



PROJECT ALFRED

REPORT ON ITS VIABILITY

AND RECOMMENDATIONS

Prepared for Pewsey Parish Council

October 2008

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1. INTRODUCTION

- 1.1 Project Alfred is a planned dedicated community centre providing a comprehensive range of childcare, leisure and educational facilities and services for the benefit of the residents of Pewsey and the surrounding villages in a modern welcoming environment.
- 1.2 At the proposed site there is currently Pewsey Vale School, a comprehensive secondary school providing education for young people up to the age of 16 years. In addition there is a Sports Centre, owned and managed by the Youth Development Service of Wiltshire County Council. The facilities provided by the Sports Centre are an Indoor Swimming Pool, Sports Hall, Squash Courts and Fitness Room. Currently public use of the Swimming Pool and Sports Hall during term time is limited by the needs of Pewsey Vale School and other primary schools. Within the Sports Centre is space reserved for the use of the Youth Development Service, which incorporates a youth club known as The Shak. A pre school play group, Puddleducks, also operates in a corridor of the Sports Centre as well as having day time access to a hall reserved for The Shak.
- 1.3 The parcels of land on which both the Sports Centre and Pewsey Vale School are situated are owned by either Wiltshire County Council or the school.
- 1.4 Pewsey Sports Centre is one of only two leisure centres owned and operated by Wiltshire County Council. Within the Kennet District Council area (which includes Pewsey) the District Council fund and operate three other leisure centres: Devizes, Marlborough and Tidworth. The reasons for Wiltshire County Council owning and operating the Pewsey and Amesbury Sports Centres are historical, as is administration of Pewsey (and Amesbury) Sports Centre by the Youth Development Service. Wiltshire County Council currently does not have a dedicated leisure services department. The move towards unitary status in 2009 would suggest that this situation is unlikely to continue in the long term, when the leisure facilities of all four District Councils are amalgamated into one controlling department within the County.
- 1.5 Project Alfred seeks to bring together the existing facilities of both the Sports Centre and Pewsey Vale School into one physical entity, enhanced by the building of a dedicated Children's Centre funded by the Sure Start scheme. In addition, an Activity Hall has been proposed in order to provide a further dimension to the facilities which are already in existence.
- 1.6 Support for parents' and children's needs from birth to 5 years are currently provided by Voluntary Action Kennet, who also provide an outreach service to some surrounding villages. VAK currently has no dedicated physical facilities to provide services for children and relies on use of other halls as well as its own offices in Pewsey. It is anticipated that VAK will have overall responsibility for the proposed Children's Centre until at least 2010 and probably beyond.

- 1.7 The proposed Activity Hall is designed to provide an added dimension to the existing facilities. It will be equipped for use as an all purpose studio and can be adapted for meetings.
- 1.8 It has also been proposed that a café should be sited at the entrance to the new centre, replacing the food and drink vending machines which are currently available.
- 1.9 The success of the project will be dependent to some extent on the co-operation of the original stakeholders and it will be necessary to establish a management format which can effectively run the centre when completed.
- 1.10 Preliminary plans have already been drawn up by architect Mark Ellerby and these will be amended in the light of the recommendations made in this Business Plan.
- 1.11 The capital cost for the project is being funded both by Wiltshire County Council's Sure Start scheme, Kennet District Council and Section 106 money which has been reserved for a community hall. An Activity Hall would come under the latter category. The total funding currently available stands at £1,015,000. This is divided into:
- | | |
|---|----------|
| ▪ Kennet District Council funding for Puddleducks nursery | £300,000 |
| ▪ Kennet District Council funding for Activity Hall and Hub | £350,000 |
| ▪ Wiltshire County Council funding for Children's Centre | £315,000 |
| ▪ Section 106 money to be spent on a Community Building
(as defined in s. 106 agreement) | £50,000 |
- 1.12 It is understood that a further £82,500 has already been provided/earmarked by Kennet from the sale of land at the Old Rectory together with another major grants allocation. Total funding currently stands at £1,097,500. Additional funding will be required based on preliminary plans which have been drawn up indicating a build cost of £1.3million.

Objectives

- 1.13 Pewsey Parish Council invited tenders for carrying out a consultancy project whose objectives, in summary, were stated as:
- *Activity Hall.* Conduct further detailed research into the need for, and sustainability of, the proposed Activity Hall
 - *Leisure Centre.* Assess the financial viability/sustainability of the Leisure Centre, comparing its current 'stand alone' use with its potential future use once integrated with the three other elements of the project
 - *Commercial Business Plan.* Assess and quantify a viable business plan for each of the three elements

- *Facility Management Plan.* Propose a sustainable business plan for the overall facility including proposals for a possible legal structure and management proposal for the integrated facility
- 1.14 The assumption was that the work undertaken would lead to a viable project. There was no contingency for the possibility that the project could not proceed in whole or in part following detailed investigation.

Methodology

- 1.15 Community First, the Rural Community Council for Wiltshire, led this consultancy project under the direction of their Principal Consultant, David Beaton.
- 1.16 David has more than 40 years commercial business experience as well as another four years experience specifically in the Third Sector. His major role was to co-ordinate the activities of other members of the team, undertake research among key stakeholders and prepare a report and recommendations based on sound business principles.
- 1.17 A team of expert consultants was assembled in order to provide specialist support in key areas. Ian McKie, Director of I-mak Consulting Ltd and former Head of Leisure Services at Test Valley Borough Council, provided expert input into the strategic organisation and management of leisure facilities generally and how they related to Pewsey. He was assisted by Derek Jeffrey currently Chief Executive of Valley Leisure Ltd. Derek's expertise was invaluable in being able to draw on current and past experience in setting up and administering leisure facilities.
- 1.18 Inge Aben, a consultant with Community First, has many years experience in the voluntary sector with particular expertise in training and learning and social enterprise. Inge's work focused on liaising with Pewsey Vale School as well as carrying out a specific investigation into Children's Centres.
- 1.19 Initial desk research was carried out to obtain information relating to all aspects of the project which is in the public domain. Relevant information is referred to in this report.
- 1.20 Face to face interviews were carried out with all decision makers in the organisations with a direct interest in the project: Pewsey Parish Council, Pewsey Vale School, WCC Youth Development Service, Voluntary Action Kennet – currently support providers to parents with children – and Sure Start representing Children's Centres.
- 1.21 Within Pewsey interviews were carried out with organisations which may be affected positively or negatively, directly or indirectly, by the Project Alfred scheme. Details of all those interviewed are appended to this report.
- 1.22 Visits and interviews were carried out at a number of leisure centres: Devizes, Marlborough, Tidworth, Calne, Malmesbury and Cricklade,

Visits and interviews were also carried at Children's Centres in Chippenham, Devizes and Marlborough.

