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<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>Cabinet: 20/06/13</b>

**CABINET**  
**20 JUNE, 2013**  
**REVIEW OF LEISURE CONCESSIONS TO SERVING MEMBERS OF THE**  
**ARMED FORCES 2013-2014**

**1 Purpose of Report**

- 1.1 To review the leisure concessions scheme 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 2013-14, 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 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 on the contract.
- 3.3 Having introduced and administered the free concessions scheme and having assessed the impact as set out in paragraphs 5.8 to 5.14 in this report, WLCT have indicated that they are again happy to continue with the current scheme for the financial 2013-14, 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 2013-14 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 20<sup>th</sup> 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 for 2013-14.(Minute 103B)

#### **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 1<sup>st</sup> 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.

##### **Concession Scheme for Armed Forces Personnel**

- 5.4 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.
- 5.5 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.

5.6 Applicants are required to:

- Apply for a Lifestyle Membership and Card (One off Cost £3.70 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.

5.7 The concession is not available to veterans or wives and husbands or children of Armed Forces personnel.

#### **Outcome of the scheme from 30<sup>th</sup> June 2012**

5.8 WLCT agreed 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 120 Armed Forces Members
- 7 held some form of membership prior to the introduction of the free concession scheme
  - 5 previously held a Concessionary Membership
  - 1 held a Corporate Membership, and
  - 1 held a Profiles Membership
- 13 Family relatives have taken up membership as a result of the offer of which 9 are full paying members and 4 concessionary members paying 50%.

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

Cost	£
Membership Card 113 x £2.00	226
Gym Induction 113 x £8.00	904
Technogym Key 113 x £9.50	1,073
5 Concessionary Members 5 x £180	900
1 Corporate Membership 1 x £300	300
1 Profile Membership 1 x £360	360
<b>Total Direct Cost</b>	<b>3,763</b>
Income	£
9 Full Paying Members 9 x £360	3,240
4 Concessionary Members 4 x £180	720
<b>Total Income</b>	<b>3,960</b>
<b>Cost/Income</b>	<b>197cr</b>

- 5.10 The results over the last year indicate that there is a marginal financial benefit accruing to WLCT, following the schemes introduction last year. However, this does not take account of hidden costs and in real terms the scheme has achieved a breakeven position. In addition, there may be other benefits accruing from secondary spend, increased attendances and footfall, enhanced reputation and a genuine social recognition of the selfless contribution armed forces personnel make, that cannot be quantified.
- 5.11 However, on the other hand there are other costs such as the loss of the use of equipment over the year from the use by the 120 members. While hard to quantify completely, WLCT have confirmed that it approximately equates to £650 per annum (based on optimum kit ratios).
- 5.12 There is also a potential lost income opportunity to WLCT as a result of introducing this free concession offer. Again, while not quantifiable, there is no doubt that a number of Armed Forces personnel would have joined the centres and paid full membership had the scheme not been introduced. The opportunity to receive this income has been lost to WLCT as a result of introducing this scheme.
- 5.13 As already referred to in this report WLCT agreed to operate the scheme for the first year on the understanding that there would be no financial or negative impact upon the contract. WLCT have undertaken this review and make the following comments; "WLCT are pleased to have supported the introduction of such a worthwhile scheme and will be happy to maintain the offer free of charge to the Council for one further year (in effect to 31<sup>st</sup> March 2014), on the basis that the impact on the contract remains minimal. We would however, want to review the position on an annual basis to ensure that remains the case going forward"

- 5.14 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.

<b>6 Implications</b>
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**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 2013-14, 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, 2014-15 to 2016-17.

**6.2 Legal**

- 6.2.1 Section 2 of the Local Government Act 2000 empowers the Council to do anything which it considers likely to achieve the promotion of the economic, social or environmental well being of its area. The power may be exercised for the benefit of all or any residents of the area. It extends to incurring expenditure and to giving financial assistance. The Council is using these powers in operating leisure concessions. The implications for the Service Level Agreement and the Management Fee charged to the Council by WLCT are set out in the report.

**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**

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

**6.8 Equality & Diversity**

6.8.1 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. Equalities impacts will be assessed in more detail as this initiative in progressed.

**6.9 Best Value**

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

<b>7 Appendices to the Report</b>
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<b>Previous Consideration</b>
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Cabinet 21 June 2012 – Leisure Concessions to serving members of the armed forces
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<b>Background Papers</b>
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Cabinet Report 21 June 2012 – Leisure Concessions to serving members of the armed forces
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