

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE

WEDNESDAY, 12TH MAY, 2004

JOINT REPORT OF THE CHIEF EXECUTIVE AND HEAD OF COMMERCIAL SERVICES

(This matter is the responsibility of Executive Councillor Mrs. D. Bradley)

LEISURE SERVICES STRATEGIC REVIEW - STRAND 1

1. PURPOSE/EXECUTIVE SUMMARY

1.1 The purpose of this report is:

- to present a financial analysis of the leisure service showing the net cost by facility and by service;
- to consider a range of savings options which aim to reduce the overall net cost of the leisure service; and
- to propose and agree levels of savings which over a three year period would return the cost of providing the leisure service (and the burden on the local taxpayer) to its historic level in 2002/03 of in the region of £462,000.

2. INTRODUCTION

2.1 At Full Council on 22nd December, 2003 the Council deferred the decision to transfer its leisure services and facilities to Tone Leisure (South West) Limited for six months. One of the factors leading to this decision related to the level of grant that the Trust would require to maintain the existing level of service, as well as launching and operating the new Wellsprings Leisure Centre. The cost of providing the leisure service appears to have risen significantly, increasing from £462,000 in 2002/03 to a projected cost of £821,000 in 2004/05. This is primarily as a result of introducing a new facility to the portfolio, combined with external market factors such as increased private sector competition. The increasing cost of leisure at a time when the Council has also been experiencing difficulties in setting a sustainable, medium term financial plan understandably led to concerns about the future affordability of the service. Furthermore, it would have been irresponsible and unfair of the Council to transfer the leisure service into a leisure trust without some certainty regarding future provision of funding and clarity relating to strategic direction and priorities. Equally, it would not have been sensible for the Trustees to accept a service with such a degree of uncertainty.

2.2 This first stage of the Leisure Services Strategic Review now forms an important part of the Council's Financial Strategy which was approved by the Executive and Council in April 2004. Leisure is not a statutory responsibility and the Council needs to determine the level of leisure provision it feels is appropriate and how much it is willing to pay for that service. What has become clear is that the Council cannot afford the current level of service in the longer term.

- 2.3 The savings options contained within this report have been critically appraised by Mark Sutcliffe, Strategic Leisure Limited. He believes that the officers have undertaken a thorough review of the service and he has not been able to identify any additional areas where improvements in financial performance can be made. To generate more significant savings would involve more drastic and unpalatable changes such as facility closures, redundancies and withdrawal of complete services.
- 2.4 The 'shadow' Board of Tone Leisure has been consulted about the savings options and two nominated representatives have been attending the Health and Leisure Review Panel meetings.
- 2.5 This report has now been approved by the Health and Leisure Review Panel meeting, which took place on 29th April, 2004. The proposed Category One and Two savings have been accepted providing that Sunday swimming pool opening hours at Wellington Sports Centre are re-considered (saving D2).

3. **BACKGROUND INFORMATION**

- 3.1 When considering the context of this report it is important to recognise that the leisure service has already been independently assessed as an economic, effective and efficient service. In June 2003, following Best Value Inspection, the Audit Commission assessed Taunton Deane Borough Council's Sports Service as providing a 'good' two-star service that has excellent prospects of improvement. They concluded that the service is provided at a relatively low operational cost, is well used and has high levels of customer satisfaction. They also acknowledged that performance in many areas is among the best 25 per cent of Councils. Additionally, Strategic Leisure Limited has undertaken benchmarking as part of the management options appraisal and has confirmed that the service is economic, effective and efficient compared to other similar providers. They believe that the Council currently obtains good value for money from its leisure services.
- 3.2 The efficiency of the current service is further evidenced through membership of The Association of Public Service Excellence (APSE) Performance Networks. This body incorporates in excess of 85 local authorities and approximately 600 sports and leisure facilities submit performance management data on an annual basis. Leisure facilities are placed in family groups and performance is measured and compared against a range of 30 performance indicators. The table below provides a summary of results of the five headline indicators for the year 2002/03.

Table 1 : Association of Public Service Excellence - Headline Indicators 2002/03					
Indicator Definition	Blackbrook Pavilion	Station Road Pool	St. James Street Baths	Vivary Golf Course	Wellington Sports Centre
Headline indicator for net cost per visit (inc. CEC*)	£0.25 (2/15)	£0.47 (4/18)	-£0.55 (1/23)	£0.06 (1/6)	£0.35 (2/25)
Headline indicator for net cost per visit (exc. CEC)	£0.05 (2/15)	£0.37 (4/18)	-£0.62 (1/25)	-£0.14 (1/7)	£0.15 (4/27)
Headline indicator for net cost per head of population (inc. CEC)	£0.50 (6/15)	£0.83 (6/18)	-£0.68 (1/24)	-£0.20 (1/7)	£0.70 (3/25)
Headline indicator for net cost per head of population (exc. CEC)	£0.10 (2/15)	£0.66 (6/18)	-£0.76 (1/26)	-£0.09 (1/6)	£0.35 (4/27)
Operational recovery ratio (inc. CEC)	92% (2/15)	79% (4/18)	131% (1/22)	104% (1/6)	89% (2/24)

