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| To: | Cabinet  |
| Date: | 9 October 2019 |
| Report of: | The Head of Community Services |
| Title of Report:  | Leisure concessions  |
| Summary and recommendations |
| Purpose of report: | To present recommendations to improve how leisure concessions are used. |
| Key decision: | Yes |
| Cabinet Member: | Councillor Linda Smith (Deputy Leader) - Leisure and Housing |
| Corporate Priority: | Strong Active Communities, Efficient Effective Council. |
| Policy Framework: | Leisure and Wellbeing Strategy, 2015 to 2020. |
| Recommendations: That the Cabinet resolves to: |
| 1. Approve use of the Council Tax Reduction Scheme and or the housing element of Universal Credit as the primary criteria for concessions;
2. Approve implementation of the changes shown in Appendix 2 in parallel with promotion of alternative memberships and discounted prices;
3. Agree that the age that someone is able to qualify for an older person concession should be increased from 60 to 65, and then until it reaches 66 in October 2020 and 67 between 2026 and 2028.
4. Instruct officers to conduct an annual review of concessionary categories alongside the annual fees and charges process;
5. **Instruct** officers to look to implement improvements to the leisure concessions offer from 1st April 2020; and
6. **Instruct** officers to review the target groups and decide any changes for when the leisure contract is retendered in 2023.
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| Appendices |
| Appendix 1 | Leisure sites in Oxford  |
| Appendix 2 | Benefits attracting concessionary rates (Bonus) and members  |
| Appendix 3Appendix 4 | A comparative benchmark of annual membership fees, 2018/19Benchmarking of leisure concessions, 2018/19  |
| Appendix 5Appendix 6 | Risk implicationsInitial Equality Impact Assessment |

**Introduction**

1. This report follows on from the June 2019 Cabinet meeting where Fusion Lifestyle’s Annual Service Plan, which shows how Fusion will manage and develop Oxford’s leisure centres, was agreed.
2. Prior to starting the contract with Fusion Lifestyle (Fusion) in 2009, the leisure centres were costing the Council over £2 million per year. This has now reduced to just under £100,000 per year, alongside absorbing increases in Oxford Living Wage, utility costs and adding in additional free swimming sessions for young people.
3. Over this time the Sport England Active Lives survey shows that Oxford has gone from being one the least active places in the country to one of the most active. This is down to very strong leadership by the City Council, effective partnership working, well-coordinated activities and improved facilities. The facilities part of the leisure offer is shown in Appendix 1.
4. A study was undertaken in 2014 which showed Oxford’s leisure centres deliver c£18m of social value; much of this is due to the high numbers of concessionary users at Barton and The Leys Pools & Leisure Centres. Affordable pricing is a key part of the mix to ensure that the leisure centres are accessible for everyone.
5. The leisure contract with Fusion has a pricing structure where we charge the market rate to people who can afford to pay and offer a concessionary scheme to ensure there is equitable access.
6. There are a wide range of criteria that entitle residents to a concessionary membership. The categories and uptake are shown in Appendix 2. With the introduction of Universal Credit it is timely to review concessions to make sure they are effectively targeted to meet the Council’s strategic objectives.
7. The Cabinet Member for leisure requested the review to ensure that concessionary rates are supporting people who are most in need of the Council’s support and are not available to people on higher incomes.
8. There is also an aspiration to better understand how effective concessions are at increasing usage from people in the Council’s target groups – these are young people, older people, people with impairments, BAMER groups and people on low incomes.
9. This report updates on the work that officers have been doing to explore how we can modernise leisure concessions, although the changes to the criteria could apply across Council services.
10. The report recommends that the most effective way to ensure people on higher incomes do not qualify for concessions is to use the Council Tax Reduction Scheme in combination with the housing element of Universal Credit. This means that, apart from the non-income related groups such as people with impairments, only households with an income of less than c£20,000 qualify for concessions.
11. The Council, in partnership with Fusion, is working towards leisure facilities being able to stand alone financially. These changes could help the Council to get to this position.

