

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

14 May 2012

**Report of the Chief Leisure Officer and the
Cabinet Member for Leisure, Youth and Arts**

Part 1- Public

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken
by the Cabinet Member)**

1 LARKFIELD LEISURE CENTRE – SOFT PLAY AND CRÈCHE REVIEW

Summary

This report outlines the conclusions from a review of the operation of the Soft Play Zone and Crèche at Larkfield Leisure Centre. In light of local competition and a consequent downturn in income the report recommends a proportionate reduction in the service which results in an annual saving of £9,000 to the Council.

1.1 Background

1.1.1 The Board will recall that at its meeting on 12 December 2011 the scale of charges report for the Leisure Services Business Unit was considered. Within that report it was noted that the Soft Play Zone and Crèche facility at Larkfield Leisure Centre had suffered a notable reduction in income following the introduction of a private sector competitor, Tiny Town, directly opposite the Centre. It was agreed that, as a consequence, no increase to the current scale of charges for the Soft Play/Crèche should be applied pending a more fundamental review of the operation.

1.1.2 Members may recall that the Crèche was relocated within the Soft Play Zone in September 2010, as part of a wider review that also saw the closure of the Pre-School at the Centre. This action allowed the previous location of the Pre-School/Crèche (the Invicta Studios) to be leased to the Prima Dance & Stage School.

1.2 Current Operation

1.2.1 At present the Crèche is open from Monday to Friday between 0930 and 1530. It is staffed by 2.5 fte permanent posts at an annual staffing cost of approximately £45,000. At present 0.5 of these posts is filled casually to permit some flexibility in respect of staff ratios related to the number and age profile of children booked into the Crèche each day.

- 1.2.2 The Soft Play Zone is open seven days per week from 1000 to 1800. During the Crèche opening hours the staff identified in paragraph 1.2.1 above also take responsibility for Soft Play customers. The Board is reminded that children attending the Soft Play Zone, rather than the Crèche, are under parental supervision.
- 1.2.3 The Soft Play Zone is staffed on a casual basis throughout all other opening hours i.e. from 1530 to 1800 weekdays and all weekend. Annual staffing costs are a further £19,500.
- 1.2.4 In the last full year of operation prior to the opening of Tiny Town the Soft Play Zone had a total income from casual use of £92,800 and held 164 children's parties accruing a further £10,000. In the same year Crèche income was around £16,000. Soft Play income fell to £69,300 and 126 parties in the year when Tiny Town opened, with Crèche income unaffected.
- 1.2.5 In 2011/12, the first full year in which Tiny Town has been operating, the income forecast for Soft Play is £51,500, the Crèche has fallen to £10,000 and there are an anticipated 68 parties.
- 1.2.6 The downturn in income related to the Soft Play Zone is not reflected comparatively in usage terms. Whilst usage has fallen it has only dropped by around 30% from 21,000 recorded casual visits in 2009/10 to a predicted 14,500 visits in the 2011/12. This reflects the increased uptake of the successful direct debit Kickstart package for children up to the age of 10 and other price promotions.
- 1.2.7 Usage of the Crèche has, however fallen in direct relation to the income, ie between 35 - 40% since 2009/10. Principle users of the Crèche remain parents attending Lifestyles Fitness Suite or exercise classes. It is from this source that significant primary income is derived through direct debit and annual membership of Lifestyles.

1.3 Current Charges

- 1.3.1 The current charges for the Soft Play Zone were reported to the December meeting of this Board. At present the charges are made up of peak and off-peak rates that vary based upon age (under 1s, under 4s and 4-10 year olds) and are either comparable or just below the charges made at Tiny Town. These are shown at **[Annex 1]**.
- 1.3.2 Kickstart direct debit membership provides 0-10 year olds with unlimited access to swimming, the Soft Play Zone and some other sessional and holiday junior activities. The current price is £10 per calendar month and at the last meeting of this Board, was increased to £12 per calendar month reflecting its popularity.
- 1.3.3 The Crèche charges are comparable with other leisure centres offering similar provision to support primary income from health and fitness facilities. Whilst this

charge may be lower than some commercial operators the secondary nature of the charges should be recognised.