* Central Establishment Charges

- 3.3 The results clearly demonstrate credible performance across the facilities and reflect the cost effectiveness of the service. The bracketed figures show how each facility has ranked within its family group.
- 3.4 The relevance of this background information is merely to stress that the objective of reducing the cost of the existing service is no easy task. Having operated within a Compulsory Competitive Tendering environment for many years means that in many respects the service has already been cut to the bone to remain competitive.

4. **STAGE 1 LEISURE SERVICES STRATEGIC REVIEW**

4.1 **Objective**

It was agreed at the Health and Leisure Review Panel meeting on 17th March, 2004 that a robust and auditable cost-benefit model of the leisure service should be built to provide:

- (i) analysis of the net cost of leisure by facility and by service; and
- (ii) costed options for significantly reducing the cost of leisure by 2006/07.

As work has progressed on this project it has become apparent that the key report for discussion and consideration by Members is the costed savings options, with the analysis of net cost by facility and service really only providing supplementary information. A summary of net cost by facility and service is shown in Appendices 1 and 2. This is inclusive of the Category One and Two savings outlined in Appendix 3 to illustrate the shape of the sustainable service.

4.2 Costed Savings Options

There are only two real ways to reduce the net cost of the service. The first is to increase income and the second is to reduce expenditure. Income can be increased by raising prices (except if price elasticity reduces usage), by levering in additional external funding, by generating more 'sales' from existing activities, by introducing new activities and/or changing the balance between profitable and non-profitable activities. Expenditure can be reduced by cutting the range and extent of services provided and by lowering fixed and variable costs.

A range of savings options has been identified as a result of brainstorming exercises held across the leisure organisation. These savings are shown in Appendix 3 and the spreadsheet is presented as follows:-

- The savings have been grouped into four categories: income growth; price increases; efficiency savings and front-line service cuts.
- Each saving has been financially assessed and a cost saving value been calculated for the three year period.
- Each option has been graded against their likely impact to (i) the operation of the business and (ii) the wider public/customer. Options considered to be of low impact have been graded as a 'Category One'. Where they would make a significant impact, but are still achievable, they have been graded as a 'Category Two'. Those options considered to have an adverse impact, either operationally or to the public, have been graded as a 'Category Three'.
- A brief explanation of each saving is given. A more detailed comment on the savings options is given in Appendix 4. Reference numbers shown in the spreadsheet correlate to the reference numbers shown in Appendix 4.
- The final column shows relevant linkages to the Council's Corporate and Community Strategies and Corporate Priorities.

The Health and Leisure Review Panel and Shadow Board of Trustees have considered each option individually and have agreed the acceptability rankings that have been allocated.

4.3 Projected Savings

Projected savings are summarized in Table 2 below. It is important to note that an assumption has been made that only those options graded as Category One or Two would be acceptable. Any saving with either an operational or public Category Three has not been included in the projected savings. The table gives two years of comparative history (2002/03 and budgeted/forecast out-turn for 2003/04) and three business plan years: 2004/05 to 2006/07.

The first part of the table is not new and is a summary of the original Business Plan. This shows the cost of leisure rising from a £462,000 subsidy in 2002/03 to £821,000 in 2004/05 before reducing to £662,000 by 2006/07. The rise in 2004/05 is due principally to the opening of Wellsprings into a now saturated market.

The second part of the table summarizes what the result of taking and achieving Category One and Two savings would be. In summary, the cost of providing the leisure service is projected to drop to £467,000 by 2006/07. This is close to the historical level of £462,000 in 2002/03. This is after accounting for predicted inflation.

