

REPORT FOR EDLC BOARD	
Report Title:	Concession and Membership Review
Contact officer:	Mark Grant
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1. INTRODUCTION

- 1.1 The purpose of this report is to update the Board of proposed changes to the current EDLC concession scheme (Passport to Leisure) and the junior membership categories.
- 1.2 The proposals for changes to the concession scheme will allow for more streamlined membership options as well as achieving some additional income which will help to address the financial challenges facing EDLC.

The changes in membership categories for juniors will also allow us to be more competitive in the market place by competing more in terms of pricing with other providers and in particular the budget Gym providers.

- 1.3 The review also incorporates changes to benefit descriptions and any changes to eligibility criteria and these have been checked with the Citizens Advice Bureau.

2. BACKGROUND

2.1 Current Concession Scheme:

The existing concession scheme (Passport to Leisure) allows for a current discount of 40% on membership and charges for activities. The current membership charge for those on the scheme is £22.80 per month and the membership numbers and membership cost history are detailed below:

- Concession Over 60 Single 1,486
- Concession other 879
- Total 2,365

2015/16	2016/17	2017/18	2018/19	2019/20
£20.50	£22.00	£22.00	£22.80	£22.80

The existing concession scheme allows access for the discount at age 60 and benchmarking activity with 18 other Leisure Trusts shows that 34% of them have increased the age for access to their concession scheme to 65 or in some instances only when customers are in receipt of pension credit.

2.2 Proposed Concession Scheme:

The proposed concession scheme would incorporate three main changes. The first change would involve a reduction in the discount level from the current rate of 40% to a reduced rate of 35%. In terms of the monthly membership cost this would mean an increase of £1.90 per month (£22.80 - £24.70) for customers which still represents good value.

The second change is around the age at which customers would qualify for the concession scheme. The age criteria has not changed since the inception of the scheme and has not been aligned with changes in the pension age.

It is proposed that the age for qualification for the scheme is changed from 60 to 65 years. It is also proposed that current concession members under 65 would retain the discounted membership.

The third change is to rename the scheme from Passport to Leisure to EDLC Concession. EDLC employees have advised that customers have found the title of the scheme confusing and that renaming as the EDLC concession scheme would make it easier to explain and promote.

2.3 Current Junior / Student Membership Scheme:

The current Junior Membership has three categories as detailed below:

Age Group	Monthly Membership Cost	Number of Members
12 – 13 Years	£15.00	78
14 – 17 Years	£19.00	357
Student	£22.80	205

The current membership for juniors have restrictions applied to them. The 12 – 13 year olds have limited access times, limited classes and no access to sauna area. The 14 – 17 year olds have limited classes and no sauna access.

The student membership is not restricted but is limited to those in further education who can provide a current matriculation card. There are currently no concessions for those over the age of 17 who are not in further education including those who may be in an apprenticeship or low income employment. The current EDLC charge of £22.80 is more expensive than our low cost competitors as detailed below:

Operator	ALC	LD	KLC	Student
Pure Gym	N/A	3.6 mile	4.4 miles	£19.99
The Gym	3.4 miles	N/A	N/A	£14.99
Sports Direct	0.4 miles	N/A	N/A	£15.99
JD Sports	3.9 miles	5.1 miles	N/A	£19.99
			Average Cost	£17.74

2.4 Proposed Junior / Student Membership Scheme:

The proposed Junior / Student memberships would be split into two age groups to allow better access at a more competitive price. The monthly cost for 12 -15 year olds would be £15.00 and 16 - 21 year olds £19.00.

The restriction to some classes and sauna would still apply to the 12 - 15 membership however they would be able to access the gym at any time if accompanied by an adult.

2.5 Benefits of Junior / Student Membership Proposal:

The membership team and Centre Managers have identified potential benefits in adopting the new scheme and these are detailed below:

- The re-alignment of memberships to offer more access at a competitive price.
- Increased retention of members, high drop off at 17 years, due to increase cost of student concession membership or full price membership.
- Increase membership sales – more competitive with budget gyms.
- Memberships simplified – easier for potential members to purchase online and for the gym team staff to sell.

3. IMPLICATIONS

- 3.1 There is potential for negative feedback from customers around the reduction in discount and the change in qualifying age for concession access.
- 3.2 The change in discount level if the current level of membership is retained will mean an increase in Direct Debit income of circa £55,000 and an increase in ticketed income of around £10,000.
- 3.3 In terms of the junior membership being reduced to £19.00 per month this would result in an annual reduction of £9,348 in Direct Debit income. However it is anticipated that increased membership sales and retention levels would counter act this loss of income. In effect and additional 41 members in the 16 - 21 category, which is realistic, would fully cover this loss of income.

4. RECOMMENDATIONS

4.1 It is recommended that the Board:-

- a) Notes the details provided on proposed changes to EDLC Concession and Membership scheme.
- b) Approve the implementation of these changes from 1st April 2020.