

Report of:	Head of Commissioning
Contact Officer:	Mike Edmonds
Telephone No:	01543 464416
Portfolio Leader	Culture and Sport
Key Decision:	No
Report Track:	Cabinet: 25/06/15

CABINET
25 JUNE, 2015
REVIEW OF LEISURE CONCESSIONS TO SERVING MEMBERS OF THE
ARMED FORCES 2015-2016

1 Purpose of Report

- 1.1 To review the leisure concessions scheme first introduced by Cabinet on 30 June 2012 for serving members of the armed forces who are resident in Cannock Chase District.

2 Recommendations

- 2.1 That Cabinet note the content of the report.
- 2.2 That Cabinet determine to continue with the leisure concessions scheme for serving members of the armed forces who are resident in the district for the financial year 2015-16, in accordance with the proposals set out in this report.

3 Key Issues and Reasons for Recommendation

- 3.1 Cabinet on 21 June 2012 resolved that leisure concessions be introduced for serving members of the armed forces who are resident in the District from 30 June 2012 for an initial one year period. (Minute 8)
- 3.2 Following subsequent annual reviews by WLCT of operation of the scheme, the scheme has continued each year.
- 3.3 Having assessed the impact of the operation of the scheme during 2014-15, WLCT have agreed to continue with the scheme for the financial year 2015-16, subject to an annual review and subject to there not being a negative financial impact upon the contract in the future.

- 3.4 WLCT will continue to monitor and assess the scheme to determine the costs and benefits associated with making such a concession.
- 3.5 Cabinet are recommended to continue with this offer for 2015-16 in recognition of the commitment made by armed forces men and women to this country in their service throughout the world.

4 Relationship to Corporate Priorities

- 4.1 The Council's Priority Delivery Plan seeks to increase participation in sports and physical activity as a way of contributing to improving health and well being of all those who participate. Any concessions or discounts that encourage access and use of leisure and culture facilities will assist in contributing to increasing participation in physical activity.
- 4.2 Cabinet on 20th December 2012 resolved and delegated authority to the Chief Executive to sign the Armed Forces Community Covenant (Minute 103A) and that the Council's actions in respect of the Armed Forces Community Covenant, and associated matters be reflected in the Council's Priority Delivery Plans.

5 Report Detail

Background

- 5.1 Following a request from the Culture and Sport Policy Development Committee on 17 April 2012, Cabinet on 21 June 2012 resolved that leisure concessions be introduced for serving members of the armed forces who are resident in the District from 30 June 2012 for an initial one year period. Cabinet also resolved to meet the one off cost associated with the production of the lifestyle cards during this period. (Minute 8)
- 5.2 From 1st April 2012 the Council's culture and leisure services are operated by Wigan Leisure and Culture Trust (WLCT) and under the contract arrangements although the cost of the current concessions scheme is contained within the management fee, the free concessions determined by Cabinet for armed forces personnel is not.
- 5.3 WLCT agreed to provide the free concessions for an initial one year period at nil cost, after which they reserved the right to introduce a contract cost increase to the Council for the second and subsequent years, depending upon the impact upon the contract.
- 5.4 Following subsequent annual reviews by WLCT of operation of the scheme, the scheme has continued each year.

- 5.5 Cabinet on 17th July 2014 resolved to continue with the scheme for a further 12 months (Minute 8 b).

Concession Scheme for Armed Forces Personnel

- 5.6 The scheme only relates to people who are serving in the Armed Forces, including active TA reservists and who are resident in the Cannock Chase District.
- 5.7 The free membership to Chase and Rugeley Leisure Centres only includes the following activities:
- Use of Fitness Suites
 - Use of Swimming Pools
 - Participation in various group activities and fitness classes (e.g. aerobics)

The free concession does not cover activities including sports hall bookings (badminton etc) and meeting room bookings.

- 5.8 Applicants are required to:
- Apply for a Lifestyle Membership and Card (One off Cost £3.80 per card to be covered by the Council within existing budgets)
 - Provide proof of residency within the district (e.g. Council Tax or Utility bill)
 - Provide proof that applicant is a serving member of the armed forces (e.g. Armed Forces Identification card or Certificate)
 - Renew Membership and provide supporting proof annually.
- 5.9 The concession is not available to veterans or wives and husbands or children of Armed Forces personnel.