- 1.23 In order to provide specific data, a report was commissioned from The Leisure Database Company which sought, inter alia, to extrapolate from information provided by Pewsey Leisure Centre the potential take up of sports facilities in the catchment area. This report is referred to in the body of this report and is in a separate document available from the Parish Office.
- 1.24 A postal survey was carried out among all 5,094 households in the Pewsey Community Area in order to determine interest in, and potential use of, the new facility. A total of 1005 completed questionnaires were returned, representing a response rate of 20%. The high response rate would suggest that the survey is representative of the residents of the Pewsey Community Area. Spontaneous comments indicated a polarisation of views on the desirability of the Alfred Project, with positive comments far outweighing negatives.
- 1.25 The results of this survey are incorporated in this report and have been published separately by Pewsey Parish Council and on the Pewsey website.

2. KEY FINDINGS AND RECOMMENDATIONS

- 2.1 As a result of our intensive investigation into the potential for the overall Alfred Project our conclusion is that it is not currently a viable proposition.
- 2.2 The Project as it stands is based on the proposal to bring together Pewsey Vale School and the existing Swimming and Sports Centre, build a new Children's Centre on the site which will incorporate the existing Puddleducks nursery, and build a new Activity Hall/Studio.
- 2.3 Our investigation has revealed that the future of all Leisure Centres in Wiltshire is now under review and it is not expected that a report will be ready until 2009. To date Wiltshire County Council has not had a Leisure Services department in the same way as the District Councils. The Pewsey Leisure Centre (and the one in Amesbury) has been, and is currently, under the control of WCC's Youth Development Service. The recent appointment of a Director of Amenities and Leisure at Wiltshire County Council will almost certainly mean that both Pewsey and Amesbury will be incorporated into this department, along with all the other Leisure Centres in Wiltshire.
- 2.4 The mosaic report which we commissioned from the Leisure Database Company is regarded as the industry standard and indicated that the potential viability of the existing Pewsey Leisure Centre is limited and it would certainly need to be subsidised. We have no way of knowing what the future policy of Wiltshire County Council will be in this regard.
- 2.5 Our investigation of the financing of the current Leisure Centre indicated that is currently being subsidised and that costs should be reduced by 5% over the coming year. In addition, it has been stated that it cannot be assumed that any capital money will be available in the future.
- 2.6 Without wishing to second guess future WCC policy, in economic terms we would be surprised if WCC will be prepared to support Pewsey Leisure Centre based on the evidence we have provided in this report as well as their own ongoing review.
- 2.7 In view of the availability of the superior facilities within a reasonable catchment area (Marlborough, Devizes and Tidworth) we have therefore come to the conclusion that the future of the Pewsey Leisure Centre remains uncertain. If it were to close this would remove one of the key elements of the Alfred Project and would bring into doubt the justification for building a new Children's Centre on the site as well as an Activity Hall/Studio.
- 2.8 Our understanding is that a review of all secondary schools is currently being undertaken in Wiltshire, although it is not clear whether this is a specific review or part of an ongoing review process. We have sought clarification from Wiltshire County Council and the responsible cabinet member but have not received a response. A governor of Pewsey Vale School has publicly stated that Pewsey Vale School, which has a capacity for 500 places, is now down to 300 for the current academic year. In fact, the correct roll number for this academic year is 361. This has been explained as a demographic trough by the Head of Pewsey

Vale School. Another secondary school in the area, St. Johns in Marlborough, is currently being rebuilt to a high standard and will come on stream in September 2009. It is not unreasonable to suggest that the new school may well take a number of potential pupils from the Pewsey area thus reducing roll numbers even more. However, the Head of Pewsey Vale School would argue that her school is just as likely to take additional pupils in the area as St. John's in the future.

- 2.9 Pewsey Vale School – and other primary schools in the area – benefit significantly from the facilities provided by the Leisure Centre, principally the swimming pool and the sports hall. Whilst Pewsey Vale School contributes towards the running costs of the Leisure Centre none of the other schools using it do so. The grant paid by Pewsey Vale School in order to have use of these facilities is only a token and bears little relation to the real cost. We have calculated the real cost on the basis of information provided to us and our view is that it is highly unlikely that the school would be in a position to cover the real cost.
- 2.10 Use of the Leisure Centre by Pewsey Vale School is governed by a long established Instrument of Management and it would appear that this should be reviewed to reflect current use of the facilities by Pewsey Vale School and their contribution to the running costs.
- 2.11 It is anticipated that the school will contribute to the success of the Alfred Project through their Extended Schools programme. Despite a number of efforts we have been unable to obtain details of what is proposed and the likely contribution this programme could make to the running costs of the Alfred Project.
- 2.12 The Residents Survey which was undertaken indicated a latent demand for courses among a significant proportion of the population, which is encouraging. The PACT Centre, does, of course, provide a number of courses but it is unlikely that the Extended Schools programme would seek to duplicate these.
- 2.13 We have looked at the potential for an Activity Hall/Studio and have come to the conclusion that a stand alone facility is unlikely to be viable. It is understood that, at a meeting in November 2006 it was stated that the sports centre was 'heavily oversubscribed' which might suggest the need for an additional activity hall/studio. We have found no evidence to support this view – in fact very much to the contrary. The concept of a multi use hall which could be used as a meeting room as well as a studio is a non-starter as it would end up as a compromise. However, we do believe that converting the existing squash courts into an Activity Hall/Studio is worth considering, but this depends on ensuring that funding is available to support the continuation of the Leisure Centre. It would be pointless committing grant money awarded by Kennet to a facility over which the Parish Council or a subsequent Management Committee had no control.
- 2.14 In view of the uncertainty surrounding primarily the Leisure Centre and the long term future of Pewsey Vale School we question whether it is appropriate to build the new Children's Centre on this site. In view of the fact that 15 of the 21 existing Children's Centres are located near Primary Schools, we recommend that consideration is given to re-siting the Children's Centre next to Pewsey Primary School. The new Centre would, of course, include Puddleducks nursery and the

proximity of the Primary School to the Leisure Centre would not result in any significant inconvenience to users.

- 2.15 Our overall recommendation must be to place this project on 'hold' until all the uncertainties have been resolved unless the Steering Team believes it imperative to proceed with the Children's Centre and community building separately in order to benefit from the immediately available Sure Start funding.

