

## **Item: 6**

**Education Leisure and Housing Committee: 6 June 2018.**

**Universal Leisure Membership Scheme – ActiveLife.**

**Report by Executive Director of Education, Leisure and Housing.**

### **1. Purpose of Report**

To consider the performance of the universal leisure membership scheme – ActiveLife during the first year since its launch.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

That, in October 2016, the Council agreed to introduce a universal leisure membership card, with the scheme, known as ActiveLife, subsequently launched on 16 January 2017.

#### **2.2.**

That, following a review after six months of operation and in response to representations received from the public, an additional Activeslands membership, as part of ActiveLife, was launched on 16 October 2017.

#### **2.3.**

That ActiveLife has engaged a higher proportion of the local community in physical activity, with 2,570 paying members, or 24.95% of households, as at 31 March 2018.

**It is recommended:**

#### **2.4.**

That the amendments to the ActiveLife Scheme, as proposed by the Pickaquooy Centre Trust and detailed in section 6.1 of this report, be endorsed.

#### **2.5.**

That powers be delegated to the Executive Director of Education, Leisure and Housing, in consultation with the Solicitor to the Council and the Head of Finance, to review and thereafter conclude the Management Agreement with the Pickaquooy Centre Trust in respect of the ActiveLife scheme.

### **3. Introduction**

The previous decision of the Council regarding the proposed introduction of a universal leisure membership card is detailed in Appendix 1 to this report.

### **4. Background**

#### **4.1.**

Following the decision of Council in October 2016 regarding the proposed introduction of a universal leisure membership card, the scheme, known as ActiveLife, was launched on 16 January 2017 with the aim to address some of the challenges faced by the Pickaquoy Centre Trust and the Council, which included:

- That people most in need of a healthy lifestyle being possibly excluded from using local facilities because of price.
- The gap in income targets and actual income.
- Falling usage numbers at some facilities.

#### **4.2.**

Prior to the launch of ActiveLife, the Council received tax advice from Deloitte, the Council's tax advisors, to consider options for operating the ActiveLife Scheme model. Following guidance received from Deloitte, a management agreement between the Council and the Pickaquoy Centre Trust was produced.

#### **4.3.**

Having initially considered an income sharing scheme, this model was ruled out in preference to the Pickaquoy Centre Trust operating the ActiveLife Scheme as the sole or principal party. Under this arrangement the Council is not responsible for the operation of the scheme, and instead allows ActiveLife members access to a range of Council facilities free of charge, in return for which the Pickaquoy Centre Trust agrees to pay the Council a retainer fee.

#### **4.4.**

If, as a result of the introduction of ActiveLife, the budgeted income of the Pickaquoy Centre Trust was to fall short of the budgeted figure of £442,000, for membership and junior courses, the Council agreed to provide a guarantee against any shortfall up to a maximum sum of £100,000 for the duration of the 2 year pilot.

#### **4.5.**

As part of the budget setting process for 2016 to 2017, the Council agreed an additional income target of £50,000 in respect of an uptake in usage of its leisure facilities.

#### **4.6.**

Prior to the launch of ActiveLife the total number of annual memberships for sport and leisure facilities across Orkney was 1,435, or 14% of households.

## **5. ActiveLife Scheme - Year One Review**

### **5.1**

Council officers from across different services worked in partnership with the Pickaquooy Centre Trust to ensure the successful development and launch of ActiveLife.

### **5.2.**

At the launch of ActiveLife, the percentage of households in Orkney with a membership was set as a high level indicator by the Orkney Community Planning Partnership Board.

### **5.3.**

Following the launch of ActiveLife, representation was received from residents living on the outer isles who felt that ActiveLife did not benefit them as they could not access the same number of facilities and classes as residents on the mainland.

### **5.4.**

Consultation was undertaken with all communities affected and it was agreed that an additional membership specifically for the outer isles be introduced within the ActiveLife Scheme, in recognition of their inability to access the full range of ActiveLife facilities.

### **5.5.**

The Activeslands membership was launched on 16 October 2017 giving members access to gym and group exercise classes at their local healthy living centre.

### **5.6.**

As at 31 March 2018, total paying members of ActiveLife was 2,570, or 24.95% of Orkney's households, which equates to a 79% increase in memberships since launch.

### **5.7.**

Membership was broken down as follows:

- 2,474 ActiveLife memberships (48% individuals, 0.3% juniors, 51.7% families).
- 96 Activesland memberships (62.5% individuals, 2% juniors, 35.5% families).
- 257 Budget memberships (50.59% fixed budget, 49.41% variable).