Table 2 : Tone Leisure Summary Savings 2004/05 to 2006/07					
Summary Of Proposed Changes To TDL Business Plan	2002/03 History £'000	2003/04 Projected £'000	2004/05 Plan £'000	2005/06 Plan £'000	2006/07 Plan £'000
Tone Leisure Original Business Plan					
Underlying loss on Pools, Wellington, Blackbrook and Vivary	(462)	(531)	(596)	(586)	(623)
Wellsprings loss - from Strategic Leisure			(150)	(76)	(39)
Income steal from Wellsprings/ Esporta			(75)	(38)	0
1 Total Loss per Original Business Plan	(462)	(531)	(821)	(700)	(662)
Strategic Savings					
Category 1 - low operational impact/low public impact			78	86	87
Category 2 - significant operational impact/significant public impact			48	84	109
Category 3 - high operational impact/high public impact - consequences considered unpalatable			0	0	0
2 Proposed Revised Tone Leisure Business Plan Pre-launch	(462)	(531)	(696)	(530)	(467)

4.4 Summary

The detailed savings shown in Appendix 3 demonstrate that a broad range of options has been considered. This is in order to both maximize the chance of achieving the savings and to minimize the potential impact of savings in one area. Whilst it is believed that some of the savings (Category Three) are unpalatable, they have been included to demonstrate the rigor of the 'challenge' and to enable Members to make choices for themselves.

Table 3 below outlines the spread of potential savings by showing where the £354,000 saving (returning an £821,000 subsidy to £467,000 by 2006/07) is achieved in broad groups.

Table 3 : Category One and Two Savings Analysed by Savings Type	
	(Cost)/Saving £'000
Original Business Plan : 2004/05 Subsidy	(821)
Savings included in original Business Plan	159
Savings through growing the business	82
Savings through price increase	24
Efficiency savings	56
Savings through service cuts	33
Revised Business Plan : 2006/07 Projected Subsidy	(467)

5. IMPACT ON THE CORPORATE PRIORITIES

- 5.1 The Health and Leisure Review Panel report of 17th March outlined in some detail the way in which the leisure service contributes to the Council's Corporate Strategy 2004-2007, the Corporate Priorities and the Community Strategy for Taunton Deane 2003-2005.
- 5.2 Within the context of this report it is probably worth highlighting again that the Council has recently decided to focus particular effort on four key areas:
- Deliver the Vision for Taunton.
 - Tackle anti-social behaviour in our communities.
 - Work with the County Council and others to tackle local transport priorities.
 - Housing.
- 5.3 The savings presented in Appendix 3 show how each option links to the relevant strategy/priority.

6. RECOMMENDATIONS

- 6.1 It is RECOMMENDED that Members note the financial analysis of the leisure service showing the net cost by facility and service.
- 6.2 It is RECOMMENDED that Members agree the acceptability rankings (Category One, Two and Three) that have been allocated to each savings option.
- 6.3 It is RECOMMENDED that Members approve the Category One and Two savings options, reducing the net cost of the service over a 3 year period to £467,000.

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APPENDIX 1

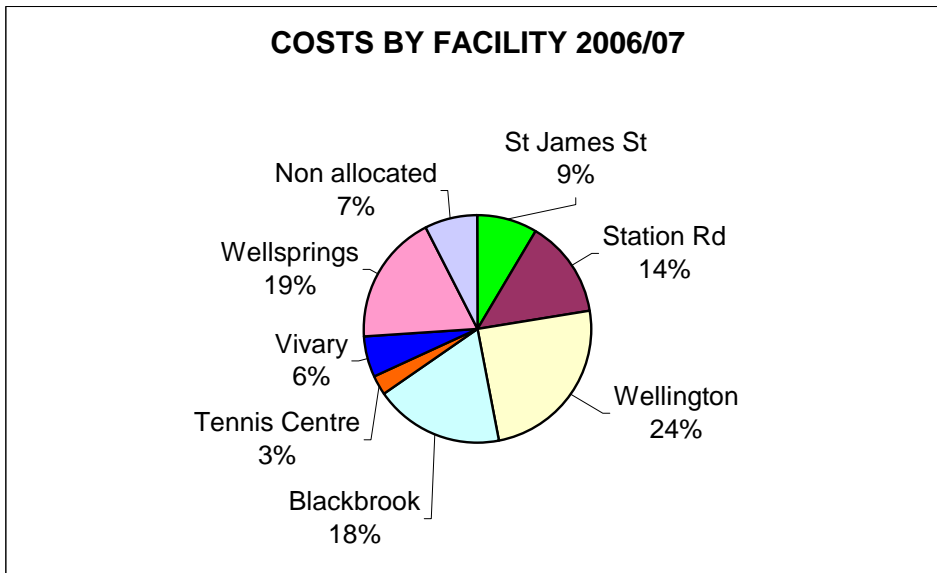
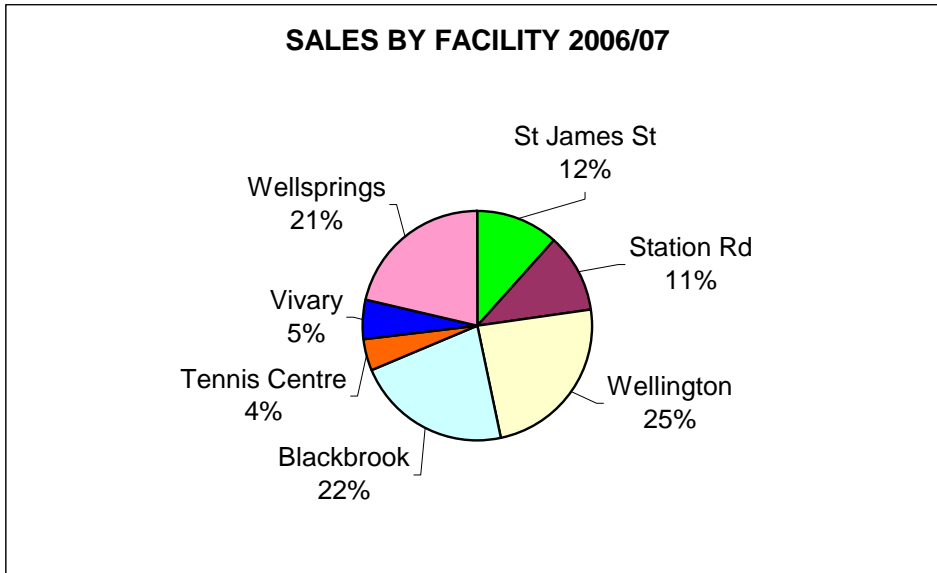
NET COST BY SERVICE AND FACILITY AFTER ALL CATEGORY ONE AND TWO SAVINGS

