

Report

Report to:	South Lanarkshire Council
Date of Meeting:	22 February 2023
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	South Lanarkshire Leisure and Culture – Concession Recommendations for 2023/2024
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1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ Present recommendations for amending the concession rates for South Lanarkshire Leisure and Culture (SLLC) services.

2. Recommendation(s)

2.1. The Council is asked to approve the following recommendations: -

- (1) To approve the following recommendations made by the Board of SLLC:
- a. That the individual general concession for SLLC services be amended from 50% to 25% of the adult rate.
 - b. That the additional U16s Club discount (75% of the adult rate) reverts to 50%.
 - c. That the Halls under 5's and over 60's group discount (75% of the full rate) reverts to 50%.

3. Background

- 3.1. Like all local authorities, Leisure and Cultural Trusts across Scotland are facing significant increased pressure on their budgets. The majority are considering, or have implemented, price increases and many have also had to reduce the scope of their services. Trusts have also been significantly affected since the arrival of the Covid19 pandemic that has impacted on levels of customer use and generated income. Recovery from the pandemic continues to be further impacted by the current cost of living crisis and consequent pressures on household income.
- 3.2. As with South Lanarkshire Council, SLLC is also experiencing extraordinary financial pressures due to inflation levels on areas including pay, utilities and contracts. The 2022-23 Pay Award averaged around 7% for staff and contracts linked to RPI could see increases of between 12% and 15%. In addition, utility price increases across financial years 2022-23 and 2023-24 are expected to be in excess of 200% for gas and 88% for electricity.
- 3.3. As part of the review process conducted by the SLC Cross Party Working Group (CPWG), approval was given at a full Council meeting in June 2021, and further agreed at the SLLC Board meeting in August 2021, that the Board of SLLC have full autonomy to review and set the pricing for all SLLC commercial activities in line with

market tolerances and trends. It was agreed that the Council would retain the authority to decide concession pricing.

- 3.4. At the SLLC Board meeting on 1 February 2023, the Board approved the retention of the fitness membership at £25 per month and a commercial price rise of 7% across all other services. This is part of a package of measures that will also include consideration of service efficiencies and rationalisation required to address an estimated budget gap of £4m.
- 3.5. If agreed, the recommendations in this report would enable SLLC to realise £616k of additional income, reducing the funding gap further by that amount. Should the concession proposals not be agreed, there would be a requirement for the SLLC Board to approve service reductions, commensurate with the amount of income associated with the concession proposals.
- 3.6 The SLLC Board has a legal duty to set a balanced budget similar to that held by elected members in relation to setting a balanced budget for the council. The scale of the financial pressures faced by the Trust inevitably means that service levels cannot be maintained and difficult decisions will need to be faced. The challenge requires consideration of a range of measures to mitigate those decisions and the concession scheme changes below have been recommended by the Trust Board to assist with this mitigation.

4. Concession Recommendations

U16s Club Discount

- 4.1. The Council are asked to consider a recommendation from the Board of SLLC regarding changes to the level of concession awarded under this category, generating up to £0.476m of additional income.
- 4.2. In addition to standard concession discounts for Juniors which is 50% of the adult rate, many Clubs receive an additional discount equating to a 75% discount of the adult rate. This benefits clubs with predominantly South Lanarkshire Under 16's residents as members and applies to football pitch hire, swimming and dry-side club activities.
- 4.3. In the majority of instances, particularly in relation to pitch hire, this additional discount for clubs is not passed on to the U16s participating, who are charged the same rates to attend the club as in other local authority areas where the clubs do not receive a 75% discount. In this respect, SLLC is effectively not subsidising participation but rather is making a contribution to club funds.

General Concessions

Leisure

- 4.4. Individual concession subsidies are currently significantly higher in South Lanarkshire than in other authority areas benchmarked using the Local Government Benchmarking family group as a comparison.
- 4.5. South Lanarkshire currently has the highest concession rate within the group at 50%, with other authorities offering a discount of between 15% and 40% with an average discount of 24%. It is therefore proposed that the concession rate be amended to a discount of 25% of the adult rate, bringing it in line with the average. Amending the concession rate would generate circa £90k of additional income.

Table 1: Recommended changes to leisure concessions

Concession Membership Category	Concession Charge – existing	Concession Charge – revised	Full price
Health & Fitness Adult	£12.50	£18.75	£25.00
Health & Fitness Junior	£6.25	£9.40	£12.50
A.C.E Monthly	£13.40	£20.10	£26.80
Swim Lesson Monthly	£13.85	£20.80	£27.70

Hall Lets

- 4.6. SLLC currently offer a 75% discount of the community/junior rate to various Pre-5's and Over 60's groups. It is recommended that this discount is also amended to 50% in line with the proposed change to the leisure discount for clubs, generating an additional £50k of income.
- 4.7. It should be noted that even with this new charging rate, the services would be operated at a net subsidy as staffing costs would exceed the income received.

Table 2: Recommended changes to hall lets based on typical customer rate per hour

Pre-5's, Over 60's - existing charge	Under 16's/Pre-5's/Over 60's groups proposed charge	Full community rate
£3.15	£6.30	£12.60

5. Next Steps

- 5.1. Following Council approval implementation of new concession rates would commence on 1 April 2023.
- 5.2. A meeting of the Board of SLLC is due to take place on 22 February 2023 following the full Council meeting. This meeting will consider further measures required to achieve a balance budget for 2023/24.

6. Employee Implications

- 6.1. There are no employee implications as a result of this report.

7. Financial Implications

- 7.1. The SLLC Board has estimated a budget gap of £4m for 2023/24 arising from exceptional inflationary rises in costs, related pay increases, the impact of the COVID19 pandemic and the subsequent cost of living crisis/ economic situation on their income. The Board has a legal duty to set a balanced budget and has agreed a number of commercial price increases to reduce the gap by £0.819m. The Board has agreed to recommend a number of changes to the concessionary scheme for Council agreement that will reduce the budget gap by a further £0.616m. This set of measures will assist in mitigating the impact on service levels across the entire SLLC operation.
- 7.2. The SLLC Board will consider the decision of Council at its subsequent meeting following the Council budget meeting in relation to the additional measures it will require to take to ensure it sets a balanced budget.

8. Climate change, sustainability and Environmental Implications

- 8.1. There are no climate change, sustainability and environmental implications as a result of this report.

9. Other Implications

- 9.1. There are no other implications in terms of risk and sustainability as a result of this report.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. An Equalities Impact Assessment has been conducted in relation to the proposals by SLLC.

David Booth
Executive Director

9 February 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Executive Committee – 23 June 2021 – Cross Party Working Group Review of South Lanarkshire Leisure and Culture (SLLC) - Outcomes

List of Background Papers

- ◆ None

Contact for Further Information

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