

LEISURE AND CULTURAL SERVICES - CONCESSION POLICY

Relevant Portfolio Holder	Cllr P Witherspoon
Portfolio Holder Consulted	Yes
Relevant Head of Service	John Godwin (Leisure and Cultural Services)
Ward(s) Affected	All wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non-Key Decision

1. SUMMARY OF PROPOSALS

To introduce a concessionary policy for Leisure and Cultural Services that supports the Councils Corporate Plan, Strategic & Operational Purposes, the Sports and Physical Activity Strategy, our Commercial Objectives and maintains concessionary use by:

- Reviewing and updating the current concessionary pricing that is in operation within the department into a single cohesive document.
- Replacing the Reddicard scheme and revising the approach taken to user discounts by streamlining our pricing structure, whilst continuing to support those that need it most.
- Proposing that the services move away from generic concession schemes to a targeted approach that is based upon the ability to pay (in line with current Reddicard concessionary offer) to ensure price is not a barrier to participation; but where resident can afford to pay, they do so.
- To provide a concessionary policy that is built upon customer consultation and consideration of the impact on resident groups whilst being fit for purpose.
- Aligning the proposed policy with the current welfare reform and Universal Credit Scheme (UC) by offering concessions to residents who are eligible to receive benefits through UC and/or other in work and out of work benefits.
- To consider the impact that provision of free of charge swimming has upon the setting of fees and charges and the need to ensure the revised concessions policy is cost neutral/ has a marginal uplift in income based upon:

Option 1 To maintain FOC swimming for over 60's and under 16's.

Option 2 To move to affordability based system for overs 60's

Option 3 To move to affordability based system for under 16's

Option 4 To move to affordability based system for both over 60's and under 16's

- Addressing the impact the current Reddicard scheme has on pay & play/walk in users by reducing the headline charge so it is comparable and competitive with the local market to encourage non users, casual users and non-residents to use our facilities.
- Only offering concessions to groups where all users are in receipt of the 'set criteria' for pay and play activities only and to tailor the concessionary offer (as set out in the

policy) to the specific services and user groups it supports to maximise participation and our flexibility to support residents to access services.

- Updating the current fees and charges based on the above principles alongside a review of our competitors so that we offer a pricing policy that is attractive to users and is clear and concise whilst supporting sales and marketing opportunities.
- Implementing the revised charges prior to the Council's scheduled budget setting process to run from the 1st January 2018 to the 31st December 2018 in order to minimise disruption to users and to ensure there is no negative impact upon the medium term financial plan (MTFP).

2. RECOMMENDATIONS

The Executive Committee is asked to RECOMMEND to Full Council that:

- 1) The new Leisure & Cultural Services Concessionary Policy approved.**
- 2) To consider the four options identified and select the preferred option for the future delivery of the Policy**
- 3) The revised Fees and Charges supporting the new Policy which will run from 1st January 2018 to 31st December 2018 are approved.**
- 4) Adjust the Head of Service variance to 30% and delegate responsibility to service managers in agreement with HOS.**
- 5) Delegated authority be given to the Leisure and Cultural Services Head of Service to vary the Concessions Policy in conjunction with the Portfolio Holder within the first 12 months of operation, to address any unforeseen issues that emerge.**

3. Background / Service Implications

- 3.1 Leisure & Cultural Services currently operate a number of different concessionary schemes across its services as shown in section 3.2 & 3.3. Each of these schemes offer various types of discount for residents who participate in a number of services and activities.

These schemes have evolved over the years and have not been subject to a detailed review in recent times. During the project it became apparent that there is a lack of consistency; and in some cases, clarity on what the concession was trying to achieve and what user group or Council Purpose it was designed to support/benefit.

Furthermore it has also been identified that due to the large number of pricing categories that are in place, the current system has inadvertently increased the headline charge for non reddicard users disproportionately when compared to our competitors, thus has made the offer unattractive to walk in and pay and play users.

In order to move the service forward and support the Council's Corporate Plan and commercial aspirations, these inconsistencies need to be addressed to ensure that where offered to residents/users, there is clear link to the above documents/ purposes and can be easily understood and measured.

As challenging as it may be to align all the concession schemes; given the wide range of services provided, we acknowledge the diverse range of delivery models and outcomes across Leisure and Cultural Services. Our aim is to ensure we propose a fair and transparent policy that allows us to compete in the market place whilst supporting all our residents by removing the financial barriers to accessing our services for those who most need the support.

The concessions that are proposed within the revised policy have been designed to clearly support the Council's Strategic Purposes and the Services Operational Purposes. They are firmly based upon the work that has been undertaken within this project and feedback that has been received during the review and the current service wide consultation.