3. ACTIVITY HALL

- 3.1 The Higham Report indicated that the provision of an Activity Hall was probably the most contentious issue of Project Alfred. A study undertaken by Voluntary Action Kennet in 2005 indicated that there was a need for another facility in Pewsey where activities could take place. This finding was in spite of the fact that the Bouverie Hall was underused, as was the Tennis Club pavilion. Since that time the Methodist Hall has undergone a major refurbishment, the PACT Centre has opened with facilities for IT and meetings, and, at a minor level the Fire Station now offers space for meetings. This is in addition to space already available at the Scout Hut, Bowls Club and public houses offering meeting rooms. It is anticipated that the Rugby Club will also be able to provide meeting facilities when its new clubhouse is built in the near future.
- 3.2 Concerns have been expressed by the Bouverie Hall committee that an Activity Hall would duplicate facilities already available in their hall thus bringing pressure to bear on their revenue stream. At the moment the Bouverie Hall barely covers its costs on an annual basis and has no recourse to additional public funding. The escalation in the price of oil at the time of this study will add a further burden to its running costs. Although fuel costs have since fallen they are likely to increase in the long term.
- 3.3 The concept of an Activity Hall has found particular favour with Pewsey Vale School who see it as an additional resource which could be used during the day. The vision is of a dance studio with mirrored walls and a sprung floor which could be used for a variety of dance and exercise activities. It is also anticipated that the hall could also accommodate meetings of up to 40 people in addition to the venues already available elsewhere in Pewsey.
- 3.4 Leisure Centres in Marlborough, Devizes and Tidworth all have dedicated rooms set aside for dance and exercise activities. The closest to the Pewsey vision is Devizes which has a mirrored room, whilst Marlborough and Tidworth both have dedicated rooms with equipment but without mirrors. None of the rooms at either of the centres has provision for the rooms to be used for meetings, and indeed the acoustics and furnishings in such rooms would create an uncomfortable ambience for meetings.
- 3.5 The use of mirrored studios for aerobics activities was seen as a negative by an instructor from the Rosemary Conley Centre in Swindon. In her view women who elected to join classes had a relatively low esteem and would not prefer to see themselves in a mirror whilst exercising. In addition, the instructor preferred to watch her class exercising when facing them rather than with her back turned to them. Clearly, the design and equipping of any proposed Activity Hall needs to be thought through very carefully.
- 3.6 Specialist activities such as dance, yoga, Pilates and aerobics are undertaken under the direction of specialist instructors, who undertake to hire the rooms at a fixed fee together with an additional charge, depending on the number of individuals taking part in a class. At the time of visits (all during the morning) to all three centres only the Marlborough room was in use, whilst both Tidworth and

- Devizes were empty. Although all were used at some time during an average week the declared revenue to each centre was seen to be 'marginal'.
- 3.7 The activities described above have all been carried out at some time in the past at the Bouverie Hall but have failed through lack of continuing interest.
- 3.8 However, the resident survey which was carried out indicated that aerobics, yoga and Pilates classes topped the list of activities that respondents would like to see at the Alfred Project, followed closely by dance lessons. An average of 1 in 3 of those completing the survey mentioned each of these activities, although there was obviously a fair degree of duplication of mentions for each activity. Interest in undertaking these activities peaked at the evening period 6-10 pm, but mornings 9-12 pm and afternoons 2-6 pm also attracted a significant level of mention. Bearing in mind that the survey responses were biased towards women in a ratio of 2:1 it would appear that there is a latent demand for these activities which is not currently satisfied. The likely take up of any of these activities would, of course, be determined by cost and convenience of times when classes take place and it is arguable that a dedicated new Activity Hall would create sufficient demand for it to be economic, although use, and payment for use, may be a positive contributory factor.
- 3.9 Clearly having a dual use as a meeting room, if practicable, would add to the potential income stream for the Alfred Project. However, the nature of the proposed construction would provide severe limitations on its potential use: a sprung floor could not withstand everyday use, special furniture would be needed to avoid marking the floor, and additional storage space would be required for both equipment and furniture.
- 3.10 In our opinion the construction of a dedicated Activity Hall would be a high risk decision. The current Leisure Centre already has two squash courts which are seriously underused. Squash is an activity which is in major decline, apart from in Tidworth with its traditional army support. In Marlborough one squash court has been converted into a crèche and in Devizes one squash court is in the process of being converted into another use. Our recommendation therefore is for the 2 existing squash courts to be converted, at a realistic cost, into one studio which could then function as an Activity Hall depending on the long term future of the Leisure Centre.
- 3.11 We estimate that the revenue generated by the Activity Hall will only be marginal and will not contribute significantly towards meeting operating costs.
- 3.12 We are also assuming an unspecified contribution from Pewsey Vale School for use of these facilities.

4. LEISURE CENTRE

- 4.1 This section addresses the financial viability of the leisure centre and is based on information provided by Wiltshire County Council gradually over a period of the last three months. Certain assumptions have had to be made in the absence of complete information.
- 4.2 Following a meeting on 31st July (between Carl Bowen of WCC and David Beaton of Community First) the brief was revised as follows:
- 1 Demonstrate the true cost of running the centre.
 - 2 Identify potential future revenue streams which can support it.
 - 3 There is to be no new capital investment.
 - 4 Assume a 5% reduction in cost for next year.
 - 5 The school's current level of access to the centre will continue.

Executive Summary

- 4.3 The future of Pewsey Leisure Centre was brought into question two years ago and has been under review since. This element of the report addresses the long term viability of the venue.
- 4.4 An overview of the centre concludes the building is past its best, weary and sliding into obsolescence, and consequently has little to offer today's sophisticated customer. Community access is restricted, being arranged around school hours so the dynamics lean towards educational use rather than attracting discretionary leisure spend into the centre. Consequently over a period of months figures were gradually extracted from various budgets and extrapolated to determine the true cost of the centre.
- 4.5 WCC set parameters for the project which sought to determine the true cost of running the centre, assume a 5% cost reduction for next year, and identify potential new revenue schemes against a background of no new capital investment and no change to educational use at the centre.
- 4.6 All local authority-run leisure centres in the UK are subsidised, but the current £146,117 budgeted for 2008-09 does not reflect the true operating costs of the centre. Various adjustments - some notional some actual - including the addition of corporate overheads, increased energy costs, better building maintenance and a recalculated income from WCC for educational use, result in a revised notional operating cost of £260,900.
- 4.7 WCC are looking for ways to achieve a 5% reduction in expenditure (£17,100), but to this has to be added the actual shortfall of £66,800 in energy costs this year. To accommodate this shortfall and achieve an actual saving of 5% would result in a net operating budget of £62,214, which is less than half the budget. This 5% reduction cannot be achieved and the centre remains open.