	2003/04 £'000	2004/05 £'000	2005/06 £'000	2006/07 £'000
CONTRIBUTION/(SUBSIDY) BY SERVICE				
Swimming	(112)	(111)	(119)	(117)
Health and Fitness	333	376	506	587
Tennis	24	34	36	37
Golf	(31)	(31)	(33)	(34)
Other - ie., sports halls, squash, reception, development team	(745)	(964)	(919)	(939)
All Services	(531)	(696)	(529)	(466)
CONTRIBUTION/(SUBSIDY) BY FACILITY				
St. James Street Baths	40	47	49	49
Station Road	(124)	(132)	(135)	(140)
Wellington Sports Centre	(123)	(129)	(132)	(136)
Blackbrook Pavilion	(9)	(91)	(21)	1
Tennis Centre	24	33	33	34
Vivary Golf Course	(31)	(31)	(33)	(34)
Wellsprings Leisure Centre	(60)	(138)	(50)	(2)
Non-allocated	(248)	(255)	(240)	(238)
Totals	(531)	(696)	(529)	(466)

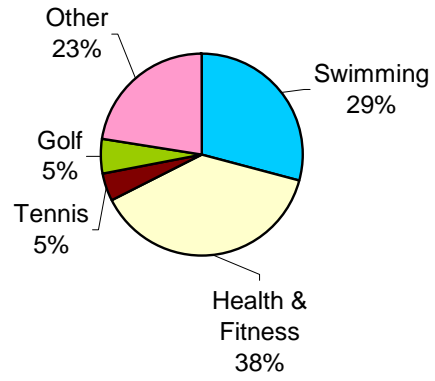
KEY ASSUMPTIONS

- 1 Blackbrook recovery plan can be achieved through either winning back market share or radical cost reduction.
- 2 Annual cost inflation meets TDBC forecasts (risk for utilities). Ticket prices rise by 3% pa.
- 3 The plan shows Taunton Pool provision prior to Strand 2 implementation.
- 4 The leisure market will continue in line with current expectation, with continued reliance on the contribution from Health and Fitness.

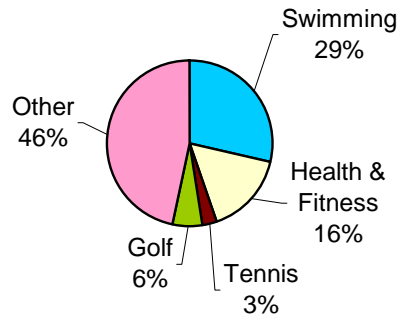
PIE CHARTS TO SHOW SALES/COSTS FOR SERVICE AND FACILITY AFTER ALL CATEGORY ONE AND TWO SAVINGS