The proposed policy will underpin the key themes within the Council Plan across a number of areas, with a specific focus upon the strategic purposes of:

- 'Give Me Good Things to See, Do and Visit'
- 'Help Me to Live my Life Independently'
- 'Keep My Place Safe and looking Good'

The single policy that is proposed is also designed to underpin the work that is currently being undertaken with regard to the L&CS Transformation Intervention that is due to report back to members on 31st October 2017 with the key themes as follows:

- Well Being & Enjoyment
- Health – Working in Partnership
- Commercial with a Social Conscience
- Reduce Inactivity
- Connecting Communities & People

As part of the review, officers have also consulted with the benefits department and taken advice on the current and future impact of the welfare reform. The proposal within the policy is based upon this feedback. As such, it designs to support those receiving in work and out of work benefits at a discount of 25% and 50% respectively.

3.2 Reddicard - Background

The Reddicard Scheme was introduced in 1998 to create a manageable concessionary pricing scheme and provide an information management system to offer enhanced marketing functions within the service. Over the years as technology has developed and through the growth of alternative marketing functions such as social media, the system has played less of a role in the marketing of the business and in many cases, now operates as a system to offer and log concessionary usage.

The system itself is based upon members agreeing a headline price and then approved discounts are applied based on the type of card that is used to access the services. The following shows the Adult Swimming fee and how the discount works:

Adult Swimming 2017/18

Standard Price £	Reddicard Card Price £ (33% discount)	Concession Price £ [25% discount]
£5.60	£3.75	£2.80

The above is repeated for each different activity where a concession is applicable as each price has a headline price, reddicard price and concessionary card price. Along with other factors, this places a large administration burden on the service but more importantly leads to a very confused and convoluted pricing structure that in some cases, limits access to services and our ability to sell (as highlighted above) as other providers offer lower pricing points for the same activities.

Please see appendix 5 which overviews the cost of using local leisure centres for swimming.

The Reddicard was subject to a review in 2006/07 by an Overview and Scrutiny Sub Group, where although the main elements of the scheme did not change, it was agreed that the 50% discount for concession card holders offered at the time, against the Reddicard price, was reduced to the lower concession of 25% on the Reddicard price. Although the Reddicard price itself did not change.

The Reddicard concession scheme is predominantly operated within the Sports Centres and is the main concession scheme for the service. As such, this means it has the highest focus from a customer and Elected Member perspective.

Key Features of the **original** Reddicard scheme are as follows and within the set up, you will see a number of anomalies that the revised scheme looks to address to ensure the new scheme is user friendly, promotes participation and ease of access:

- Discount scheme based around a three tier pricing structure offering card holders a range of discounts on activities at Council Sports Centres and the Palace Youth Theatre (dependent on the type of card held).
- Reddicards are available for residents/non-residents across 15 categories and range from £10.30 for individual concession cards, £15.10 for a family concession and £30.25 for resident adults to £41.05 for a family resident. Non-resident cards are more expensive, on average 30% – 50% more as agreed as part of the annual F&C process. All standard cards, both resident and non-resident, offer the same discount against the non-card price. Only Redditch residents receive a concession discount, this is the same percentage, regardless of card type.
- Group bookings that book the facility on a casual basis, for example a hire of a Sports Hall for 5x5 football, were offered a concessionary price on the basis that only one person needed to have a concessionary Reddicard. The other players may not be concessionary card holders. Block bookings have always been excluded from the existing concessions scheme but have had to purchase a specific block booking Reddicard which balances the admin fee against the extra benefits they receive over standard Reddicard holders.
- Reddicard has numerous card types offering different concessions and has grown significantly over the years. This makes it difficult to administer for staff working in Leisure Services and this has increasingly restricted sales opportunities.

- Card holders can book 14 days in advance for their activities compared to 6 days for non-card holders which limits our ability to add new users into the business as many sessions/activity spaces are booked well in advance.
- The current scheme is based upon pay and play usage only and does not offer concessions on monthly memberships.
- Disabled members receive free of charge access to health & fitness facilities without a needs or financial assessment
- The card scheme was initially linked to the 'Countdown' discount scheme whereby card holders could receive discounts in local retailers/ shops/ restaurants; but this element of Reddicard was removed many years ago when businesses started to introduce their own discount cards and schemes. This was also reliant on a third party company to promote and administer this scheme at a cost to the Council.
- To obtain a Reddicard for a concessionary discount the applicant must provide evidence of eligibility based upon receiving current benefits and this is assessed on a 12 month basis.

3.3 Background - Other Leisure and Cultural Concessionary Schemes

As well as the Reddicard there are a number of other concessionary schemes that operate within Leisure and Cultural services that have been developed by services to support users and have the potential to increase participation.