- 4.8 A number of possible alternative revenue income streams have been explored to see if they could sustain the centre. A full socio-demographic study has determined the potential customer base and the market potential for the centre. This study revealed a small catchment population of 10,552 within an equally small 5 mile radius before people turn to better, competing facilities in surrounding areas. This is a below average market potential in which a stand-alone centre would not survive.
- 4.9 With the centre being in such decline a partial modernisation costing an estimated £522,100 was hypothecated to assess if the resultant income would more than offset the cost of the investment on an 'invest- to- save' basis. An income projection was prepared for a new cardio-theatre gym, exercise studio and membership scheme. This did increase income to £362,600 but did not compensate enough for expenditure of £580,500, resulting in a net deficit of £217,900 which was still in excess of WCC spending targets.
- 4.10 We conclude that the centre cannot survive on the local catchment population, and without increased WCC subsidy Pewsey Leisure Centre will enter terminal decline and has no sustainable future in its present form.

An Overview

- 4.11 The leisure centre is reasonably accessible, being located on the edge of the town and sharing the site with the secondary school. The approach and all important first impression are underwhelming but typical of the municipal architecture of its day. Parking is inadequate, especially for events. Given the rural nature of the catchment area and the low level of public transport in the area, most visits will be made by car, especially from the outer edges of the catchment area.
- 4.12 The fact that it has a separate entrance from the school is of benefit, as there is a noticeable reluctance across the country for leisure centre users to patronise "institutionalised" sites e.g. school premises. People want a quality experience from their discretionary spend on leisure pursuits, and school sites rarely offer the expected level of sophistication. Such sites can however succeed where there is no local alternative as is the case here.
- 4.13 There is, however, no semblance of sophistication anywhere in this centre. The building appears shabby, tired and for the most part life expired. Being over forty years old, there has to be some doubt as to the residual life of the building's major items of plant and structural elements and their replacement will be a major cost liability.
- 4.14 The leisure centre is run by a Managing Body in accordance with an 'Instrument of Management' of many years standing, agreed between Wiltshire County Council, Kennet District Council, and Pewsey School. The venue is managed by WCC's Youth Development Service, with the centre manager being located in Amesbury. The centre incorporates a youth facility known as 'The Shak' which, along with the provision of sporting facilities for the school, provides the main

focus of the centre's business. As such, the management dynamics are different to what might be expected, and the financial accounts are structured to reflect the current service priorities. It should be noted therefore that the exercise of separating out the actual leisure centre costs has not been a straightforward one. We are therefore indebted to the diligence of WCC officers who have provided information at what is undoubtedly a challenging time, as the County and Districts prepare for the move towards a Unitary Authority.

Current Position

4.15 From the latest figures provided by WCC (Helen Nicol 31st July 08) the 2008-09 budget figures for the Leisure Centre can be summarised as follows:

Staffing Costs	£180,935
Premises	108,461
Transport	430
Supplies & Services	<u>52,031</u>
Total Expenditure	£341,857
Income	<u>(195,740)</u>
Total net cost of centre	<u>£146,117</u>

Adjustments

4.16 The above figures reflect the nature of the centre being operated as part of the school and youth portfolio. If the centre was to be operated as a separate business, the object of this exercise, then the following adjustments have to be made.

- i. Central WCC overheads need to be shown to reflect essential support services.
- ii. accurate energy costs need to be estimated to allow for the expected price increase in the autumn.
- iii. Accurate recharges to the school and youth service need to be shown to reflect the true cost of usage.
- iv. Building maintenance and investment costs need to be revised in light of the condition of the site.

4.17 It should be noted that local authority Leisure Centres across the country are subsidised operations. The size of subsidy varies according to the type (e.g. does it include a pool, in which case subsidies are considerably higher), location, catchment area and demographics. The centre could use the National Benchmarking Service (NBS) which exists to provide a uniform approach to measuring comparative performance across various aspects of a centre's performance. For guidance, the typical net deficit for a large centre is roughly in the region of £450-500K per annum. Given the age, condition and low catchment area of Pewsey, at first glance the figures presented in the above budget seem to

demonstrate a reasonable level of performance. This however bears closer scrutiny as the notes point out.

- 4.18 Firstly, there appears to be no indication of corporate overheads to the centre which comprise essential support services such as legal, financial, personnel and technical, without which the centre could not function. These could be significant, as for example the North Wilts District Council made a £75,000 corporate recharge to their Cricklade Centre when it was run in-house. If the centre were to be run independently of the County, a figure similar to this would need to be budgeted.
- 4.19 Secondly, the imminent price increases in energy costs do not appear to have been anticipated. The table illustrates the actual, budgeted and forecast energy figures. The energy unit within WCC's Environmental Services Dept advise that the Pewsey site sources its own oil but buys its electricity through their consortium contract rate which will increase by 100% on 1st October 2008. They expect oil prices to continue to rise at the same rate as electricity, as energy prices are driven by oil prices. The impact of this is as shown below:

Energy price impact

	Oil	Electricity
Actual costs 07-08	<u>38,806</u>	<u>16,401</u>
100% increase in actual costs for 08-09	77,812	32,802
Less: 2008-09 budget provision	18,829	24,975
TOTAL BUDGET DEFICIT	-£58,983	-£7,827

- 4.20 Thus a total £66,810 shortfall in the budget for energy price rises is likely. Due to its size WCC will be able to absorb such increases in their contingency budgets, but if the centre were to operate independently then this shortfall would have to be addressed and the money found.
- 4.21 The centre is primarily for the use of schools in the area and, with the exception of the gym and in accordance with the Instrument of Management, is closed to the public from 9.00am through to 5.30pm. The pool is however available between 12.15 and 1.30pm on school days. Currently the school pays £16,330 per annum for this facility. We understand that other schools using the facility contribute nothing. If the centre were privately managed the charge would be based on total running costs as follows:-

Total hours of opening = 75 per week x 52 weeks = 3,900 hrs pa
 School hours = 42.5 per week x 40 weeks = 1,700 hrs pa
 School use = 43.5%

- 4.22 The recharge can be calculated either on the basis of actual expenditure, or on net operating cost (expenditure less income). If the centre were run independently the school would be recharged on a business basis and calculated

on actual expenditure. If it were run by the school, for example, it would be calculated on the net operating basis.