Outcome of the scheme from 30th June 2014

- 5.8 WLCT have continued to monitor the take up of the free concessions scheme and assess and evaluate the impact upon the contract. The findings are outlined below:-
- There are currently 130 Armed Forces Members
 - 76 Armed Forces Members are registered at Chase Leisure Centre and 54 at Rugeley Leisure Centre
 - 14 held some form of membership prior to the introduction of the free concession scheme
 - 24 Family relatives have taken up membership as a result of the offer of which 5 are corporate members and 5 concessionary members paying 50% and 2 are Junior / Fitcrew Members.

- Overall the number of Armed Forces Members has increased by 27 during 2014-15. This is in contrast to the previous year which saw a reduction.

5.9 The direct cost and income arising from the introduction of this scheme is as follows:

Cost	£
6 Concessionary Members x £180	1,080
3 Corporate Membership x £300	900
5 x Profile Membership x £360	1,800
Total Direct Cost	-3,780
Income	£
5 x Corporate Members x £300	1,500
5 x Concessionary Members x £180	900
12 x Profiles Members x £360	4,320
1 x Family Junior x £60	60
1 x Fitcrew x £180	180
Total Income	6,960
Net Surplus	3,180

- 5.10 In contrast to the previous two years the results indicate that there is a surplus to WLCT from operating the scheme. However there are other costs arising from operating this offer such as, free inductions (£8.50/induction) for all members, the accelerated wear and tear of equipment, the issue and replacement of membership cards/ Technogym keys and the potential lost income opportunity.
- 5.11 Non-monetary benefits should also be recognised when reviewing the scheme including increased secondary spend, rises in participation levels, the enhanced reputation of the service and a genuine social recognition of the selfless contribution armed forces personnel make.
- 5.12 Following the review of the Armed Forces Concession Scheme WLCT have expressed their support for its continuation and have committed to providing the scheme, free of charge, for a further year (2015/16). WLCT do however wish to continue to review the position on an annual basis.
- 5.13 WLCT have also confirmed that the impact upon the contract is likely to take effect when Memberships numbers reach capacity and the number of armed forces members prevents WLCT from selling other full price or 50% concessionary memberships. This will either result in a loss of income or require capital investment to purchase additional equipment and to possibly provide additional space in order to sustain the free offer.

6 Implications**6.1 Financial**

- 6.1.1 The current concessionary scheme provision is contained within existing management fee paid to WLCT.
- 6.1.2 No budgetary provision exists within the concessions to pay for the additional provision to serving Members of the armed forces.
- 6.1.3 WLCT have again agreed to support the scheme at nil cost to the Council for the financial year 2015-16, after which a review will be undertaken to assess the cost and benefits associated with the offer.
- 6.1.4 Should WLCT determine that a charge for the provision of this concession is applicable in future years then, Cabinet may need to consider this as a policy option as part of the budget process, 2016-17 to 2018-19.

6.2 Legal

None

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

The risk associated with this scheme if withdrawn is potential reputational damage for the Council.

6.8 Equality & Diversity

The Leisure Concessions scheme proactively assists in reducing inequalities through actively targeting and engaging with under-represented groups. It does this through positive discrimination and current pricing policies to

encourage usage to assist in reducing health inequalities and improve health. Continuation of the granting of free access to the Council's Leisure centres to serving armed forces personnel has a positive impact and enables the Council to make a small gesture to recognise the commitment made by these individual men and women to this country in their service throughout the world. There are no identified negative impacts.

6.9 Best Value

There are no identified best value implications as result of this report.

7 Appendices to the Report

7.1 None

Previous Consideration

Leisure Concessions to serving members of the armed forces	Cabinet	21 June, 2012
Leisure Concessions to serving members of the armed forces	Cabinet	20 June, 2013
Leisure Concessions to serving members of the armed forces	Cabinet	17 July, 2014

Background Papers