During the review these were assessed and it became apparent that these schemes have evolved over a number of years with differing objectives and as such, they do not all operate in the same way. In most cases, although there was a service rational for why it was in place, there were no links created to the Council's current Corporate Planning Process and key aspirations for our local community.

It was also noted during the review that in some cases, the ability to pay was not a consideration in the agreed rates that were being charged and that a greater commercial approach to charging was required. This would ensure service delivery was sustainable in the long term; given the Council budget position and that where appropriate, a suitable return was given to the council from organisations that were acting in a commercial manner; but not paying a commercial rate.

In other cases it was noted that where users groups had put forward a view that they could not sustain higher prices, the cost of attending such groups was very low and if these charges were to reflect the market rate this would enable RBC to charge the higher rate to safeguard the future of the services.

Within the proposed policy these concessions have been revised where appropriate and where possible brought into line with one another to ensure a consistent approach is developed. However you will note from the policy that there's not a 'one size fits all' proposed, as this would not be in the best interests of the service as we need to allow each service the flexibility to be innovative and to be able to respond to and compete in the local market.

More detail of how each concession currently operates and a proposal for change is highlighted below. Full detail of the proposed scheme with definitions can be found in the proposed policy:

- **HOS 20% Plus or Minus**

Current: At present the HOS has 20% plus or minus discretion on the agreed fees and charges to allow for market variation and sales opportunities. This allows services to have some pricing flexibility to compete with other providers and local competitors.

Proposed: Flexibility is increased to 30% and this is delegated to services and site managers through the fees and charges process to increase the ability to compete and be responsive to changes in the market.

- **Forge Mill Museum and Visitor Centre**

Current: There are a number of adhoc arrangements in place where community groups and schools who hire rooms receive free or heavily discounted rates based on historic arrangements.

All individual and group prices are set via the Fees & Charges process and administered correctly.

Proposed: Concessions for admissions will fall in line with the standard concessions offered through the Policy which offers a 25 or 50% discount based on eligibility and production of a concessionary card.

Room hire fees will be set as per the F&C policy and will offer concessions of up to 75% as outlined within the proposed policy.

- **Allotment Service**

Current: Over 60's and those in receipt of benefits get a concession of 49, 48 or 33%; regardless of their ability to pay.

Proposed: Concessions for tenancies will become affordability based and will fall in line with the standard concessions offered through the Policy. We will now offer a 25% or 50% discount based on eligibility. In 2016 – 17 a total of 378 allotments were allocated to over 60's residents, all of whom received a standard discount on the annual cost. The range is dependent on the size of the allotment and whether it's supplied with or without water.

In line with the current policy, due to the nature of the water charges that are incurred, these will be excluded from the concession policy as these costs will be incurred at a standard rate and cannot be subsidised/proportioned across the portfolio.

- **Palace Youth Theatre**

Current: Customers using the Reddicard get a discounted rate from the headline charge of 50% and concession users will receive a further 25%. Additional concessions include 50% discount for siblings and 10% discount when booking two courses per week.

Proposed: Concessions for admissions will fall in line with the standard concessions offered through the Policy which offers a 25% or 50% discount based on eligibility and production of a concessionary card.

The 10% discount for siblings will be implemented to support parents with 2 children attending these course but second session discount will not be offered.

- **Palace Theatre**

Current: Due to the contractual relationships with theatre hirers and promoters; discount on ticket prices are not included or available within the fees and charges offer from Redditch Borough Council.

A sliding concession is offered to local theatre groups/community organisations based upon the percentage occupancy of theatre during performance by the groups. The maximum discount is 15% and the aim is to support a diverse programme alongside assisting groups that may not have the resources to generate a profit from their performances; but still service the local community.

Proposed: No change.

Please note a change was made from a fixed 15% concession that was previously offered to a sliding concessionary scale based on ticket sales (as shown in the policy) in 2017/18 ahead of this review given the booking for theatre spaces are made up to 2 years in advance.

- **Community Centres**

Current: A six tiered pricing structure is in place that reflects different user patterns and the role such hirers play in providing services to the local community. The current scheme is based upon the size and number of people attending sessions and the profitability of the activity that takes place in RBC facilities in order that the session is sustainable but also reflects RBC investment into the provision of the service.

Proposed: No change, as the proposed policy is not suitable for this service due to the nature of the customer base and usage patterns. Therefore the six rates set offer the variety of prices required to enable customers and residents to use the facilities whilst meeting RBC's budgetary requirements.

- **Talented Athlete Scheme (Abbey Gold Scheme)**

Current: The scheme supports talented athletes by providing Free of Charge use of the Abbey Stadium when they reach key point on player path ways and can demonstrate they have the potential to reach elite status. Where funding for training may not be available, the scheme allows those athletes with financial difficulties to continue their development and training in the sport locally at Abbey Stadium.