1.4 Review

- 1.4.1 In order to ensure that the facility is operated as cost effectively as possible and reflects current demand the Leisure Contracts Manager has led a review of the operation in consultation with on-site management and staff of the facility.
- 1.4.2 A financial review has revealed that a significant amount of use is 'paid' through Kickstart membership and, to a lesser degree, the use of Zest Reward points. This is consistent with the pricing and promotions strategy of the LSBU overall. The review has revealed potential for modest increases in the current charges for the Crèche that mirror the overall strategic approach to pricing across the LSBU.
- 1.4.3 A review of patterns of use of the Crèche and Soft Play Zone has been undertaken to ascertain whether the current opening hours reflect expressed demand and any potential associated impact upon staffing levels from a reduction in opening hours.

1.5 Conclusions

- 1.5.1 Crèche Opening Hours – as referred to above the majority of parents using the Crèche are attending the gym or an exercise class. The programme of off peak exercise classes focuses predominantly on the morning and this is reflected in Crèche usage. Analysis suggests that over 85% of the recorded use occurs between 0930 and 1400 daily. It would, therefore appear that an option exists to reduce the opening hours of the Crèche on this basis. Whilst this action may result in a small downturn in income it is believed that customers are likely to modify their usage habits and make use of the remaining available morning capacity.
- 1.5.2 Soft Play Zone Opening Hours – the current weekday opening hours are designed to provide day time opportunities for pre-school children and coincide with after school hours for school age children up to the age of 10. Weekend hours are reflective of the pattern of other family activities at the Centre such as casual swimming. An analysis of usage suggests that the facility could close a little earlier at the weekends, subject to party bookings.
- 1.5.3 Charges – the Crèche charges shown at **[Annex 1]** may be amended as shown to reflect current competition and market position. A minor amendment to age related charges to the Soft Play Zone would reflect the approach to the admission of babies at Tiny Town.
- 1.5.4 Staffing Levels – the reduced opening hours provide the opportunity for a proportionate reduction in staffing levels. This amounts to a total reduction of 15.5 hours from the permanent establishment at an annual saving in the region of

£8,000 per annum. A small additional saving in the order of £1,000 will accrue from the temporary salaries budget.

- 1.5.5 The proposed reductions in permanent staffing have been subject to liaison with the relevant staff who are content with the reduction in hours. Further consultation will be undertaken with the staff, the Personnel Services Manager and Unison, in advance of a report to the next General Purposes Committee.

1.6 Timescales

- 1.6.1 In order to ensure appropriate customer notice it is envisaged that the proposed changes to the operation will be effected from the beginning of the summer holiday and in the case of staff, 1 August 2012.

1.7 Legal Implications

- 1.7.1 None.

1.8 Financial and Value for Money Considerations

- 1.8.1 The downturn in income related to increased competition is described above. It is important that proportionate steps are taken to protect the trading position of the Leisure Services Business Unit whilst maintaining a service relative to expressed demand.

1.9 Risk Assessment

- 1.9.1 The Indoor Leisure Operational Risk Register highlights risks associated with failure to meet expressed stakeholder demand, achievement of annual financial targets, the efficient and economic functioning of the LSBU and meeting the corporate key priorities related to young people and healthy living. The proposals outlined in this report and subsequent recommendations must seek to balance the risks associated with the identified hazards. These include professional, financial and social risks.

- 1.9.2 The Register also identifies the risk of failing to comply with relevant employment legislation which includes financial and legal risks.

1.10 Equality Impact Assessment

- 1.10.1 See 'Screening for equality impacts' table at end of report.

1.11 Policy Considerations

- 1.11.1 Community, Customer Contact, Healthy Lifestyles, Human Resources.

1.12 Recommendations

- 1.12.1 It is, therefore, **RECOMMENDED** that the proposed changes to the operation of the soft play and crèche at Larkfield Leisure Centre be approved, and a report on

the staffing implications be reported to the next meeting of the General Purposes Committee.

The Chief Leisure Officer confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Martin Guyton

Robert Styles
Chief Leisure Officer

Maria Heslop
Cabinet Member for Leisure, Youth & Arts

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	Yes	Whilst the reduction in service considered in this report may create an adverse impact on a small number of parents and young people, this is in light of reduced demand and the availability of a new competitor in the market.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	See above
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.