- 4.23 Based on actual expenditure on the current budget the recharge would be 43.5% of £341,857 = £148,707.

Based on net operating costs, for 2007 and 2008 the average actual annual net operating costs were £175k; thus a 43.5% recharge would have been £76,125 pa.

For 2009, if the original set budget were achievable, the recharge to the school would be £146,117 x 43.5% = £63,560.

Both these figures vary wildly from the current £16,333 recharge to the school, and will change further as outlined later in this report.

- 4.24 The Shak youth facility would be recharged on a similar basis. From information provided, the footprint is approximately 10% of the centre's floor area. It has not been possible to identify the actual hours occupied by the youth service although the area is used for other groups. Thus for the purposes of this exercise it has been assumed not to be a hugely significant factor.

- 4.25 Since 2006 when £107,550 was spent mainly on disability access works, there has been some £27,556 and £28,156 spent on maintaining the premises in 2007 and 2008, with only £11,686 budgeted for the current year. In accordance with the Royal Institution of Chartered Surveyors (RICS) guidelines, we would expect to see an amount equal to 1 -1.5% of the building value being spent or set aside each year for routine maintenance of the asset. As WCC value the premises at £3.32m, and given the age and condition of the premises, an annual maintenance allowance in the upper region of 1.5% equating to £48,300 would be appropriate.

- 4.26 In addition to ongoing maintenance, leisure centres always need reinvestment in new equipment and facilities to keep them fresh and to sustain the interest of their fee-paying membership. There is little evidence of such capital investment in recent years, the most recent being the gym some 8 years ago, which is long overdue for improvement. This investment is addressed in section 6 later on.

Cost Reductions

- 4.27 Under the 'Gershon' initiative from Central Government, WCC are obliged to deliver a 3% year on year saving in costs. This seeks to drive out waste and deliver value for money. The WCC brief to us requires a 5% reduction in expenditure (which we assume to be on gross expenditure) which equates to £17,093 (i.e. 5% of £341,857). The real saving however needs to be £83,903 (see table 1 above) to deliver both the target and the energy shortfall. The revised budget would therefore look like:

Original 2008-09 gross expenditure budget	£341,857
Less: 5% cost reduction	17,093
Energy price adjustment	<u>66,810</u>
	<u>83,903</u>
	257,954
Less income	<u>195,740</u>
Net centre deficit	<u>£62,214</u>

- 4.28 This figure represents a 24.5% reduction in gross expenditure or a 57.4% reduction in this year's operational deficit. This reduction would clearly cause a major trauma to any business operation, especially in the current challenging market place.
- 4.29 As previous year's actual performance is the most accurate indicator to future likely performance, past years' figures pose cause for concern. In 2006-07 the centre's actual net cost was £171,911 against a budget of £121,838, and again in 2007-08 it was £179,579 against a budget of £128,098. So in successive years the centre has needed an additional £50,000 to balance its books. However this year's budget of £146,117 reflects the fact that youth related staffing costs have been stripped out, thus WCC expect a better performance.

Potential position

- 4.30 We commissioned The Leisure Database Company to conduct market research in the form of a Mosaic study. This is the world's most widely used geo-demographic population segmentation system, which classifies the population into 61 very different types, using over 400 variables. This study identified how far existing users were travelling to use the centre in terms of distance and time; their general levels of affluence; and how this compared with the catchment area as a whole. The study also reviewed the latent demand of the catchment population as a whole in order to:
- i. confirm the most realistic core catchment area based on current usage,
 - ii. analyse the population by group and type,
 - iii. detail current and planned facilities competing in the area,
 - iv. estimate latent demand for health & fitness in the area,
 - v. Summarise the current market situation and future prospects for the leisure centre.
- 4.31 Based on information supplied by the centre on its users and membership, the study concluded that the population beyond a 5 mile radius of the centre was not a viable market for the centre outside school hours. The vast majority of existing users' contact with the centre is casual or non-specific (not fee -paying members) and is through the school, and in essence without school use a privately run operation could not survive.

- 4.32 The Mosaic Study identified a total residential population of 7,924 living within a four mile radius. Pewsey lies on the A345 between Salisbury and Marlborough/Swindon but with existing competition in all the surrounding centres of population, the numbers for whom Pewsey's facilities will be first choice are bound to be limited but in all probability, loyal. It describes a comfortably-off population made up of several different markets, none of them in itself large enough to sustain a facility in its own right. The catchment area has a mature population with numbers of prime health and fitness-participating age bands well below average. There are only half as many aged in their 20's as in the country as a whole. Only after the age of 35 do numbers exceed the national average, and among those aged 75+ numbers are more than 25% above normal.
- 4.33 By widening the catchment to five miles the population would increase to 10,552, but this would be on the very threshold of demand beyond which people will find it easier to support the better and larger facilities at Marlborough, Devizes and Tidworth. In essence therefore the centre does not have a viable catchment to sustain an independently run or commercially viable venue.
- 4.34 Leisure centres rely on establishing a regular income through a monthly direct debit scheme for members. This income stream forms the backbone of their finances, to which is added the less predictable pay-as-you-go (PAYG) or casual users. Pewsey is currently achieving a 1% penetration into the local catchment by having fewer than 100 members. Given the nature of the local catchment, and as indicated in the study, a 5% penetration ought to be achievable. This, however, will depend on turning the gym (in particular) into a substantial earner requiring a carefully measured enlargement and refurbishment, which in turn requires considerable investment. Investment in these areas alone would not be sufficient as the general entrance, reception, changing rooms and other complementary areas would also have to be upgraded to offer a complete customer package.
- 4.35 The study identifies that centres which offer facilities such as a swimming pool require substantial subsidy and that school premises do not always lend themselves to the addition of premium options such as spas and treatment rooms, which are often assumed to be the preferred facilities in more affluent parts of the catchment area. The age profile here seems to make the case for yoga, Pilates and other general fitness classes in an air conditioned dedicated studio as opposed to an activity hall (addressed elsewhere).
- 4.36 The Mosaic Study reveals that some 8.56% of the local population lies within the 10–17 year old age range, the key target for youth development work and the school (up to 16yrs). The remaining 91.44% of the local community would be well served by a rejuvenated centre offering a diverse programme.

Exercise Studio and Cardio Theatre

- 4.37 Fitness suites, or gyms, are increasingly being replaced by sophisticated hi tech equipment in the form of a bright air-conditioned cardio theatre. These have a wall of multi-channel TV screens with connection boxes to each individual piece

of (appropriate) equipment. In addition to the customer being able to plug in their headphones to a channel of their choice, the most modern equipment recognises individual members (via a swipe card) and can set, monitor and record their individual programmes.