Proposed: No change, given the excellent work the scheme does in developing local talent.

- **Civic Suite**

Current: Groups who have historically had free room hire continue to get it regardless of ability to pay, based upon a 4 point matrix linked to limited local priorities. There is no financial assessment contained within the current matrix and if groups meet all four criteria, they can have free room hire. The Mayor can also offer free use up to 4 times each year for events of their own choice, this includes weekend use.

Proposed: A new concession scheme will be implemented which offers an incremental concession scale whereby a customer group can accumulate more discount by meeting a number of eligibility criteria. The scale offers 25% 50% and 75% discount on the agreed fee.

The higher discount of 75% has been offered to enable community groups to still hire the facilities at a very heavily discounted rate, whilst also allowing RBC to cover its costs in providing services which the current scheme does not allow for.

The new scheme will only apply to new users and groups, existing users receiving free of charge use under the old concessionary scheme will continue to do so providing they remain regular users of the facilities.

The Mayor's free of charge events will continue with the current arrangements

- **Parks & Open Spaces –**

Current: Different groups of people including students can get a variety of discounts ranging from 80, 50, 48, 46% dependent on the reason for hire of land and the duration of hire.

Proposed: The current categories that are in place which reflect the market and user/ hirer patterns have been maintained but the applicable discount, criteria and duration have been changed to reflect the standard approach within the policy.

The 25% and 50% scheme which is offered in the policy will be introduced by parks services as shown in the F&C information provided.

- **Arts and Events –**

Current: The charging structure for an organisation to attend a 1 day event large event is £60.00, a medium event is £40.00 and a small event is £20.00. Craft stalls get a 75% discount because it's assumed they make minimal profit and charities get 100% discount. At present, ability to pay is not reviewed in detail with regards to discount being agreed by the events team.

Proposed: A service specific model will now be used for events due to the varied nature of the services provided with a set of exclusion around food and beverage concessions and other commercial provisions as these will be procured or done via a competitive tendering process.

Set 'commercial' fees will now be in place for organisations hiring a stall and a discount up to 75% is available, as outlined within the proposed policy. The charging

structure for an organisation to attend a 1 day event large event is £150.00, a medium event is £100.00 and a small event is £50.00

In cases where the 25% charge is cost prohibitive to small community based organisations who contribute the overall success of the event; the HOS discount can be applied to offer additional support.

Please note where activities undertaken by an organisation are of publicity, promotional or based on raising awareness of key local, regional or national issues and no charge is made either directly or at any follow on sessions for an activity no charge will be applicable.

Junior Activities

Within all of the above services the ability for juniors to pay (under 16's) is determined upon the parent or guardian to meet the eligibility criteria. This will be continued within the new scheme.

3.4 Key Considerations

As part of the review, when producing the proposed concession policy, a number of key considerations were looked at and these have been used as principles when developing the scheme. These are as follows:

- The need to ensure that the policy reflects the benefits that physical activity has on a wide variety of health and wellbeing related conditions/ the prevention of such conditions. As such we need to ensure that the policy supports all of the community to access facilities and services.
- The need to ensure that the policy shows that concessionary aspects of the scheme are protected and are not being taken away from those residents in need based on their income and current support received.
- The need to understand that some of these changes will not be popular or well received given it will impact on groups or individuals who have had heavily discounted usage for a long period of time. These situations will need to be carefully considered, managed and communicated.
- That the headline charge that was implemented was competitive with local providers based on benchmarking information, removed the historic issues of the current scheme and that the services could be responsive to and competitive when markets change.
- That adult swimming charges will be reduced to market value in order to increase participation and access despite the negative impact this will have on income generation. This will also support families accessing the service, should options 3 or 4 be implemented.
- That where residents and organisations could afford to pay; they did so to ensure the long term viability of the services. However charges should be kept as low as possible to promote value for money and increase access to services.

