

To: Cabinet
Date: 09 October 2019
Report of: Scrutiny Committee
Title of Report: Modernising Leisure Concessions

Summary and recommendations	
Purpose of report:	To present Scrutiny Committee recommendations concerning Modernising Leisure Concessions
Key decision:	Yes
Scrutiny Lead Member:	Councillor Andrew Gant, Chair of the Scrutiny Committee
Cabinet Member:	Councillor Linda Smith, Deputy Leader and Cabinet Member for Leisure and Housing
Corporate Priority:	Strong Active Communities, Efficient Effective Council
Policy Framework:	Leisure and Wellbeing Strategy, 2015 - 2020
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 01 October 2019, the Scrutiny Committee considered the report on Modernising Leisure Concessions.
2. The Panel would like to thank Councillor Linda Smith, Cabinet Member for Leisure and Housing, for attending the meeting to answer questions. The Committee would also like to thank James Baughan, Performance and Impact Officer, for supporting the meeting, David Hunt, Commercial Manager, and Lucy Cherry, Leisure and Performance Manager, for compiling the report.

Summary and recommendation

3. The Cabinet Member for Leisure and Housing, Councillor Linda Smith, introduced the report. Recent changes to the benefits scheme necessitated a redesign of the concessions scheme, particularly in light of the retirement of some benefits and their replacement with others. A number of options had been considered to ensure that concessions were targeted within the benefits environment most accurately. Offering concessions to those in receipt of Universal Credit (UC) was deemed insufficiently focused, whereas using receipt of either the housing element of UC or entitlement to the Council Tax Reduction Scheme (CTRS) as criteria did afford more specific targeting. Changes were also being made to the older person's discount to reflect the changes in pension age, with eligibility rising from 60 to 65.
4. In response to the report presented the Committee's particular areas of scrutiny focused on a number of key areas:
 - Information on the scale and prospective mitigation for those potentially facing a cliff-edge by ceasing to be eligible for concessions, particularly around the proposed pensioner age increase
 - PIP usage and
 - Armed Forces
5. The Committee makes two recommendations.

Scale of and mitigations for current members facing losing existing concessions

6. Whilst sympathetic to the reasons for changing the eligibility for concessions and the proposed means to target those in need for future members, the Committee expressed concern over the impact changes could have on existing members ceasing to be eligible for concessions, particularly in light of the fact that concessionary rates are low cost, whilst the standard membership is relatively high in comparison to other providers, meaning a significant rise in fees.
7. Of particular concern was the proposal to increase the age at which over 60s become eligible for concessions to reflect the pension age, with moving the qualifying age up to 66 in October 2020. In discussion, it was noted that forming or maintaining exercise habits in an individual's 60s are particularly crucial determinants of future health and quality of life. As such, the desirability of enforcing an increase to this group was questioned. It was fed back to the Committee that the rise in fees would for example be £16 per month for a full Choice membership; £14.50 per month for a swim only membership; and that it was anticipated that most sixty year olds would either be working or have taken early retirement, indicating an ability to pay. For those who retired early without ability to pay alternative concessionary categories remained. The Council did need to look towards the sustainability of its service, and that entailed the most effective targeting of any subsidy. It was not anticipated that there would be a significant fall-off in demand.
8. Further discussion took place over how many current members were in the 60 – 65 age bracket. Officers were unable to provide the figures. It was considered that

understanding the number of people impacted would form an important part in balancing out the priorities of sustainability, fairness and public health.

9. It is the view of the Committee that the public health consideration of encouraging individuals in their 60s to continue exercise is highly important, and that although not an excessive absolute figure, the rise of approximately 50% would act as a disincentive to this. Further, if the number of people impacted is small, and thus the impact on the service's sustainability is also small, the benefits of making such a change may be outweighed by the negatives. If, on further consideration, this is not the case it is the view of the Committee that efforts to mitigate the disincentives should be made.

Recommendation 1: That Cabinet i) identify the precise number of current over 60 members who will be due to lose their existing discount by the proposed rise in age-related concessions and will not qualify for an alternative concession, ii) to give careful consideration to whether it wishes to implement this change, and if so, iii) to consider ways of mitigating the impact, such as phasing the increases or exploring whether Fusion would honour existing age-related concessions.

10. The Committee also commented on the fact that Appendix 2 of the report states that Employment and Support Allowance (ESA) be removed as an eligibility criterion because many of the claimants will claim CTRS, as well as the fact that it is in the process of being replaced by UC. At the meeting it was not known how many individuals would no longer qualify for a concession following the removal of ESA as a qualifying benefit or the anticipated length of time the transition to UC would take for the cohort impacted. Other benefits, such as Job Seeker's (JSA) and Income Support (IS) are similar.
11. It is recognised by the Committee that the decision to remove Working Tax Credit and Child Tax Credit is an explicit policy choice, but that ESA, JSA and IS are being replaced on the basis that many current recipients will qualify through alternative routes. Though the number of memberships held by individuals on ESA is unknown, the number on JSA and IS is low (60 and 19 respectively). Therefore, the anticipated number no longer qualifying under an alternative benefit is lower still. Further, it is recognised that due to the lack of information provided by Fusion with regards to the number of ESA claimants, it is possible that ESA claimants may be one the categories grouped with other similar ones (as referred to in paragraph 25 of the report). The impact of this would be that the pool of individuals who may be negatively impacted is a small subset of the known figure of 79 JSA and IS-based concessionary members. It is the view of the Committee that for these marginal cases it may be preferable that they retain their eligibility for concessionary membership, and should this not be possible, to consider a delay which would reduce the number of people impacted.

Recommendation 2: That Cabinet i) ascertain whether Employment Support Allowance is a category grouped by Fusion into another category, and if not, to identify the number by alternative means ii) estimate the number of current concessionary members on Employment Support Allowance, Job Seekers Allowance or Income Support who are liable to lose their eligibility for concessionary rates under the proposed changes, and iii) pending other factors, consider whether to remove these categories as eligibility criteria, or alternatively, to delay their removal so as to enable the transition to alternative qualifying benefits to be more advanced.

12. There are no further recommendations, but the following is included for context and information.

Personal Independence Payments

13. The Committee noted the low number of people in receipt of Personal Independence Payments (PIP) holding leisure memberships (7) and the importance of providing facilities for these people. Whilst Fusion were reported to be responsible for outreach and sports development as part of their contract, the Committee encouraged more to be done to promote the leisure centres and improve the take-up of gym memberships by those eligible under PIP and other benefits.

Armed Forces

14. The Committee addressed the proposal that UK military personnel and their families be provided a 10% discount on full memberships. However, it was noted that the discount formed part of Fusion's own nationwide corporate discount scheme, a scheme similarly open to members of private companies or the NHS and not discussed further.

Further Consideration

15. The Committee may, in the development of its future work plan, wish to seek an update on the impacts of the concessionary changes agreed. In the event that this does not happen, it is not anticipated that this topic will be revisited by the Committee.

Report author	Tom Hudson
Job title	Scrutiny Officer
Service area or department	Law and Governance
Telephone	01865 252191
e-mail	thudson@oxford.gov.uk