SALES BY SERVICE 2006/07



COSTS BY SERVICE 2006/07



APPENDIX 3

Ref	Description of Saving	Value of Saving			Difficulty Category		Brief Comment and Explanation	Corporate Priority/ Community/ Corporate Strategy
		04/05 £	05/06 £	06/07 £	Acceptability			
					Easier (1) to Harder (3)	Operational		
A: INCOME GROWTH								
A1	Development team re-focus to programmes where external funding is available.	48,000	48,000	48,000	1	1	Achieved already for 04/05. Assumes 04/05 funding is achieved year-on-year.	Vision/Crime/ Health/Delivery
A2	Tennis centre introduce new pricing system for off-peak court hire.	2,500	5,000	5,500	1	1	Price promotion for off-peak courts, through card-based club. Assumes low loss of sales from peak periods.	Health/Delivery
A3	Health and Fitness introduce a casual use annual fee.	4,000	5,000	5,000	1	1	A new casual gym card system renewed annually.	Health
A4	Swimskool further enhanced by 10 extra lessons to meet demand.	4,000	6,000	9,000	1	2	Assumes 50% achieved in 1 yr and fully achieved by Yr 3 and swim programme (Casual) further compressed with no loss of income.	Health/Delivery
A5	Vending profits increased by single supply and maximizing product mix for financial return.	1,000	2,400	2,500	2	1	Costing based on 2% point uplift on current margin. Timing and difficulty based on management time taken to alter contracts and implement.	N/A
A6	Work with Ladymead School to agree optimum use of facilities.	5,000	11,250	12,000	2	2	15 term time week days events per annum. Anticipate resistance from school.	Vision
Sub-total Group A		64,500	77,650	82,000				
B: PRICE INCREASES								
B1	Specific pricing increases above inflation in 2004/05.	23,000	23,000	23,000	1	1	Achieved in 2004/05, but can't be repeated within 3 yr horizon.	N/A
B2	Low income Concessions and OAPs - remove discounted pricing on sunbed tanning.	0	1,000	1,000	1	1	Other Access to Leisure concessions are maintained.	Delivery
B3	OAP pricing - remove all concessionary discounts.	0	22,700	23,400	1	3	Removes age-related pricing on all activities (largest are swim £10k and membership £24k).	Health/Delivery
B4	Introduce charging for all under five year olds' swimming	0	2,000	2,000	1	3	Assumes 50p per head charge.	Health/Delivery
B5	Introduce a 20p retained charge for changing room lockers (currently refunded).	20,000	20,000	20,000	3	3	No longer normal practice; increased vandalism; potential lost sales (Access especially); hard operationally; 10% swim price increase; expect to be unpopular with public and staff.	Delivery
Sub-total Group B		43,000	68,700	69,400				
C: EFFICIENCY SAVINGS								
C1	Close bars permanently at Blackbrook and Wellington and consider alternative uses.	0	4,000	4,000	1	1	Saving assumes the space is used for alternative income at Wellington. First year net nil saving as includes cost of removing kitchen.	Delivery
C2	Staffing: Centre Managers to part-cover Duty Managers' holiday, sick and training time.	0	10,000	10,300	2	1	No savings in 04/05 because (1) transition required and (ii) staff morale would be low if implemented quickly.	N/A
C3	Staffing: gym staff cover own holiday, sick and training.	7,500	7,700	8,000	2	1	Would reduce floor walking and possible impact on inductions.	Health
C4	Reduce subsidy of Wellington Junior Squash Club.	1,500	2,000	2,000	1	2	The Wellington clubs currently have a subsidy not given to the Taunton club.	Vision/Health/ Delivery
C5	SLAs - redesign current process for collecting payroll information from leisure centres.	0	0	20,000	2	1	Based on streamlining current (complex) leisure payroll to enable TDBC to make savings.	N/A
C6	Keep senior management team based in TDBC building.	8,700	8,700	8,700	2	1	Current senior team remain in The Deane House.	N/A
C7	Re-orienting development team for further break-even funding.	3,000	3,100	3,200	2	1	Change of emphasis on team to break-even pricing where possible. Eliminates contributions to small clubs etc.	Vision/Health/ Delivery
Sub-total Group C		20,700	35,500	56,200				
D: FRONT-LINE SERVICE CUTS								
D1	Reduce multi-centre crèche provision.	0	12,000	12,000	2	2	Will take management time to implement without a significant loss of income as customers will use alternative site with crèche.	Health/Delivery
D2	Reduced opening hours at Station Road, Wellington and Wellsprings.	3,500	7,000	7,200	2	2	Reduce opening hours by total of 10.5 hours.	Delivery
D3	Health and Fitness classes to be reduced to eliminate the least popular.	7,400	7,600	7,900	2	2	Remove classes with below average attendance. Note this assumes no impact on overall sales as displaced customers move to alternative class.	Health/Delivery
D4	Stop health development programmes not based at Leisure Centres (1 redundancy).	0	30,000	31,000	3	3	Alternatively, achieve full funding from PCT.	Community Strategy/ Crime/Health/Delivery
D5	Stop loss making out-of-school kids provision.	6,000	6,000	6,000	1	2	Either eliminate loss-making activities or increase usage/price.	Delivery
Sub-total Group D		16,900	62,600	64,100				

Total with Category 1s for TLL and TDBC	77,500	86,000	86,500
Total with Category 1s and 2s for TLL and/or TDBC	47,600	83,750	108,800
Total with Category 3s for TLL and/or TDBC	20,000	74,700	76,400

Total available	145,100	244,450	271,700
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A INCOME GROWTH

A1. Development team re-focus to programmes where external funding is available.

