

EQUALITY IMPACT ASSESSMENT

London Borough of Hackney

Equality Impact Assessment Form

Title of this Equality Impact Assessment:

Leisure Management Contract - Utility Costs - Fees and Charges

Purpose of this Equality Impact Assessment:

Cabinet decision on fees and charges increases related to the Leisure Management Contract.

Officer Responsible: *(to be completed by the report author)*

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Directorate: Climate, Homes and Economy	Department/Division: Leisure, Parks and Green Spaces / Sustainability and Public Realm

Director: Rickardo Hyatt**Date:** 3 October 2022

Comment : The decision to increase fees will be mitigated by the retention of current concessions aimed at some of the borough's most vulnerable residents. The impact of the decision is further mitigated by the commitment to promote and encourage participation in free physical activity programmes run by the Council. In light of the projected ongoing squeeze on household incomes over the medium term, it is important that the EIA is kept under review and is updated as appropriate.

STEP 1: DEFINING THE ISSUE

1. Summarise why you are having to make a new decision

Through a partnership with GLL, the Council provides and operates 7 sport and leisure facilities that offer programming and pricing policies which target the mass / community markets and the Council's target groups.

The Council commenced the Leisure Management Contract (the "Contract") with GLL on 1 April 2009 for a period of 15 years. The contract was extended in 2016 until 31 March 2029, as part of a wider renegotiation, which now means that the management of the Council's sports and leisure facilities delivered at nil cost to the Council (excluding costs associated with meeting landlord maintenance responsibilities for the sports and leisure facilities).

Prior to the pandemic the Contract had positive financial performance, resulting in a surplus share being due to the Council from GLL each year. In 2021/22, despite the impacts of the pandemic still continuing, the Contract returned to a small surplus and GLL were anticipating that this positive trajectory would continue in 2022/23.

However, the financial forecast for the Contract has changed markedly over recent months with the significant escalation in utility prices and growing uncertainty over the future of the energy market. The utility costs for the Contract in 2019/20 (the last full comparable year of operation prior to the pandemic) were **£0.94m** and the forecast utility costs for 2022/23 are **£3.15m** (a forecast increase of **£2.21m**).

Given the above, GLL is now predicting that the Contract may fall into deficit in 2022/23 and the Council therefore needs to increase fees and charges to mitigate utility price increases and ensure the leisure centres can continue to operate through the current crisis.

2. Who are the main people that will be affected?

- Clubs and organisations that use the leisure centres; and
- Customers of the leisure centres (residents and non-residents).

STEP 2: ANALYSING THE ISSUES

3. What information and consultation have you used to inform your decision making?

The following information has been used to inform the planning and decision making process:

- Demographic information of leisure centre users;
- Engagement with other local authorities;
- Fees and charges benchmarking with a number of surrounding boroughs;
- National research on price sensitivity of leisure centre users and the impact of the cost of living crisis on participation in sport and physical activity; and
- Performance information from the leisure centres.

Equality Impacts

4. Identifying the impacts

4. (a) What positive impact could there be overall, on different equality groups, and on cohesion and good relations?

The increase in fees and charges will help to ensure the leisure centres can continue to operate through the current energy crisis - benefiting existing customers, clubs and organisations that can continue to use them through the cost of living crisis and the staff that work in them.

4. (b) What negative impact could there be overall, on different equality groups, and on cohesion and good relations?

It is acknowledged that an increase in fees and charges at a time of a cost of living crisis will have an impact. Whilst the proposals are being applied to all groups, the change is likely to disproportionately impact lower income groups more and certain equality groups are overrepresented in lower income groups, including: ethnicity - black and global majority residents; disability - disabled people; and gender / age - households with children including single parent households, the majority of whom are women.

To help mitigate any negative impact, particularly on lower income groups that are most likely to be impacted by the cost of living crisis and these proposals, the Council is choosing to:

- Not increase the fees and charges associated with concessions memberships (direct debit and pay-and-play). These various concessionary memberships are available to people to access the facilities off-peak who are:
 - In receipt of benefits (statement of proof required in the last 3 months);
 - A student (of any age);
 - Disabled or are a carer (you must have received carers allowance in last 3 months); and
 - Over 60 or if you are under 16 and your parent(s) or guardian are in receipt of benefits (in the last 3 months).

These various concessionary memberships demonstrate an average discount of 50% on the normal member rate and equate to a subsidy by the Council of approximately £3.6m annually;

- Maintain free swimming at Britannia Leisure Centre (excluding the leisure water area), Clissold Leisure Centre and Kings Hall Leisure Centre, to residents of the Borough with a pay-and-play card who are: Under 18; Over 60; and Disabled or a Carer; and
- Continue to deliver programmes like Kings Park Moving Together, New Age Games and Walkingtogether that delivers free physical activity sessions to residents in leisure centres and community venues.

STEP 3: REACHING YOUR DECISION

5. Describe the recommended decision

Introduce a 4% increase in all leisure centre fees and charges (with the exception of concessions that would remain at their existing level) as soon as possible (giving 30 days notice to leisure centre customers).

Then, if necessary and required, introduce a further fees and charges increase on 1 April 2023 (with the exception of concessions that would remain at their existing level) as part of the Council's annual fees and charges process that is approved by Cabinet.

STEP 4 DELIVERY – MAXIMISING BENEFITS AND MANAGING RISKS

6. Equality and Cohesion Action Planning

No	Objective	Actions	Outcomes Highlighting How These Will Be Monitored	Timescales / Milestones	Lead Officer
1	Ensure fees and charges aren't having an adverse impact of protected groups	Monitor leisure user demographic data provided by GLL to identify any adverse impacts on protected groups as far as this information is available from membership data	GLL membership / user data	Ongoing	Head of Leisure, Parks and Green Spaces
2	Ensure the impact of the proposals is mitigated as far as possible on lower income groups	Maintain the fees and charges for concessions at existing levels	GLL membership / user data	Ongoing	Head of Leisure, Parks and Green Spaces
3	Continue to give residents other opportunities to participate in sport and physical activity	Continue to deliver programmes like Kings Park Moving Together, New Age Games and Walkingtogether and deliver more outdoor gym opportunities	Ongoing delivery of existing free physical activity programmes	Ongoing	Head of Leisure, Parks and Green Spaces