- 4.38 Most centres have one or more exercise studios, again being bright air conditioned rooms with sprung floor, controllable lighting and mirrored walls with a sophisticated sound system. They are ideal for the full range of classes encompassing yoga, Pilates through to dance, aerobics, martial arts and circuit training. In this case it is suggested that the two squash courts, which are underused, are converted to create a single studio. Most of the activities envisaged for the proposed activity hall could be accommodated in the studio.
- 4.39 A detailed design and cost exercise would have to be commissioned separately but a “ball park” figure for the gym and exercise studio could be as shown below:

Building works	£54,000
Air-conditioning	20,000
Cardio theatre	15,000
Gym equipment	50,000
I.T. membership system	<u>5,000</u>
Sub total	£144,000
Changing rooms	80,000
Reception	120,000
Circulation areas	50,000
Externally	<u>50,000</u>
	444,000
Fees and contingency @15%	<u>66,600</u>
TOTAL	<u>£510,600</u>

- 4.40 It must be noted that these are indicative figures only and that a full design exercise is required which would include a survey of all buildings and plant repairs, contingencies and professional fees.
- 4.41 There are many variables on the potential income for the centre, not least being the hours of public access, and the level of refurbishment – if any – of the facilities. Notwithstanding the brief stating there will be no capital investment, the centre cannot survive without capital investment or revenue subsidy, irrespective of who runs it. For the purposes of illustrating the maximum potential income it is assumed that both continued subsidy and investment will be provided, for as with any business case sufficient revenue income may generate the funds for capital investment.

<p>Memberships</p> <p>Membership packages will offer the gym, swimming (but not lessons) and classes. As the Mosaic Study reveals, a mature population with numbers in the participating age bands participating in prime health and fitness are well below average. Typically 5% of the catchment population is capable of being converted into annual memberships, which could be achieved at Pewsey subject to the investment outlined above. A 5% penetration therefore would equate to 500 members, and a realistic fee would be £25 a month to reflect the limited size of the gym and to compete with the competition from surrounding centres. Once members have experienced the new offer, prices would be adjusted to balance demand with capacity. Thus 500 members @ £25 monthly direct debit = £300 pa =</p>	<p>£150,000</p>
<p>Casual</p> <p>PAYG is more difficult to determine as the centre will need to convert the vast majority of their existing casual patrons into the memberships above. Typical industry patterns indicate that on average PAYG income would be expected to equate to 30% of membership income.</p>	<p>45,000</p>
<p>Classes and Courses</p> <p>There are an infinite variety of inclusive courses classes and lessons aimed at those not necessarily interested in gym memberships ranging from the passive (e.g. yoga) to the more energetic martial arts. The results of the community consultation exercise should be used to shape this programme. The current income from courses is £43,919 but caution is needed to avoid saturation of the small local market; thus a 25% reduction in current activity could be expected.</p> <p>£43919 x75% =</p>	<p>32,900</p>
<p>Exercise studio</p> <p>Available hours (assuming no school use) are 71 in total (if we assume a 9am start each day). If we assume a 50% occupancy use over a 40 week year with a 75/25 split between inclusive memberships and PAYG, with an average class size of 12 @ £5 fee, then income would be 1,420 hours @ £15 =</p>	<p>21,300</p>
<p>Lettings</p> <p>‘Lettings’ covers hire of the sports hall, pool and other areas to clubs and groups throughout the year. We can assume a 20% reduction in the current level of usage to reflect likely migration to the new studio classes. Otherwise patronage should be maintained at current levels = £62,232 x 80% =</p>	<p>49,800</p>

<p>WCC income</p> <p>From the section above, the notional income from school use of the leisure centre is £63,560 based on current budget provision. However, based on the adjusted budget the recharge would be either: Gross expenditure = 43.5% of £580,600 = £252,561</p> <p>In a commercial operation the recharge would be based on the actual gross expenditure, so £252,500 is appropriate here. Whilst it is accepted this is unlikely to happen, it is nonetheless the true cost of operating this facility and would be reflected as such in the accounts of an independently managed operation.</p>	<p>£252,500</p>
<p>Total potential income</p>	<p><u>£551,500</u></p>

The revised expenditure taking into account all aforementioned adjustments would read as follows:

<p>Staffing Costs</p> <p>The increase in activities incurs more staff costs. The industry norm is that payroll is 50% of income. Thus projected income of £362,500 x 50% = £181,250 - £180,935 (current payroll costs) = £315. This indicates that existing staffing costs are adequate even with a larger programme envisaged. It would however be prudent to make an additional provision of £10,000 to allow for the appointment of a seasoned professional centre manager =</p>	<p>£10,300</p>
<p>Energy Costs</p> <p>The adjustment for oil and electricity price increases is an additional cost of:</p>	<p>£66,800</p>
<p>Corporate Overheads</p> <p>The cost of central recharges for legal, IT, financial, HR support etc services should be shown to reflect the true cost of operating the centre. This depends on the breadth of operation, and the levels of managerial activity and initiatives that need to be supported. The net asset rental figure reflects the rental value of the premises which would be earned if the building were rented out for another purpose. This is a notional figure and typically in the region of 4% of value = £3.32m x 4% = £132k pa. However as this is a notional figure it can be overlooked for the purpose of this exercise.</p>	<p>£151,500</p>
<p>Building Maintenance</p> <p>The RICS figure for annual maintenance is 1 – 1.5% of the asset value to prevent decline and decay. WCC's Asset Management Plan values the centre at £3.32m. Due to the age of the property the higher 1.5% value is appropriate = £48,300. As the budget provision is £11,686 an adjustment of £36,614 would be advisable. However if the capital investment of £522k were pursued the maintenance liability would be reduced for the first few years and the 1% rate of £33,200 could be applied, This would result in an adjustment of £21,154</p>	<p>£21,100</p>

