

Community Wellbeing and Housing



Date of meeting 29 June 2021

Title	Current leisure operator - minor contract variation proposal
Purpose of the report	To make a decision
Report Author	Carolyn Sheppard – Strategic Lead Leisure and Community Claire Moore - Leisure Facilities and Projects Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/a
Corporate Priority	Clean and Safe Environment Financial Sustainability
Recommendations	Committee is asked to: 1. Agree and approve Option A - to increase the eligible age of the senior concession pricing from 60 to 66 years in-line with the current state pension age.
Reason for Recommendation	To allow the leisure operator to continue their post-covid financial recovery, whilst continuing to offer a senior concessionary price in-line with current state pension age.

1. Key issues

- 1.1 Spelthorne Borough Council have received a formal request from Sport and Leisure Management (Everyone Active) to consider increasing the eligible age of the senior concession pricing from 60 to 66 years in-line with the current state pension age.
- 1.2 The change would not impact existing members who currently benefit from the senior concession rate. All 60+ senior concessionary memberships purchased prior to the new pricing structure being introduced will continue to be honoured indefinitely.
- 1.3 Anyone, regardless of age, showing that they are on universal credit or income support will remain eligible for a concession membership to try and ensure that financial hardship isn't a barrier to using the centres.
- 1.4 The eligible age of the senior concession price has remained at 60+ since Sport & Leisure Management (Everyone Active) were awarded the current Spelthorne contract in 2006. The Covid pandemic has required Everyone

Active to accelerate their business in years with the rapid development of their online booking system and joining process within a very short timeframe over the past 12 months. By quickly facilitating this it has allowed the business to comply with Covid restrictions, ensuring they could open their doors to the local community, track and trace people using the centres and create a Covid safe environment for the enjoyment and mental wellbeing of Spelthorne residents and Everyone Active colleagues.

- 1.5 To enable the development of their booking system Everyone Active needed to streamline and reduce the vast range of membership price bands and options, booking privileges, age ranges and many other options, that ran into thousands, across the Everyone Active estate. Without this rapid change in the business it would have no doubt hindered and delayed the recovery and safe reopening of facilities. The introduction of the new system has been an overwhelming success. Making bookings, monitoring, tracking and recording admissions is very easy and the feedback from customers on the processes has been extremely positive.
- 1.6 One specific issue necessary to streamline the concession membership process was to unify the cross section of senior concession ages across all contracts. It was identified that across their portfolio there were a range of ages that made an individual eligible for the benefits of senior concessions. The increasing number of centres in the Everyone Active Portfolio made this variation in age more apparent. More centres in closer proximity to each other gave customers more option to use other facilities but also meant seniors may be eligible for concessions at one site and not another.
- 1.7 Everyone Active undertook an Equalities Impact Assessment and the conclusion was to standardise the senior age in line with the retirement age of 66.
- 1.8 Everyone Active introduced new streamlined membership options from 12 April 2021 across all centres enabling specific price band access to all EA sites that are now within the same or lower banding. This is proving a popular option for new members and will no doubt aid retention and increase length of stay.
- 1.9 When the government state pension age increases to 67 years, Everyone Active will review their senior membership age and should a change be required, return to the Council with a further proposal for consideration.

2. Options analysis and proposal

- 2.1 Option A: approve the proposal by SLM, to move the eligible age of the senior concession price from 60 to 66 years, in-line with the current state pension age. This is the preferred option as it will enable SLM to continue to reduce their post-covid financial deficit, whilst continuing to offer senior concessionary pricing in adherence with government guidelines.
- 2.2 Option B: not to approve SLM's proposal and keep the eligible age of the senior concession price at 60 years. This is not recommended. SLM are still able to offer the community senior concession rates in-line with the state pension age as set by the government. Everyone Active have estimated, based on 241 senior membership sales from 1 April 2019 – 31 March 2020, that the value of this rate change is approximately £12,230 over a 12-month

period. Based on an estimated time frame of a three-year extension to the current contract the potential value of changing the age of the concession is approximately £36,690 over 3 years. The cost of this option to SLM will also have a financial impact on the Council. SLM are currently in receipt of financial support from the Council including the forgoing of the monthly management fee. Additional costs for SLM will ultimately come back to the Council.

3. Financial implications

- 3.1 Everyone Active have estimated, based on 241 senior membership sales from 1st April 2019 – 31st April 2020, that the value of this rate change is approximately £12,230 over a 12-month period. Based on an estimated time frame of a three-year extension to the current contract the potential value of changing the age of the concession is approximately £36,690 over 3 years. The cost of this option to SLM will also have a financial impact on the Council. SLM are currently in receipt of financial support from the Council including the forgoing of the monthly management fee. Additional costs for SLM will ultimately come back to the Council.

4. Other considerations

- 4.1 When the new leisure centre contract goes out to tender later this year it is likely to be recommended that the senior age concession is in line with pension age to maximise the management fee the Council receives.

5. Equality and Diversity

- 5.1 Anyone, regardless of age, showing that they are on universal credit or income support will remain eligible for a concession membership to try and ensure that financial hardship isn't a barrier to using the centres.
- 5.2 Everyone Active will continue to offer senior concessionary pricing in adherence with government guidelines on state pension age.

6. Sustainability/Climate Change Implications

- 6.1 Not applicable

7. Timetable for implementation

- 7.1 If agreed, the change to the age of eligibility for the senior concession rate would be implemented immediately.

Background papers: There are none.

Appendices: None