- That the concession policy should only offer concessions for usage on activities that are charged at a full rate. Those sessions that are already discounted for a development reason or offered as a package and used as a sales tool should not be included as it would be incorrect to offer a discount on top of a discount. This excludes disabled memberships at the Abbey Stadium as these would be maintained but move to an affordability based approach and therefore disabled users falling under the relevant criteria will have a maximum of a 50% concession from the standard rate as shown in section 6.2.
- That we ensure there is clarity around the concessions policy and its implementation so that the proposed policy supports the wider transformation and commercialisation work that is currently being undertaken.
- We need to review any upcoming changes in local provision to ensure that we remain competitive and maintain our market share; for example the new sites opening in Bromsgrove and Northfield which will impact on swimming sales.
- That the policy is consistent, transparent and easily understood to reduce waste in our systems but also to allow robust marketing and sales opportunities to be developed.
- That we followed the advice of the benefits team to ensure that our policy supports the work of the team and was based up robust information and not overly complex or bureaucratic.
- To understand the impact on key user groups whilst implementing the proposed policy to ensure usage continues but the policy remains consistent across the service.
- That where we come across organisations who are not set up in an effective or sustainable manner we work with those organisations to support them through the change and where true hardship cases are shown, we agree an escalating price increase over the next 12 months to soften the impact they may experience.
- We also need to consider the effect that free of charge use has upon resident's perception of our services and to understand whether this devalues the products on offer, especially against our other local competitors.
- The need to offer a consistent approach unless there is a viable business or social reason why an offer should be varied. Where agreed, the reason should be documented.
- To assess and understand how other providers have set fees and charges for over 60's and under 16's swimming charges and to see if the previous research that was undertaken has been refreshed. To also understand usage patterns of those accessing the current scheme.
- The resetting of F&C's will take place outside of the annual budget setting process and in order to avoid two price increases in a three month period, we will set the prices from 1st January 2018 to 31st December 2018 at the 1st April 2018 level.

- Once agreed, a marketing campaign and communication plan will be needed to publicise the changes. All bookings and customers will need to be written to and the changes discussed/agreed. During this time there need to be a consistent approach to any complaints that are received to ensure that the policy is not moved away from and prevent adhoc arrangements from being reintroduced.

3.5 Key Proposals

The revised Concession Policy for Leisure & Cultural Services can be found as Appendix 1. This sets out the:

- Purpose & Objectives of the Concession Policy.
- The scope, definition and eligibility of the Policy.
- How the Policy will be administered and operationally overseen
- The approach and application that will be followed for each service area

The key changes that the policy puts forward for agreement are as follows:

- That the reddicard and all other existing service based concession schemes will no longer operate from the 1st January 2018 when the new scheme and policy are implemented.
- We will no longer charge on a resident or non-resident basis and all fees and charges are set regardless of geographical location.
- Concessions related to swimming activities are restricted to Redditch residents only.
- That an affordability based approach will be introduced or that a service specific approach to discounts will be agreed as outlined in the policy, to deliver the key principals highlighted above.
- Concession would be based upon eligibility criteria as set within the concessionary policy.
- Catering and other retail concessions are excluded from the policy and will be managed at service level under competitive tendering processes.
- Concessions would not be offered for membership, discounted sessions and/or group booking unless all participants have the required concessionary cards.
- That concessionary and replacement cards would be charged for in all cases.
- This report will set the F&C's for L&CS from the 1st January 2018 to the 31st December 2018 to underpin the implementation of a new scheme.
- There will be an uplift in some charges that are currently paid by Reddicard holders.

- Disabled users of the service that currently access free of charge will be subject to an affordability based charge.
- Dependent upon the decision made, free of charge swimming may or may not cease or may become a charged or concession based offer.
- If free swimming is maintained a charge will be implemented for a free swimming concessionary card.
- The changes to the scheme will be cost neutral/ have a marginal uplift in income. In many cases the admission charges for concessionary access will be lower as a result.
- The proposed name for the new Concession Card is 'Active Redditch' card.

All other changes related to services outside sports centres are highlighted in 3.3 with full details in the Concessionary Policy.

KEY ISSUES

4. Financial Implications

4.1 Reddicard

Reddicard currently generates approximately £34k from card sales in income per annum. In order to mitigate this loss of income the revised scheme will be required to offer a cost neutral/ marginal uplift in income moving forwards.

This has been achieved by reviewing the current pricing points for each activity and as per the 2017/18 budget round, applying a 5% commercial approach to pricing to move our fees and charges in line with the market rates. This approach is shown as Option 4 within the report. However in order to meet the financial objectives of the project it has been necessary to increase some charges to above market rates; although it should be noted these remain considerably lower than the headline price that is currently in place under the Reddicard scheme. Full detail on these variances are shown in section 6.

Within the Medium Term Financial Plan (MTFP) the Council will have included the 2.5% increase in fees and charges per annum; outside of the Sports Centres this additional income will be accounted for within the 2018/19 budget round. The increased cost (up to market level as shown in all options) for Sports Centres have been included within the following cost model (option 4) in order to ensure the changes to the reddicard and the associated reduction in key fees do not impact upon the current MTFP. As such the additional income that will be generated by the higher cost (by an additional 2.5%) can only be considered as additional income for service areas outside of the Sports Centres, Civic Suite and Allotments.

The options presented also consider the impact of Free Swimming on the current fees and charges and show what changes could be on offer to this model dependent upon the preferred future model that is endorsed by members.

A detailed financial model has been completed for each of the options that looks at the historic sales for those areas, reductions in volume based upon implementing revised charges and models the proposed pricing structure from this report.