## **5.8.**

The total number of people who had access to all of Orkney's leisure facilities through either ActiveLife, as at 31 March 2018, was 6,055, over 30% of Orkney's population, which is reflected in the usage of all facilities over the same period, as shown in Appendix 2 to this report. The facility information shown in Appendix 2 demonstrates unequivocally that the ActiveLife Scheme has engaged a higher proportion of the local population in physical activity.

## **5.9.**

A number of programme developments have taken place since the launch of ActiveLife, including:

- Additional group exercise classes.
- ActiveLife and ActiveIslands members being able to access selected community education classes using their membership.
- Increased joint working with NHS Orkney.
- Ongoing trials of delivering group exercise classes using video conference technology to rural communities.

## **5.10.**

The Sport and Leisure Service Manager and the Senior Management Team for the Pickaquoy Centre Trust meet on a regular basis to review performance of ActiveLife Scheme.

## **5.11.**

Comparison financial information provided by the Pickaquoy Centre Trust on the impact of the ActiveLife Scheme, attached as Appendix 3 to this report, indicates a loss to the Pickaquoy Centre Trust, amounting to £7,190. This is due mainly to a reduction in pay and play income and increased areas of expenditure to meet the increased demand.

## **5.12.**

As part of the budget setting process for financial year 2016 to 2017, a savings target of £50,000 was agreed, based on the launch of the ActiveLife Scheme, and in financial year 2017 to 2018 the additional income received was £51,100.

# **6. Proposed Amendments to ActiveLife**

## **6.1.**

A review of ActiveLife by the senior management of the Pickaquoy Centre Trust has been presented to the Board of Trustees who agreed the following changes:

- Removal of the 50% discount for childrens' swimming lessons.
- Removal of climbing and bouldering from the ActiveLife membership.
- Reinstate the gym induction fee for members.

- Increase the price of the ActiveLife membership from £19.50 to £19.99 for an individual and from £29.50 to £29.99 for a family.

## **6.2.**

The risk associated with implementing the changes described above, is a possible reduction in total membership numbers, which would result in a reduction in the estimated total additional income for both the Pickaquoy Centre Trust and the Council.

## **6.3.**

The Sport and Leisure Service Manager attends regular meetings with the Pickaquoy Centre Trust to investigate and agree ways to promote and develop the ActiveLife Scheme. Short and long term promotion and marketing proposals include:

- Monthly newsletters.
- ActiveLife video to be shown at the beginning of cinema screenings.
- Direct targeting of specific groups.
- Member only events.
- Priority booking for members.
- Working with Highlife Highland who are developing a system to allow ActiveLife members to use all facilities in Highland Region as well as Orkney and Shetland.

## **7. Links to Council Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority of Caring Communities, Thriving Communities and Quality of Life.

## **8. Links to Local Outcomes Improvement Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Strong Communities and Living Well.

## **9. Financial Implications**

### **9.1.**

Under the terms of ActiveLife Scheme, if the Pickaquoy Centre Trust did not achieve a total of £442,000 for membership and swimming course income, the amount needed to meet the set budget would be paid to the Pickaquoy Centre Trust, up to a maximum of £100,000 for the duration of the 2 year pilot.

### **9.2.**

Appendix 3 indicates a growth of £209,668 in membership income for the Pickaquoy Centre Trust but a deficit of £18,102 in junior swimming course income. Taking into account the £117,454 paid to the Council as a retainer fee, Appendix 3 shows that there is still £74,112 of additional income over the agreed £442,000.

## **9.4.**

As a result of the 79% growth in memberships as stated in section 5.6 above, Appendix 2 suggests pay and play income has reduced as well as some areas of expenditure increasing resulting in the £7,190 loss shown.

## **10. Legal Aspects**

### **10.1.**

In terms of section 15 of the Local Government and Planning (Scotland) Act 1982, the Council can permit any facility provided by them to be run by another person on such conditions as they think fit.

### **10.2.**

Under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting in respect of any discussion relating to Appendix 1 to this report. Appendix 1 contains exempt information as defined in paragraphs 6 and 8 of Part 1 of Schedule 7A of the Act.

## **11. Contact Officers**

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## **12. Appendices**

Appendix 1: Previous Council Decision

Appendix 2: Facility usage data.

Appendix 3: Comparison financial information provided by the Pickaquooy Centre Trust.