<p>Borrowing Costs</p> <p>The cost of repaying the £522,100 capital cost of the proposed refurbishment has to be accounted for. The most economical way in which this can be done is for WCC to borrow at their advantageous Public Works Loan Board rate of 4.8%, which is way below what can be obtained in the open market. WCC however have financial pressures like any other organisation, and any such investment would have to be prioritised along with other competing bids. In this case, if the figures were to show that by investing funds into this project it would reduce subsidies or generate more income than was being invested, then it has a chance of succeeding under their Prudential Spending scheme, or 'save to invest'. The cost of borrowing £522,100 over a 25 year period would be £33,884 per annum.</p>	£33,900
<p>Miscellaneous Costs</p> <p>PR and Marketing costs would increase to engage the local community in a campaign to re-launch the centre. Typically this would be 1 -1.75% of income and, given the contained catchment, 1% would suffice= £299,000 x 1% = £29,900.</p> <p>The membership is the mainstay of the centre's income, and needs to be managed proactively to keep members engaged and interested and more importantly keep the money coming in. The membership management and tracking system records all activities, transactions and communications; the annual maintenance would be £1,000.</p>	
Original expenditure budget	£341,800
<u>TOTAL adjusted expenditure budget</u>	£656,300

4.42 The adjusted expenditure budget - £656,300

Thus net adjusted operating cost - £656,300 - £551,500 = £104,800

Notes

- i. This shows a notional net reduction of some £40k on existing budget but is an unreal scenario which can only succeed by a WCC change in policy
- ii. It relies on acceptance of school recharges of £252,500 – which will never happen
- iii. Corporate overheads figure is to be advised by Helen; a worst case scenario of 30% is assumed but it ought to be half that
- iv. There is something wrong with WCC's staffing costs - maybe some youth workers' salaries still in there?
- v. A small variation in assumptions can have a dramatic effect on the final balance and some more work is required to test some figures - subject to WCC providing them.
- vi. The refurbishment costs do NOT include the pool, sports hall or Shak area.

5. PEWSEY VALE SCHOOL

- 5.1 The school is a secondary mixed community school with arts status and provides education for pupils within the catchment area up to the age of 16 years. It has a capacity of 500 although the enrolment for the forthcoming academic year is 361. It 'competes' with other secondary schools in the area, most notably St John's in Marlborough. This school, which includes a sixth form, is currently being rebuilt to bring together two separate sites and will provide state of the art facilities when it opens in 2009. It is likely to provide further competition to Pewsey Vale School in the future although this is disputed by the current head.
- 5.2 The school sits on the same site as the Leisure Centre and has access to its facilities. There is a long term arrangement whereby the school, together with other schools in the catchment area, has exclusive daytime use of the swimming pool during term time as well as use of the Sports Centre. In return the school contributes a total of £16,3330 pa towards the cost of running the Leisure Centre.
- 5.3 The arrangement which the school has with the Leisure Centre seriously limits public access to the swimming pool other than early morning, lunchtime and in the evening. Similarly it limits use of the Sports Hall for leisure activities. The research undertaken among residents on the Pewsey Community Area indicates that this arrangement is a bone of contention among members of the public, who have indicated overwhelmingly that they would like greater access. The issue is particularly sensitive as the original open air pool was built in the early 1960s with money raised and donated by members of the Pewsey public, some of whom are alive today. There is therefore a degree of resentment that use of 'their' pool should be restricted in this way. In fairness it should be pointed out that Wiltshire County Council has a duty to provide swimming facilities for schools, and daytime public access to pools is typically limited at all Leisure Centres whose pools are used by local schools.
- 5.4 Pewsey Vale School has indicated that it is prepared to consider its use of the pool as well as the Sports Hall to see if there are ways in which more day time use could be freed up for the benefit of the public. The Youth Development Service, which is responsible for the administration of the Leisure Centre, has indicated that it is not within the remit of this consultation to enter into negotiations with the school on its behalf. However, in view of the fact that this is a contentious issue within the local community we would recommend that the existing Instrument of Management is reviewed.
- 5.5 Pewsey Vale School envisages that Project Alfred will encompass after-school activities utilising the school's facilities, with particular emphasis on the extended schools learning programme. In addition, it would be possible to access the school's IT facilities, although this would be in direct competition with the PACT Centre.
- 5.6 At the time of writing this report and recommendations we have been unable to determine precisely what plans the school has for its extended schools programme. We are therefore unable to determine what financial contribution, if

any, this programme would make to funding Project Alfred. It is fair to say, though, that the likely contribution will be marginal.

- 5.7 It is expected that Project Alfred would form a common access to the school, leisure centre, and children's centre which would be staffed outside school hours. The existing after school hours access to the school would be abolished.
- 5.8 Staffing a common entrance does, of course, have cost implications and the additional cost would have to be shared by all users. This means that the school would have to contribute to the additional costs identified.
- 5.9 We have doubts that a common entrance would work in practical terms. Information received from visiting Children's Centres elsewhere in the county suggests that, for a significant proportion of users of these centres, an exclusive entrance is the preferred option. Although the Puddleducks nursery already shares the current entrance with the Leisure Centre, these users form only part of the expected users of the Children's Centre. Existing proposed plans do make provision for a separate entrance to the new Children's Centre so the need for a common entrance to all facilities becomes less relevant.
- 5.10 It is understood that The Shak, which is administered by the Youth Development Service, will continue to have its own separate entrance as well as being able to access its facilities through the proposed common entrance.
- 5.11 The concept of a common entrance therefore does not really bear close scrutiny.

6. CHILDREN'S CENTRE

- 6.1 Children's Centres are service hubs where children under five years old and their families can receive seamless integrated services and information. By 2010, every community will be served by a Sure Start Children's Centre, offering permanent universal provision across the country, ensuring that every child gets the best start in life.
- 6.2 These services vary according to centre but may include:
- Integrated early education and childcare
 - Support for parents - including advice on parenting, local childcare options and access to specialist services for families.
 - Child and family health services.
 - Helping parents into work - with links to the local Jobcentre Plus and training.
- 6.3 The aim of Sure Start Children's Centres is to improve outcomes for all children. They are a vital part of the Government's ten-year childcare strategy to enable all families with children to have access to an affordable, flexible, high-quality childcare place for their child.
- 6.4 Local authorities have been given strategic responsibility for the delivery of Children's Centres. They are planning the location and development of centres to meet the needs of local communities, in consultation with parents, the private, voluntary and independent sectors, PCTs, Jobcentre Plus and other key partners to deliver a range of services.
- 6.5 Local authorities should take into account local circumstances and priorities:
- the fact that not all children using a centre will have the same high levels of need;
 - some centres may serve fewer/more than 800 children;
 - the extent to which demand is met by existing provision;
 - whether unmet demand should be met through reshaping existing provision or additional, new resource;
 - building on other funding streams already in place.
- 6.6 This means that levels of Children's Centres revenue grant will vary from centre to centre and should be informed by earlier years' expenditure levels. Since the Children's Centre programme is very much about building on existing provision, very few new children's centres will be built from scratch.
- 6.7 By 2010 Wiltshire will have to have created 30 Children's Centres. This is based on the Government's guidance that there has to be 1 children's centre per on average 800 children spread over the county.
- 6.8 Pewsey is part of what Government calls Phase 3 Children's Centres. These centres will provide improved access to services for families living in less disadvantaged and more affluent areas including rural areas.