A summary of which is listed below:

In order to ensure the models are cost neutral/ has a marginal uplift in income a number of key decisions were made.

Option One (continue free of charge swimming for over 60's and Juniors)

- Charge for FOC swim cards – Over 60's and Junior (£9.99)
- Set a uniform price (£9.99) for concessionary cards
- Some F&C increased above market rate
- Adult swim price £4.40

Option Two (charge for over 60's swimming)

- Fixed Charge with affordability based concession available.
- Charge for FOC swim cards – Junior only (£9.99)
- Set a uniform price (£9.99) for concessionary cards
- Charge for over 60's swimming within the model at fixed cost (no concession)
- Adult swim price £4.20
- Senior citizen price £2.10
- Some F&C increased to market rate but at a lower rate than option 1

Option Three (Charge for Junior swimming)

- Fixed Charge with affordability based concession available
- Charge for FOC swim cards – Over 60's only (£9.99)
- Set a uniform price (£9.99) for concessionary cards
- Charge for Junior swimming within the model at fixed cost (no concession)
- Adult swim price £4.20
- Junior price £2.10
- Some F&C increased to market rate but at a lower rate than option 1

Option Four (Remove free of charge swimming for over 60's and Juniors)

- Fixed Charge for both with affordability based concession available
- No charge for swimming card
- F&C reduced and at competitive rate
- Adult swim price £4.00
- Over 60's price £2.00
- Junior price £1.80

4.2 Financial Model – Summary Based on Proposed Policy

Activity	Option 1 (FOC over 60's & under 16's)£000	Option 2 (Free under 16's) £000	Option 3 (free over 60's) £000	Option 4 (Charge over 60's and under 16's) £000
Sale of Concessionary Card	13	13	13	13
Sale of Concessionary Cards to Free swimming	5	3	2	0
Costs above market rates from Sports Activities	12	0	0	0
Cost of increasing fees to market rate	20	27	30	27
Free Swimming 60+	0	20	0	18
Free swim 5 - 16 resident	0	0	6.5	6
Events Fees	1	1	1	1
Allotment Hire	2.5	2.5	2.5	2.5
Increased sales	0	10.5	10.5	20.5
Total Income	53.5	77	65.5	88
Current Reddicard Sales	-34k	-34k	-34k	-34k
Reduction from current F&C's	-15	-26	-23	-35
Total Loss	49	61	57	69
Surplus/Deficit from above	+4.5	+17	+8.5	+19

The income from these fees are based on a profiled model of customer retention based on 16/17 full year.

Any surplus generated from the changes recommended within the report will be shown within the service budget to offset current issues with income generation.

5. Legal Implications

5.1 There are direct no legal implications contained within this report.

6. Customer / Equalities and Diversity Implications

6.1 The current Leisure and Cultural service concessionary schemes differ across the department and so offer various discount rates to groups/users leading to an inconsistent approach.

The new Concessionary Policy will address most of these but there will be some areas that need to remain independent due to the nature of the service. (See Appendix 1)

The new discount card scheme will offer a greater level of concession based predominantly on affordability based benefits based system for individuals and/or agreed discounts for organisations based upon their ability to pay and how closely their purposes align with those of the council. The level of concession for individuals is increased from a 25% discount to a 50% discount for those on the higher end of universal credit; giving greater financial support to those wishing to access facilities.

Clearly there may be a negative impact on some individual users and user groups if the policy is adopted, as the current reddicard price will no longer be on offer. However the new scheme will in many cases make the cost of access lower, in particular for those who do not currently use the reddicard scheme and offers greater sales opportunities due to the lower headline charge that is proposed.

In order to meet the financial objectives of the project it has been necessary to increase charges by 5% to cover the proposed fees and charges that will run for fifteen months. Some charges may be to above market rates; although it should be noted these remain considerably lower than the headline price that is currently in place under the Reddicard scheme.

The following table shows examples of where the cost of pay and play admission will be reduced to make the services more accessible and to promote the service as widely as possible. The 2018/19 price shown is indicative of the cost that would be applicable should no changes be made to the current scheme and fees and charges:

	17/18 Price	REDDICARD PRICE	18/19 Price	REDDICARD PRICE	OPTION 1	OPTION 2	OPTION 3	OPTION 4
SPORTSHALL PEAK	£67.50	£45.30	£71.00	£47.60	£47.50	£45.50	£46.50	£44.90
SPORTSHALL OFF PEAK	£43.30	£29.00	£45.50	£30.50	£32.50	£30.50	£31.50	£29.50
BADMINTON PEAK	£13.00	£8.70	£13.65	£9.15	£10.50	£9.50	£9.50	£8.75
BADMINTON OFF PEAK	£9.25	£6.20	£9.70	£6.50	£8.00	£7.20	£7.20	£6.25

