



London Borough of Hammersmith & Fulham

ENVIRONMENT, LEISURE & RESIDENTS SERVICES SELECT COMMITTEE

DATE	TITLE	Wards
6 th November 2012	Review of Revised Leisure Card Arrangement	All

SYNOPSIS

This report reviews and evaluates the success of the revised concessionary leisure card arrangements.

CONTRIBUTORS

James Budkiewicz
Acting Community
Sports Manager –
LBHF ext - 4101

RECOMMENDATION:

The Committee is asked to comment upon the revised arrangements.

CONTACT

James Budkiewicz
Acting Community
Sports Manager
ELRS
77 Glenthorne
Road
London
W6 0LJ
0208 753 4103

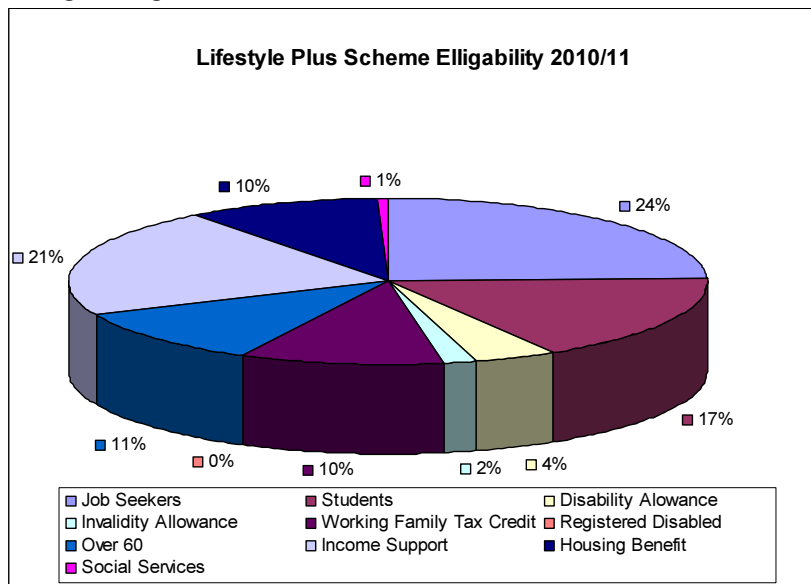
NEXT STEPS

Comments and recommendations submitted by the Committee will be considered by Officers and the Cabinet Member for Residents Services.

1. INTRODUCTION

1.1 The Lifestyle Plus Scheme (LPS) was a concessionary scheme targeted mainly at access to leisure centres. Membership was open to people living in the borough who were in receipt of a range of benefits, including unemployment benefits, state pension, income support, invalidity/sickness benefit and housing benefit. It was also open to full time students. The scheme started in the 1980's with membership costs of £ 2.00 per person, per year, which by 2011 had risen to £20.50 per year. Membership of the scheme reached a peak in 1996 with 6,500 card holders but declined over time to a level of approximately 1,800 in 2011. Based on feedback from customers, the main reasons for the decline were the cost of the card, its bias towards off-peak access and the stigma of an easily identifiable concessionary card.

1.2 The breakdown of those in possession of the LPS in 2010/11 could be divided into the following categories:



1.3 Hammersmith & Fulham was previously fairly unique in its approach to the LPS concessionary card and most other boroughs opted for a different model. Whilst no two concessionary card schemes are entirely the same, there is a general consensus around a low initial cost for the card and then a higher cost for each entry fee. Hammersmith & Fulham LPS took the opposite approach. Table 1 on the following page compares Hammersmith & Fulham to its closest neighbouring authorities.

	Annual Membership	Swimming		Gym	
		Av % discount	Av Entry Price	Av % discount	Av Entry Price
Old LBHF Lifestyle Plus Scheme (LPS)	£20.50	72%	£0.50p	91%	£0.50p
Kensington & Chelsea	£11.75	66%	£1.20	50%	£2.85
Wandsworth	£6.00* *six months only	56%	£1.70	50%	£4.00
Ealing	£3.00	50%	£1.70	50%	£3.20
Richmond	£6.00	45%	£2.00	10%	£5.10
Brent	£5.00	46%	£1.40	57%	£2.00
Hounslow	£2.00	87%	£0.50p	74%	£1.50

Table 1

1.1.1 Following the modelling of various options, it was agreed that the borough would not operate a leisure card and would decommission the existing LPS. Instead Greenwich Leisure Limited (GLL) would provide and manage a concessionary card that operates under the terms of their existing Pay and Play concessionary offer. The council's other private sector leisure provider, Virgin Active, also agreed to offer the same terms.

1.3 This report attempts to review and evaluate the success of the revised scheme, exploring its relative success and impact on visitor numbers.

2. REVISED SCHEME

2.1 Under the new arrangements, residents previously entitled to an LPS card pay GLL £3 per annum for the new card (compared to £20.50 per annum for LPS) and will then be able to use the following facilities as indicated in table 2.

	Phoenix Leisure Centre	Fulham Pools	Hammersmith Broadway	Lillie Road
Swimming	£1.40	£1.40	n/a	n/a
Gym	£2.55	£2.55	£2.55	£2.55

Table 2

Therefore a swim costs £0.90p more per visit than was previously available to LPS members, but the annual fee is reduced by £17.50. On that basis, residents can swim on 19 occasions before it costs more. A gym visit will cost £1.65 more per visit, but with a reduced annual fee residents can access the gym 9 times before it costs more.

