



# **Leisure Services Delivery Guidance Appendix 13: concessionary pricing guidance**

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## CONCESSIONARY PRICING

- 1.1.1 Reviewing a local authority's delivery of leisure services provides an opportunity for commissioners to explore how concessionary pricing can be used as a tool to support local strategic outcomes and priorities. **To maximise impact and identify the opportunities, this should be coordinated as early as possible with other agencies and local authority departments.**
- 1.1.2 Concessionary pricing can be effective in enabling easier access to physical activity amongst people for whom cost is a barrier. It is typically used by the local authority in support of a strategic priority to increase participation by less active groups and provide greater equality of access to leisure services.
- 1.1.3 Some traditional approaches to concessionary pricing have, in the past, targeted specific groups with the unintended consequences of subsidising some users who fall within the concession category but who can actually afford to pay full price – e.g. over 60's. This has had the unintentional effect of reducing the scale of subsidy for those who are most in need of support from the local authority and who may have multiple factors affecting their lives which impact on their propensity to take part in physical activity.
- 1.1.4 Some local authorities are using free use for under-represented groups at specific times of the day for specific activities. However, there is limited evidence to date on the effectiveness of these approaches and the impact such initiatives have on long term participation and behaviour change amongst these groups.
- 1.1.5 A key consideration in developing a concessionary pricing policy is to ask, *"What are we actually trying to achieve and for who?"*
- 1.1.6 Identifying potential partners to help target interventions in a coordinated way is identified in Stage 1 of the Strategic Outcomes Planning Guidance.
- 1.1.7 Using insight can support a review of concessionary pricing and is strongly recommended. Further guidance can be found in Stage 2 of the Strategic Outcomes Planning Guidance.
- 1.1.8 A concessionary pricing policy typically aims to support targeted users who may be:
- In receipt of state benefits to address their personal circumstances – often linked to health, income levels or a disability
  - Inhibited from participating as a result of the price of the activity because they are on a low income
  - At risk of increased health inequalities which would reduce their quality of life
  - Caring for a family member
  - Involved in performance sport (Free Access to National Sports People)
  - At risk of becoming involved in crime/anti-social behaviour and the concession is aimed at providing diversionary activities – e.g. subsidised gym sessions, sports courses or holiday schemes.
- 1.1.9 The scale and scope of concessionary pricing will depend on the amount a local authority is able and prepared to invest in supporting such an approach.
- 1.1.10 A concessionary pricing policy should not be viewed as an opportunity cost assuming that the concession is targeted effectively at those who would not otherwise participate at the standard price. However, there is an opportunity cost where concessionary users would be able and willing to pay the standard rate. A clear (and evidence-based) rationale for the approach to concessionary pricing therefore needs to be developed.

1.1.11 Table 1 shows a series of steps that a local authority should take when considering its approach to concessionary pricing:

**Table 1: Key Steps to Concessionary Pricing**

Steps	Further information
<p>1. What is your current concessionary pricing policy and how effective has it been?</p>	<p>Understanding the scale, performance and impact of your current concessionary pricing policy and its effectiveness is an important step in exploring the future approach.</p> <ul style="list-style-type: none"> <li>• What monitoring and evaluation of the concessionary policy have you had in place?</li> <li>• What level of reach and attendance are you achieving from target groups in your local area who are in receipt of concessions?</li> <li>• Have the concessions contributed to local strategic priorities, objectives and outcomes?</li> <li>• Have you been subsidising those most in need?</li> <li>• Have there been unintended consequences (operational / financial / social) as a result of your policy which you would like to address?</li> <li>• Have the concessions been effectively communicated and understood by targeted users?</li> </ul>
<p>2. What are your local strategic priorities, objectives and outcomes?</p>	<p>Identify and maintain a clear line of sight between local strategic priorities, objectives and how the service contributes to these. The Strategic Outcomes Planning Guidance Stages 1 and 2 provides support and guidance in this area.</p>
<p>3. What is your insight telling you about inequalities?</p>	<p>The Strategic Outcomes Planning Guidance Stage 2 provides guidance on establishing an understanding of need and any identifying inequalities in your communities. Some of these inequalities (linked to price as a barrier) could be addressed through a concessionary pricing policy.</p>
<p>4. Identify who the target group(s) who would benefit from concessionary pricing are, linked to local strategic priorities.</p> <ul style="list-style-type: none"> <li>• Find out which agencies / departments are supporting which target groups in your local area.</li> </ul>	<p>Through insight, identify needs and inequalities across local communities and target groups and understand cost-based barriers preventing their participation in accessing leisure services / activities.</p> <p>Understand what other local authority departments and agencies are doing to support</p>