Implications/Consequences

- The Development Team have been very successful in terms of tapping into and attracting external funding. This makes a valuable contribution to the many projects and initiatives that the team are able to deliver. Funding already obtained, or awaiting a decision for the year 2004/05 is outlined below.

Project	Amount	Funding Body
Better Play	£28,330	Better Play Lottery
Inclusion Projects	£4,000	Somerset County Council
Environmental Camps (awaiting bid decision)	£9,650	Better Play Lottery
Health Walks	£6,000	Walking the Way to Health Initiative/Countryside Agency
PROGRESS	£6,000	Somerset County Council/ Taunton PCT
Chair Based Falls	£3,200	Taunton PCT
Mental Health Programmes	£3,200	Somerset Partnership NHS and Social Care Trust
Disability Tennis	£2,376	Lawn Tennis Association/ Somerset County Council
Drug Rehabilitation Scheme	£1,350	Somerset Drug Treatment and Testing Order Team (DTTO)
Angioplasty (awaiting funding)	£2,112	Taunton PCT (hopefully)
Vibe Sport (Wellsprings Project)	£9,300	Crime and Disorder Partnership

A2. Tennis Centre introduce new pricing system for off-peak court hire.

Implications/Consequences

- To increase revenue through discounted court charges during off-peak periods such as daytime and summer months.
- Potential risk that price elasticity is not the issue and that the initiative will not increase court sales.

A3. Health and Fitness introduce a casual use annual fee.

Implications/Consequences

- In effect this is the equivalent of introducing a £10 membership fee for casual users, which has to be renewed annually. Currently, once the initial membership/induction fee has been charged there is no further card renewal. The individual just pays the casual fitness fee each time they visit.
- The membership system for casuals would have the advantage of triggering a programme/health update at the point of renewal.
- The fitness database would be more accurate, as only live members would be stored on the system.

A4. Swimskool further enhanced by 10 extra lessons to meet demand.

Implications/Consequences

- At Wellington Sports Centre this will reduce public casual swimming opening hours by 2 hours per week (8.30-10.30 am Sundays).
- This change will cause inconvenience and likely complaints from those customers who currently swim during this time slot. On average approximately 18-20 individuals swim during this period.
- Swimming lessons may be introduced at Station Road Pool. Currently all lessons take place at St. James Street Baths. This will involve roping off the shallow end of the pool, thus reducing the length of the pool for casual swimmers.

A5. Vending profits increased by single supply and maximising product mix for financial return.

Implications/Consequences

- All vending contracts to be centrally sourced and negotiated.
- Secondary spend pricing to be reviewed.
- Product list to be reviewed.

A6. Work with Ladymead Community School to agree optimum use of the facilities.

Implications/Consequences

- The current arrangement will not enable Tone Leisure to maximise income potential through events/exhibitions.
- Ladymead Community School will resist any attempt to change the terms of the School Core Hours.

- Re-negotiating the Management Agreement is likely to encourage the other Parties to try and amend the terms which may not be to the advantage of the Council.
- Any formal re-negotiation is likely to take time and will incur 'in-house' legal fees.

B PRICE INCREASES

B1. Specific pricing increases above inflation in 2004/05.

Implications/Consequences

- 2004/05 prices have been increased above current inflation levels and therefore will provide increased income streams, providing that projected sales targets are achieved.

B2. Low income concessions and OAPs - remove discounted pricing on sunbed/tanning machines.

Implications/Consequences

- No low income concessions will be given to those wishing to use sunbeds/tanning machines.

B3. OAP pricing - remove all concessionary discounts.

Implications/Consequences

- OAPs have always received concessionary discounts of approximately 50%.
- This age group tend to be price sensitive, so undoubtedly removal of the concession would be extremely unpopular.
- There would be numerous complaints and the issue would attract considerable media interest.
- It could have a significant negative impact on Tone Leisure FitBuzz memberships as Fitness First have recently introduced a discounted 50+ membership scheme.
- We have assumed that many of the age group may reduce activity level as a result of the price increases that would result.
- In theory, any OAP genuinely on low income would be able to apply for the Access to Leisure concessions and would, therefore, qualify for discounted charges.

B4. Introduce charging for all under five year olds' swimming.

Implications/Consequences

- The vast majority of local authorities do not charge under 5 year olds for swimming.