**The national picture**

1. Universal Credit waslegislated for in the [Welfare Reform Act 2012](https://en.wikipedia.org/wiki/Welfare_Reform_Act_2012) replacing six means tested "legacy" benefits and tax credits.
2. Most local authorities have similar concessions criteria to Oxford, albeit Oxford has a more comprehensive list of qualifying criteria than most places. A key difference is that while Oxford’s standard membership rates (£47 per month) are relatively high cost (shown in Appendix 3) the Council’s concessionary prices are low cost (Appendix 4).
3. Officers from the leisure and welfare reform teams have spoken to a number of councils who have reviewed their concessions, but local sensitivities and finding an improved and equitable option has meant only minimal changes have been made.
4. Where local authorities have increased their standard concessionary fees and charges they often bolster their offer with discounted or free sessions to help meet policy objectives in a similar way that The Council offer free swimming to under 17s.
5. Walsall is the only example Officers have found where household income is used; they include a threshold of £18,000 total household income and include other concessionary categories alongside this.

**The review**

1. The review has involved checking how many people qualify under each criterion and working with Fusion to understand the levels of up take by people in all of the concessionary groups.
2. Any financial benefits from changes in fees and charges are contractually Fusion’s as is the risk on achieving the income. The Council can though veto concessionary increases above RPIX, which means a shared benefit can be negotiated.
3. Any annual surplus achieved by Fusion, above that in the contractual agreement, would be shared between the Council and Fusion on the basis of an incremental percentage (i.e. additional surplus up to £50k would equate 60% to the Council and 40% to Fusion).
4. The Councils leisure centres are busy at peak times (4pm to 8pm on weekdays) and in common with many service providers we use off peak pricing to encourage usage at quieter times.
5. The Council has agreed that concessions will be given to people benefiting from Council Tax Reduction Scheme and/or receiving the housing element of Universal Credit. There are also concessionary categories that no longer exist and others that would no longer be relevant if we introduce the new criteria.
6. Officers have compared how many people qualify for the current benefits against how many people would qualify using the new criteria. This is difficult due to some benefits being awarded at a household level, rather than individual level. We know that 13,627 individuals and 11,065 households qualify under the current criteria and this would reduce to 1,600 Universal Credit housing element individuals and 5,500 Council Tax Reduction Scheme households under the proposed changes.
7. Using the Council Tax Reduction Scheme as a qualifying criterion would mean that all the members of a low income household, i.e. young people, would still be able to access the scheme as it would not be reliant on each leisure centre user having their own income type (which young people in education would not have). There are other ways of capturing these groups such as granting all under 17s or 18s etc. concession eligibility but this would mean that young people from high income families would be eligible.
8. The Universal Credit Housing Element is an important qualifying criterion as it means that people living with a housing cost, i.e. renting but who do not have a Council Tax liability, are included. This would affect a large number of single people on a low income and families who do not have a Council Tax liability such as those living in temporary accommodation. The Universal Credit Housing Element is slowly replacing Housing Benefit as Universal Credit is rolled out.
9. Due to the similarity of some of the concessionary categories Fusion have grouped these together when inputting the data into their management information system (highlighted in Appendix 2).
10. Additional to the categories in Appendix 2, over 60s and Council employees receive reduced rates and the Council also provides a number of free swimming sessions for under 17s.
11. Discussions have been held at the Leisure Partnership Board to increase the age criterion to bring it in line with the retirement age. There are an estimated 17,900 residents in the 60-67 age brackets in the city. Fusion’s data shows that only 61 over 60s had a Bonus concessionary membership in 2018/19, this is because they can also qualify for a discounted standard membership.
12. Other local authorities offer certain professions discounts (e.g. NHS, police) to meet their policy objectives. This year’s budget includes £5,000 to provide free use for people who are on the homelessness pathway.
13. The Cabinet Member has asked that we include a reduced rate for ex-service people; Fusion have indicated they could look to implement the official MOD discount service for UK armed forces and veterans (current and past armed forces, alongside their spouses / parents of currently serving personnel). The offer may include a 10% discount for the full Oxford and family leisure memberships.
14. Officers have explored other options to set an income threshold; this included free school meals and targeting postcodes. Free school meals does not provide as comprehensive a measure as combining the Council Tax Reduction Scheme with the housing element of Universal Credit so is not believed to be a suitable criteria.
15. Postcodes were also explored to see the impact of geographic targeting. 11.2% of Oxford City is located within the 20% most deprived areas nationally (2015 Index of Multiple Deprivation). This equals 17,144 people, or c6,000 households. While this is straightforward, postcodes do not necessarily correlate to individual income.
16. Both Working and Child Tax Credit are being replaced by Universal Credit so there are not any ‘new’ recipients of these, only people who have been receiving it already. People on a low income who receive one of these tax credits are likely to be in receipt of another qualifying benefit. Tax credits are also a lot more generous than normal welfare benefits so customers qualifying for concessions under these criteria can result in people on higher incomes qualifying for concessions.
17. It is relatively easy for a customer to evidence that they are in receipt of the Housing Element on Universal Credit, but procedures will need to recognise that the benefit doesn’t provide letters confirming entitlement. Universal Credit doesn’t issue letters regarding entitlement, and customers access this information on the journal via their statements. Customers are able to provide screenshots or print their statements as evidence.
18. A small number of customers will not have access to their journal in circumstances where it is impossible for them to use an online account, for example due to certain disabilities, being in hospital etc. These customers will be able to access their statements through the local Job Centre or any other arrangement they have agreed locally with the DWP.
19. It should be noted Universal Credit is always paid in arrears and offers no forward projection on entitlement. Therefore any verification will have to be for the recent past, this would normally be their last monthly statement, but does not guarantee the customer is currently entitled due to a change of circumstances.
20. The Head of Community Services is working with Sport England to help to improve the advice in their leisure contract procurement tool kit. Sport England are keen to develop advice that helps local authorities develop concessionary schemes that are more effective at achieving strategic outcomes and are more adaptable to changing local needs.
21. Sport England have not found any schemes, or thinking, that are more advanced than what has been covered in this review. As such, Sport England will be working with the National Association for Culture and Leisure (CLOA) to survey local authorities on how concessions can be used more effectively.
22. Concessions are in place to ensure equitable access to try to remove lack of income as a barrier to exercise. There are though a range of reasons why people do not exercise such as lifestyles, motivation and cultural differences. As part of the work on developing a new culture and leisure strategy, Officers are researching local barriers which may then enable a better range of activities to be offered. This strategy may then enable a more sophisticated approach to be taken to reduce inactivity.