2.2 GLL agreed to cover 100% of the Council's loss of income, taking on the risk and the costs associated with the operation of the new membership scheme. Any further income for the Council would have to be generated from profit share

arrangements. Discussions around profit share arrangements continue and GLL have indicated a willingness to enter into an 'open book' accounting arrangement. On this basis, it should be possible to agree a profit share arrangement. On a 50/50 share basis the Council could generate between £13,000 and £35,000 in additional income per annum on top of the £35,890 already earned.

- 2.3 Due to LBHF operating its Leisure facilities under two different operators, the delivery of this project has been more challenging. However, actions relating to the technology and relationships between the two systems have progressed.

3. TRANSFER OF SCHEME

- 3.1 The last LPS card was issued on the 13 November 2011. This final batch of cards were given an expiry date 3 months later. The final remaining LPS cards remained in circulation until 13 February 2012. From 14th February 2012, all LPS membership cards have expired and have not been accepted at H&F Leisure facilities.
- 3.2 Although a small flurry of enquiries were received initially, only a few long standing LPS members lodged significant dissatisfaction with the revised scheme.
- 3.3 Much of the communication had occurred in the lead up to November 2011. The LPS membership was reduced from an annual or six-monthly card to quarterly arrangement in Dec 2010. This inevitably raised queries which were addressed and, in essence, prepared LPS members for the inevitable change to the scheme.

4. USAGE

- 4.1 Initial reporting challenges were identified by Virgin Active (VA) at the scheme's roll-out. This was primarily on the basis that the back office systems used by GLL and VA were not compatible and resulted in VA resorting to a manual swiping system., which ultimately reduced the accuracy of the early figures relating to usage at Fulham Pools. However, the usage figures for the 3 GLL sites, reproduced over the page, are deemed true and representative of actual usage.

4.3 Usage across the sites over this period follows the following trend:

Leisure Centre Usage in H&F 2010/11 – 2012/13							
		Broadway	Lillie Road	Phoenix	GLL Total	F/ Pools	TOTAL
2010/11	Q1	56,590	36,588	37,231	130,409	21,742	152,151
	Q2	55,726	34,396	36,726	126,848	23,111	149,959
	Q3	67,634	40,390	40,545	148,569	14,001	162,570
	Q4	71,368	43,037	42,187	156,592	18,328	174,920
	Total				562,418	77,182	639,600
2011/12	Q1	69,607	44,183	37,333	151,123	23,376	174,499
	Q2	61,313	45,273	38,881	145,467	24,860	170,327
	Q3	72,641	46,560	42,434	161,635	15,721	177,356
	Q4	72,909	47,195	52,741	172,845	19,695	192,540
	Total				631,070	83,652	714,722
2012/13	Q1	72,360	47,910	56,461	176,731	18,523	195,254
	Q2	73,007	48,212	50,350	171,569	20,825	192,394
	Q3				0		0
	Q4				0		0
	Total				348,300	39,348	387,648

4.3 Given that the last remaining LPS cards remained in circulation until mid February 2012, we only currently have data relating to 7 months of usage without the LPS and with concessionary access being purely through the new offer.

4.4 The most relevant information to compare and contrast is Q1+Q2 usage over the past 3 years.

Year	Q1 + Q2 Total	% Change
2010/11	302,110	
2011/12	344,826	14.1%
2012/13	387,648	12.4%

4.5 The current usage reports would suggest that the revised concessionary offer has had minimal detrimental impact in terms of participation. Usage continues to grow, although this increase has slowed from 14% to 12%.

4.6 Usage of Fulham Pools has decreased but reporting issues are largely to blame and this issue has since been rectified.

4.7 It was previously predicted that those LPS members most likely to be effected would be those who visit most frequently. GLL's introduction of the GYM London membership at £19.99 per month has largely mitigated this concern.

4.8 The number of complaints received by LBHF regarding the revised scheme has essentially stopped. In addition, the associated staffing resource to roll out the scheme, estimated to be £15,000pa, has been removed. This included staff in

the borough's Libraries who dealt with new applicants and renewals and the sports booking back office card production and distribution mechanism, which is no longer required.

- 4.9 Further analysis following a full years implementation of the revised scheme should provide greater clarity regarding its impact on participation. This is particularly the case when seasonal trends and fluctuations in visitor numbers are taken into consideration.
- 4.10 Conversation is ongoing with GLL regarding the open book accounting arrangement and subsequent income split following the implementation of the revised scheme.
- 4.11 The £35,000 annual payment agreed with GLL has been honoured.

5. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 5.1 Given the guaranteed income under the current agreement and the reduction in management costs to the Council, it is recommended that the GLL concessionary card arrangement is continued in the short to medium term. However, given the relatively short time period that the card has been in use (7 months), the recommendation to review further following a years implementation is supported.
- 5.2 The Leisure service should continue to discuss 'open book' accounting and potential profit share arrangements with GLL, particularly given the increase in usage trends in order to deliver the maximum return for the Council in the long term.

6. RECOMMENDATIONS

The Committee is asked to comment upon the revised arrangements.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		