (*Europa's Fun Pool £2 surcharge per visit*)
- **Access to state of the art fitness suites** (**Mon – Fri 9.00am – 5.00pm and all day Saturday and Sunday**)
- **Over 280 wet and dry exercise classes per week**
- **Outdoor Tennis at the Tennis and Oval Leisure Centres**
- **Indoor Tennis at Wirral Tennis & Leisure Centre** (*Mon - Fri up to 4pm*)
- **Equipment hire**
- **Advanced 8 day booking**
- **Parking at Europa Leisure Centre** (*2 hours*)

£15 per month



Equality Impact Toolkit (new version February 2012)

Section 1: Your details

Council officer:

Email address:

Head of Service:

Chief Officer:

Department:

Date:

Section 2: What Council function / proposal are being assessed?

Section 2b: Is this EIA being submitted to Cabinet or Overview & Scrutiny Committee?

Yes / No

If 'yes' please state which meeting and what date

.....

And please add hyperlink to your published EIA on the Council's website

.....

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Section 3: Will the Council function / proposal affect equality in? (Please tick relevant boxes)

- Services**
- The workforce**
- Communities**
- Other** (please state)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 4: Within the Equality Duty 2010, there are 3 legal requirements. Will the Council function / proposal support the way the Council(please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- None** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

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Section 5: Will the function / proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.

Please list in the table below and include actions required to mitigate any negative impact.

Protected characteristic	Positive or negative impact	Action required to mitigate any negative impact	Lead person	Timescale	Resource implications

Section 5a: Where and how will the above actions be monitored?

Section 5b: If you think there is no negative impact, what is your reasoning behind this?

Section 6: What research / data / information have you used in support of this process?

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Section 7: Are you intending to carry out any consultation with regard to this Council function / policy?

Yes / No – (please delete as appropriate)

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why:

(please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 8: How will consultation take place?

Before you complete your consultation, please email your 'incomplete' EIA to equalitywatch@wirral.gov.uk via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for re-publishing.

Section 9: Have you remembered to:

- a) Add a hyperlink to your published EIA on the Council website? (section 2b)
- b) Include any positive impacts as well as negative impacts? (section 5)
- c) Send this EIA to equalitywatch@wirral.gov.uk via your Chief Officer?
- d) Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?

Before you finalise this report, please delete section 9