- Particularly difficult to justify when Taunton Deane swimming pools are not very attractive or appealing to this age group ie., no leisure features, deep shallow end at Station Road Pool, poor family changing facilities at Station Road.

B5. Introduce a 20p retained charge for changing room lockers (currently refunded).

Implications/Consequences

- This would be deemed by the public as a blatant price increase, particularly on swimming.
- Lockers would become a target for vandalism/theft if they were holding cash. Station Road Pool and Wellington Sports Centre would become the most likely targets, as the lockers are located in the changing rooms and would be vulnerable during quieter periods.
- This could have a negative impact on secondary spend. For example, the existing £1 coin refundable locker deposit is often spent in the vending machines as the customer leaves the changing rooms/facility.
- Many customers may be encouraged to take their baggage/possessions to their activity. This increases the possibility of theft, as well as promoting clutter and hazards within activity areas.
- Charging for lockers is no longer usual within leisure facilities.

C EFFICIENCY SAVINGS

C1. Close bars permanently at Blackbrook and Wellington and consider alternative uses.

Implications/Consequences

- Both bars have been operating a restricted bar service for some time now. The demand for a bar service in traditional leisure centres is not what it once was. With busier lifestyles and stricter drinking/driving laws the majority of customers do not require a bar facility.
- In the last few years the bars at Wellington and Blackbrook have not been making a profit. The management accounts currently show a loss at Wellington of £1,400 and £1,600 at Blackbrook for the year 2003/04.
- The Blackbrook bar area does not have huge scope (at present) for alternative uses. The bar area is already used regularly for children's birthday parties and this requirement would continue.

- The Wellington bar is a much larger area and does have scope for various alternatives. Examples include: therapist/treatment rooms, gaming machines, martial arts and small classes. Each of the options will need to be considered against factors such as demand, cost set up and potential income generation.

C2. Staffing - Centre Managers to part cover Duty Managers' holiday, sickness and training time.

Implications/Consequences

- Managers less available to attend corporate/external meetings or events.
- Managers will have less time to spend on corporate initiatives such as QUEST and marketing plans, due to increased time spent running shifts.
- Managers already struggle to cope with heavy workloads - therefore greater backlog.
- Likely reduced effectiveness of internal/external communication. For example, Managers are likely to have to cancel team briefings, meetings etc., if they are on shift.
- Potential de-motivation/morale of Managers. Most Managers work above and beyond their contractual hours. May be a loss of goodwill if forced to work a lot of shifts.

C3. Staffing - gym staff cover own holiday, sickness and training.

Implications/Consequences

- Fitness instructors will not always be covered when they are absent due to annual leave, sickness, maternity/paternity leave and training.
- This means that Fitness staff will not always be present in Tone Leisure Fitness Studios.
- This does present some risk when the gyms do attract high numbers of 'at risk' clients. Numbers of 'at risk' clients continue to increase due to the growth and expansion of the Proactive Referral Schemes.
- If the studios are not manned at all times, Members will need to decide whether CCTV cameras need to be installed to reduce the risk level. There would clearly be costs associated with such a decision.
- Waiting times for inductions and programme updates will be increased due to reduced staff availability.

C4. Reduce subsidy of Wellington Junior Squash Club.

Implications/Consequences

- The Junior Squash Club operates on Saturdays (4.30-6 pm) and Sundays (10 am-1 pm), but runs at a loss of approximately £3,000 per annum.
- Attendances average approximately 22 visits per week.
- Options need to be explored to reduce the cost of operating the Squash Club. This may involve reducing the hours of the club, reducing the coaching hours or liaising with Wellington Squash Club to work jointly on junior squash development.

C5. SLAs - redesign current process for collecting payroll information from leisure centres.

Implications/Consequences

- The Payroll Department find leisure employees more complex than other Council employees for the following reasons:-
 - staff often fulfil more than one job role;
 - there are many different rates of pay;
 - there are a high percentage of part-time staff;
 - some employees work irregular hours;
 - there is a higher staff turnover than in other parts of the Council;
 - there is no one single point of contact.
- This saving assumes that, given sufficient time, Tone Leisure will be able to significantly simplify and streamline the Payroll process.
- This option assumes that Taunton Deane Borough Council will need to consider downsizing the Payroll Section. This may involve redundancy costs.

C6. Keep Senior Management Team based in TDBC building.

Implications/Consequences

- The Council provides Tone Leisure Limited with rent-free office accommodation for the first three years.
- The existing arrangements could be continued with the Senior Management Team all sharing one office. However, two of the officers (MD, Head of Finance and Admin.) would need to be set up for some home working, as the shared office arrangement is not conducive to undertaking detailed or complex work.
- Longer-term office accommodation would need to be considered and could be

linked to any potential expansion of the Blackbrook site.

C7. Re-orienting development team for further break-even funding.