REDDITCH BOROUGH COUNCIL

EXECUTIVE COMMITTEE

Date 12TH September 2017

	17/18 Price	REDDICARD PRICE	18/19 Price	REDDICARD PRICE	OPTION 1	OPTION 2	OPTION 3	OPTION 4
ADULT SWIMMING	£5.60	£3.75	£5.90	£4.00	£4.40	£4.20	£4.20	£4.00
OVER 60 SWIM NON RES	£3.10	£1.95	£3.25	£2.20	£2.20	£2.10	£2.00	£2.00
JUNIOR SWIM NON RES	£3.10	£1.95	£3.25	£2.20	£2.20	£2.00	£2.00	£1.80
JUNIOR SWIMMING LESSONS	£68.35	£44.80	£71.75	£48.10	£51.50	£49.50	£49.50	£48.00
ONE TO ONE SWIMMING LESSONS	£15.00	N/A	£15.75	N/A	£22.00	£20.00	£20.00	£18.00
ADULT SWIMMING LESSONS	£81.40	£54.55	£85.50	£57.30	£60.00	£58.00	£58.00	£56.00

The following table shows examples of how offering a greater concession for those in most financial need has resulted in reducing fees and charges for non reddicard users and concession card holders. :

	2018/19 conc	Opt 1 25% conc	Opt 1 50% conc	Opt 2 25% conc	Opt 2 50% conc	Opt 3 25% conc	Opt 3 50% conc	Opt 4 25% conc	Opt 4 50% conc
SPORTSHALL PEAK	£35.70	£35.60	£23.75	£34.10	£27.75	£34.90	£23.25	£33.70	£22.45
SPORTSHALL OFF PEAK	£22.90	£24.40	£16.25	£22.90	£15.25	£23.60	£15.75	£22.15	£14.75
BADMINTON PEAK	£6.90	£7.90	£5.25	£7.15	£4.75	£7.15	£4.75	£6.60	£4.40
BADMINTON OFF PEAK	£4.90	£6.00	£4.00	£5.40	£3.60	£5.40	£3.60	£4.70	£3.15
ADULT SWIMMING	£3.00	£3.30	£2.20	£3.15	£2.10	£3.15	£2.10	£3.00	£1.50
JUNIOR SWIMMING LESSONS	£36.10	£38.60	£25.75	£37.15	£24.75	£37.15	£24.75	£36.00	£24.00
ONE TO ONE SWIMMING LESSONS	£18 set price	£18 set price	£18 set price	£18 set price	£18 set price	£18 set price	£18 set price	£18 set price	£18 set price
ADULT SWIMMING LESSONS	£43.00	£45.00	£30.00	£43.50	£29.00	£43.50	£29.00	£43.50	£29.00

OVER 60 RESIDENTS

	Opt 1	Opt 2	Opt 2 50% conc	Opt 2 100% conc	Opt 3	Opt 4	Opt 4 50% conc	Opt 4 100% conc
OVER 60 SWIM RES	FOC	£2.10	£1.05	FOC	FOC	£2.00	£1.00	FOC

5 – 16 YEAR OLD RESIDENTS

	Option 1	Option 2	Option 3	Option 3 50%	Option 3 100%	Option 4	Option 4 50%	Option 4 100%
JUNIOR SWIM RES	FOC	FOC	£2.00	£1.00	FOC	£1.80	£0.90	FOC

Full detail of the revised fees and charges for the service can be found at appendix 2. This shows the full impact of the charges and the individual changes to the applicable prices as part of this review.

6.2 At present, those Redditch residents receiving PIP funding (previously disability living allowance, incapacity benefit, etc.) can access the Abbey Stadium fitness suite and swimming pool on a free of charge basis while their disability concession Reddicard is valid.

Under the new scheme this will be replaced with a maximum concession of 50% and therefore correlate with disabled user's ability to pay based on the level of support or income they receive. This is in line with other local authorities that offer a concession based on affordability; not protected characteristics.

At present there are 234 disabled Reddicards in use. It is estimated that 150 of these are regular gym members who, under the new scheme will be liable to a monthly charge of between £12.50 and £17.50 for a gym membership, or a session charge of £3.30 or £2.20 per swim.