**Legal implications**

1. The contract with Fusion means that any changes need to be agreed with Fusion before they can be implemented.
2. This contract expires in 2024. This means that the Council could ask for costed options which would enable the cost of concessions to be understood.

**Financial implications**

1. Fusion does not believe there will be any financial implications from the changes, although they will want to monitor this for a year.
2. For Council to be reassured on impact from the changes, data from the previous month prior to implementation will be used as the baseline and monitoring methodology will be agreed with Fusion.
3. If members wish to increase the 10% concession for ex-service people, a budget bid would need to come through the budget process.

**Risk register**

1. A risk register is included as Appendix 5.

**Equalities Impact**

1. An equalities impact assessment is included as Appendix 6.

**Summary**

1. The proposed changes will mean that concessions are limited to people with the greatest need, or where members have made policy choices. The changes will make the concessions scheme simpler for customers and easier for Fusion to promote.
2. Due to the complexities in the data and the assumptions on the impact on usage, it is likely that Fusion would want to monitor any changes for a year to get a better understanding of the impact on usage and income of any changes we ask them to make.

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| **Report author** | Lucy Cherry |
| Job title | Leisure & Performance Manager |
| Service area or department | Community Services |
| Telephone  | 01865 25) 2707 |
| e-mail  | lcherry@oxford.gov.uk |