Steps	Further information
	targeted groups in your local area. Look to complement, coordinate and communicate this together for maximum impact.
<p>5. Identify how your concessions can be used optimally for identified target group(s) as a service intervention.</p> <ul style="list-style-type: none"> <li>• Free access?</li> <li>• Off peak access at certain times at a reduced rate?</li> <li>• Reward concessions – e.g. payment to attend (for high priority groups)?</li> </ul>	<p>Design of concessions for a range of activities linked to need and insight informed by the Strategic Outcomes Planning Guidance Stage 2 and Stage 3 Service Interventions stages.</p> <p>Understand what level of discount makes a difference to target groups’ propensity to participate and explore how can it be combined with other local authority initiatives and interventions.</p> <p>This can be identified through consultation, focus groups and research.</p>
<p>6. Understand how recipients of a concession can easily qualify for the concession.</p>	<p>Explore how existing membership card schemes can incorporate concessions and ensure recipients are not stigmatised with a special categorisation.</p> <p>Understanding how qualification for a concession is managed and reviewed and updated as individual’s circumstances change. Means testing is not always practical or easy to implement.</p>
<p>7. Develop a financial model to explore the revenue implications of the concession based on targeted numbers of users. This will identify the value of the concessionary budget.</p> <ul style="list-style-type: none"> <li>• Understand the operational impacts (additional staff, administration, programming etc.)</li> <li>• Consider whether proposals are affordable and sustainable over the medium to long term (Removing concessions once in place is challenging).</li> </ul>	<p>Modelling the financial implications of the policy and concessions to support it prior to any implementation is strongly recommended.</p> <p>Understanding any operational challenges (and potential opportunities) of the concessionary policy is recommended. Consultation with operational management team will be required.</p> <p>Assessing the implications of transitioning to a new concession scheme needs careful consideration.</p>
<p>8. Establish a Monitoring and Evaluation process to ensure it feeds back into an annual review of the concessionary pricing policy.</p>	<p>Consider how the impact of the concession programme is to be measured and ensure there is a regular review of the scheme (perhaps six-monthly or annually) to allow changes to be made to optimise the benefits of the concessionary pricing policy.</p>

1.1.12 Table 13.2 provides some example concessions and key considerations:

**Table 13.2 Example Concessions**

Example concessions	Key considerations
<p>Free Gym and Swim (at specified times)</p> <p>Free Holiday Activities</p>	<p>This is a universal concession, often initiated through political commitments, not via insight and will benefit many residents who would otherwise be prepared to pay full price.</p> <p>Although popular, this often has significant opportunity costs which impact on the overall sustainability of the leisure service.</p> <p>This also could be viewed as anti-competitive from private sector and third sector providers.</p> <p>Once this commitment has been made, it would be very difficult to remove this benefit without adverse reaction from the community.</p>
<p>Retired People (often traditionally classified as over 60's)</p>	<p>In many local areas, over 60's are some of the most affluent in a community or have higher levels of disposable income. Consideration should be given to those over 60's who also qualify through being a disabled person, on a low income or who are in receipt of state benefits.</p> <p>Many over 60's are a target market for leisure services. Given people are living longer, targeted concessions should be considered for older age groups – e.g. over 70's but informed by insight.</p>
<p>Low income</p>	<p>Residents and their families on low income are typically less active and are a target group who would benefit from concessions.</p>
<p>Disabled people</p>	<p>All recent research highlights the inequalities of access for disabled people and lower participation rates than the general population. Price is a factor but needs also to be considered with a number of other multifaceted barriers that need to be addressed.</p>

1.1.13 There are a range of issues that need to be considered by commissioners in the design and implementation of a concessionary pricing policy:

- Uncoupling from previous policies will require careful consideration and a communications plan
- Ensuring that a cross-cutting approach is used wherever possible in supporting targeted groups – e.g. adult social care, children's services etc.
- Awareness of the concessionary pricing (at the point of sale or on the website)

- Training of centre staff to understand the purpose and objectives of the concessionary pricing policy and how to communicate them to customers
- Ensuring continued proactive promotion of concessionary pricing by the service provider and;
- Ensuring that the process avoids stigmatisation.

1.1.14 It is important to acknowledge that a concessionary pricing policy requires investment by the local authority, whether directly through a subsidy or indirectly through a reduced management fee payment from an Operator Partner. The local authority should therefore be very clear on the rationale for the policy, supported by insight and identify the expected benefits in support of local strategic outcomes.