	2017/18 & 2018/19 charge	2018 – 19 25% conc	2018 – 19 50% conc
Gym Peak member	£0	£26.25 per month	£17.50 per month
Gym Peak member – 12 month	n/a	£24.00	£16.00
Gym off Peak member	£0	£21 per month	£14.00 per month
Gym Off Peak member	n/a	£18.75	£12.50
Adult swimming Opt 1	£0	£3.30	£2.20
Adult swimming Opt 2	£0	£3.15	£2.10
Adult swimming Opt 3	£0	£3.15	£2.10
Adult swimming Opt 4	£0	£3.00	£2.00

- 6.3 There are also a number of casual pay and play users at Pitcheroak Golf Course who receive free of charge green fees if in possession of a Disabled Reddicard. As defined above they would be subject to a charge based on a 25% or 50% discount from the normal standard price.
- 6.4 Palace Youth Theatre: The new pricing structure will see the replacement of the 50% discount of a sibling with 10% discount. It is considered that this will not have an adverse effect on the success of the youth theatre and its offer. Should we need to stimulate the take up of the youth theatre offer, there is flexibility to use the HOS 30% discretion to create a special offer.
- 6.5 As part of the leisure and cultural services intervention survey, a question has been asked regarding the Council's approach to concessions. Significant qualitative feedback has been collated and offers an insight into resident's beliefs. Please see Appendix 4 for raw data showing the qualitative responses from the survey. This report is due to Executive Committee in October 2017.
- 6.6 The purpose of the impact assessment is to fully understand the impact that the new policy will have upon residents. It has been agreed with the Policy Team that the impact assessment is a live project running alongside the implementation and delivery of this policy moving forwards. It will work in correlation with the communications plan in gathering feedback and processing themes from our customers. Dependent on the option selected by members; different groups of customers may or may not be affected. (Please see background papers for Equalities Impact Assessment).
- 6.7 In cases where the change of policy adversely affects a group's ability to access our services, Hardship Guidance will be devised and delivered, in conjunction with the Equalities Team, to enable those residents affected to continue to fully access our services. The hardship policy would take into account the principles of a transition period from the existing arrangement to the new scheme and the specific characteristics of each individual group. Please see Appendix one; see section 'Hardship Guidance'.
- 6.8 Within the recommendation section of this report delegated authority has been requested for the Head of Leisure and Cultural Services to have the ability to vary the policy within the first 12 months within conjunction with the Portfolio Holder for Leisure & Cultural Services in order to respond to any unforeseen eventualities the policy may evoke. (see section 6.6 above)

7. RISK MANAGEMENT

- 7.1 Reputational Damage - There is a risk of negative publicity from those who will be impacted upon as a result of the change to the Fees and Charges and new Concession Policy.

From a reputational perspective, members of the public may feel that the Council has withdrawn a long standing provision that supports residents to access services. This may lead to negative press coverage and a misunderstanding of the benefits of the new scheme.

Service staff will work closely with the Communications Team to produce a strong and robust communications plan in advance of the implementation of the new scheme to ensure that miscommunication is minimised and that the benefits of the revised scheme

are clearly understood and communicated at a local and strategic level. We will create service level marketing plans and user engagement schedules to ensure everyone is fully informed and aware of the new scheme.

We will monitor any complaints that the services receive to ensure we proactively manage communications with staff and customers in order to mitigate any reputational damage.

- 7.2 Loss of participation, income & bookings - the proposed income model is based on sales from 2016/17 and growth that has been achieved in 2017/18. Where prices have risen to reflect the true market value there is a possibility that users will stop accessing services, resulting in a shortfall in income generation at sites and in services.

Within the new proposed models there are a number of prices that are lower than the current charging model and by reducing the number of pricing points the actual charge applicable is more clearly understood. Members should note the pricing differentials that options 1, 2, 3 and 4 have on the proposed fees and charges.

Concessionary pricing within the new models is designed to increase access to services and in many cases by offering a two tier concessionary system, those receiving out of work benefits will pay a lower price than what is currently on offer.

As shown in section 6.5 the Council will be providing support to bookings to mitigate any loss of usage.

We will monitor usage levels, occupancy ratings and the number of hires/ cancellations that the service receives to ensure we proactively manage service delivery to achieve our income objectives and maintain customer satisfaction.

- 7.3 Potential legal challenges from user groups affected by the new policy are likely to be based on a misunderstanding of the proposed scheme or where there current bookings have increased in terms of cost.

The mitigation to this risk is shown in section 6.5, 6.6, 7.1 and 7.2 above. Should a situation occur where a potential challenge could be made, we will work with the respective Council departments to address these concerns to mitigate the risk.

8 APPENDICES

Appendix 1 - Leisure and Cultural Services Concessionary Policy.

Appendix 2 - Proposed New Fees and charges. Current V Proposed

Appendix 3 – Proposed Civic Suite Matrix

Appendix 4 – Raw data: Qualitative survey responses prior to Policy team analysis (up to 23/08/17)

Appendix 5 - Local Swimming Analysis (2017/18)

9. BACKGROUND PAPERS

2005/2006 Reddicard Report

Civic Suite Policy

Talented Athletic Scheme criteria & process (Abbey Gold Scheme)

Benchmarking 2016/17

Impact Assessment

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