Implications/Consequences

- The saving assumes that Coaches' Newsletters will be discontinued.
- The saving assumes that Sports Directories will be displayed on the website. They will not be published or distributed.
- A range of small-scale contributions will be withdrawn. Examples include:
 - £100 - Contribution to Rugby Union Talent scheme for Somerset.
 - £100 - Contribution to Somerset Badminton Association for Development Officer post.
 - £200 - Pay for Trampolining Coach to do 12 weeks' coaching with SEN children at Bishop Fox's School.
 - £250 - Match funding for junior volleyball equipment for club and college to start youth activity.
 - £50 - Medals and prizes for SEN day at youth games - Selworthy School.
 - £125 - Club Incentive Scheme funding YMCA Gym Club (final payment scheme now finished).
 - £100 - Junior Duathlon contribution.
 - £60 - Taunton Gym Club contribution to programme for junior tournament.
 - £210 - Pitch markings for girls' football tournament.
 - £350 - Venue costs at Wellsprings for January-March for courses and training.

D FRONT-LINE SERVICE CUTS

D1. Reduce multi-centre crèche provision.

Implications/Consequences

- Crèche provision will be reduced by removing those hours with the least take up.
- Complimentary crèche provision between Wellsprings and Blackbrook will be considered carefully.
- This cut in service will cause inconvenience to those customers who have difficulties with childcare, particularly single parents.

D2. Reduced opening hours at Station Road Pool, Wellington Sports Centre and Wellsprings Leisure Centre.

Implications/Consequences

- This option reduces opening hours across the facilities by 10½ hours per week.
- At Station Road the pool will close half an hour earlier, Monday-Friday. Last admissions to the pool will be at 9 pm rather than 9.30 pm. Casual swimming during the last hour is extremely quiet and this change should have minimal impact.
- At Wellington Sports Centre the swimming pool (not dry-side facilities) will close at 8 pm on Sunday evenings. Again, the pool is very quiet at this time and impact on the public should be minimal.
- Wellington Sports Centre will reduce early morning opening (7-8.30 am) from five mornings a week down to three mornings a week. Early morning usage is not extensive and it is envisaged that most customers will arrange their training to fit in with the available early mornings.
- Wellsprings will reduce early morning opening (7-8.30 am) to Mondays, Wednesdays and Fridays. Customers will also have early morning availability five days a week at Blackbrook Pavilion.
- Wellsprings will close at 10 pm Monday-Friday. Demand for the 10-11 pm courts has been minimal and is unlikely to grow. The centre will extend Friday evening hours if a specific function has been booked.
- Savings generated from this option are not particularly significant due to limitations in the number of staffing hours that can genuinely be cut.

D3. Health and Fitness classes to be reduced to eliminate the least popular.

Implications/Consequences

- Tone Leisure currently operate 91 fitness classes across the portfolio of leisure facilities.
- Not all classes operate at maximum capacity, although most classes are busy, particularly at peak times of the year.
- This saving assumes that the 9/10 least well attended classes will be cut from the fitness programme.
- The reduction in class programme assumes that the majority of customers from the discontinued classes will divert into another class. This may not happen and there is a risk that whilst the cost saving will be realised, there could be a loss of income.
- This saving will require that some instructors will lose teaching hours. This may impact their loyalty/commitment to Tone Leisure. Competition for good quality instructors is now intense due to the influx of additional fitness facilities in the

area.

D4. Withdraw from health development programmes not based at Leisure Centres (1 redundancy).

Implications/Consequences

- The deletion of the Health Development Officer would result in withdrawal from a whole range of health related projects. These include:
 - * The Flexercise Scheme (29,000 attendances last year).
 - * Active Retirement Programmes.
 - * Health Walks.
 - * The PROGRESS Scheme (scheme for frail, older people who have fallen).
 - * The Chronic Obstructive Pulmonary Disorder Programme.
 - * Back Care Programme.
 - * Chair Based Falls Programme.
 - * Target Tennis.
 - * Workplace Health.
 - * Mental Health Activity Schemes.
 - * Gardening Referrals.
- The deletion of the post would significantly reduce the level of external funding that the Development Team currently lever in. In particular, opportunity to attract future funding from the PCT may be reduced.
- The deletion of the post would mean that various targets that have been published within the Community Strategy would not be delivered.

D5. Rationalise out-of-school kids provision.

Implications/Consequences

- This will involve discontinuing the after-school club at Blackbrook Pavilion. This operates Monday-Friday between 3.15 pm and 6 pm. The uptake of the after-school club averages 10 attendances per session and is not cost effective. It currently operates at a loss of around £3,000 per annum.
- Weekend childcare provision will be reduced at Wellington Sports Centre.