- 6.9 Funding for Children's Centres has been largely based on the levels of deprivation of neighbourhoods according to the Indices of Multiple Deprivation. Priority has been given to the most deprived areas in the U.K. To compare the levels of funding, Sure Start Guidance mentions annual budgets of £400,000 in the most deprived areas and budgets of £100,000 in areas that rank in the 30% least deprived areas in the UK. Based on the indices of Multiple Deprivation Pewsey is part of what the government calls a 70% designated area. This means the Children's Centre does not have to offer childcare but will have to signpost to local sessional and day-care providers. There is no expectation that Children's Centres in Phase 3 will receive full recovery budgets. They need to work in partnership with other organisations and share costs to deliver their services.

Number of Children in Pewsey: 583

Ranking in the Indices MD: lowest level of deprivation – 70% designated area

Pewsey Children's Centre will receive an annual budget of approximately £68,000

Like other Children's Centres this will have to pay for:

- A part time manager
- A part time outreach worker
- Part time administrative support and
- Building and equipment costs.

- 6.10 The Children's Centre programme is very much about building on existing provision. Wiltshire County Council therefore works with pre-schools, infant schools, primary schools, existing community support organisations, toy libraries, Voluntary Organisations etc and by doing so aims to deliver joined up services for children and parents.

- 6.11 Within the Alfred Project the Children's Centre would be linked to

- Puddleducks Pre-school, aiming to expand in the coming years providing wrap around care, babies and toddlers, a creche, and breakfast and after school clubs.
- The Leisure Centre
- Pewsey Vale School

These are, of course, all on the same site.

- 6.12 Phase 3 guidance mentions that “where services are delivered from more than *one building, **the buildings should be close to each other so that parents can access all of the services they need easily on a single 'campus'***. Buildings should be clearly identifiable as part of the Sure Start Children's Centre, using appropriate signage, but only one building should house the reception and that should also be the centre's postal address.”

With a huge emphasis on 'outreach' they will also work with:

- Various pre-schools in the villages surrounding Pewsey
- Various other service providers like health visitors, the toy library, housing information providers etc.

With other service providers the centre offers

- Stay and Play sessions
- Toy Library facilities
- Childminders' Drop-in
- Community 4 Housing Support
- Information about various activities for parents and children in the area through the Website

6.13 Like other Children Centres, Pewsey Children's Centre will regularly consult with parents and based on the identified needs will organise, initiate and/or facilitate the delivery of services to meet those needs. Some of this might also consist of the commissioning of activities in the leisure centre, i.e. activities around healthy living and sports.

6.14 Collaborative working with Puddleducks and other services available within The Alfred Project on one site will make it easier for the Children's Centre to achieve its objectives and deliver a quality service to families with children 0-5 years.

6.15 Children's Centre targets: The CC needs to reach 75% of the 583 children aged 0-5 in the area. This means that a total of 437 families with children 0-5 years:

- Know about the facilities at The Alfred Project – information giving is an important task of the CC
- Know about specific activities like healthy living activities and extended school activities
- Have more reasons to walk up the hill to come to the Leisure Centre
- Will maybe attend courses and sessions that build up confidence and encourage them to take up new activities at the centre

6.16 As the Children's Centre will work primarily with parents who do not have the discretionary money to spend on other activities this will have little if any impact on the projected income for the Alfred Centre.

6.17 In theory the Children's Centre could have a very small budget to commission others to deliver services or pay rent for the use of sports facilities providing it is clearly for the benefit of the children and parents of the Children's Centre e.g. 'playing ball with your child'. Unfortunately Pewsey Children's Centre does not have a budget to commission services and it would be unwise to assume that it may have in the future. They may be able to pay for the occasional rental of rooms within the Alfred Project for meetings for large meetings. However, for smaller events, training courses, or drop-in sessions they will aim to use venues that are free.

- 6.18 Guidance on Phase 3 mentions that smaller Children's Centres with small budgets might want to decide to share some resources and overheads. The Children's Centre can decide to pay towards overhead of the Alfred Project. To do so it has to be crystal clear that any expenditure will benefit families with 0-5 children. Any shared costs will have to be fairly split between all partners using the same facility e.g, reception. However, the Children's Centre has not budgeted for this and has no money to contribute to overheads. Our view is that the likely financial contribution of the Children's Centre to the Alfred Project is likely to be marginal at best.
- 6.19 Children's Centres do not charge - or charge very little - for services delivered to 'hard to reach' (their main target group) or they subsidise their participation. The whole point and vision behind Children's Centres is to reach those who normally wouldn't have the courage and/or the money to participate.
- 6.20 The Children's Centre will work in close harmony with Puddleducks and they will strengthen each other's position. Puddleducks is planning to provide the necessary wrap around childcare needed in the area.
- 6.21 As already stated it has to be clear to all that the Children's Centre is not required to offer childcare but will signpost to local sessional and day-care providers. However, Puddleducks wants to expand and is desperately in need of better and more spacious premises. There is also an identified need for more wrap around childcare in the area.
- 6.22 Sure Start guidance states: 'the places from which services are offered are as important as their actual content'. In our discussions with several Children's Centres in Wiltshire it became clear that the location of the Centre is one of the determining factors to its success. The Centre needs to be within a short distance of the community it wants to reach in walking time. It should be near other facilities e.g. shops, schools, health centre. It should be welcoming, safe, private and encouraging, and should have a good reputation within the community.
- 6.23 Taking into account the minimal funding Phase 3 centres receive – and the fact that funding is very much ring fenced for children and parents only – it needs to be in a place where it can share various functions or services. Puddleducks is clearly a good fit.
- 6.24 The Alfred Project meets the Phase 3 criterion recommending joining forces with other facilities and building on existing services. However, it is not in the centre of Pewsey but the cost of an alternative site is likely to be prohibitive.
- 6.25 Phase 3 guidance also states clearly that the preferred option is to have various services within the same site or at the most ½ a mile apart. The Primary School, although on the other side of Pewsey Vale School, is still considered as being part of the same location. Positioning the Children's Centre closer to the Primary School might be easier for parents.
- 6.26 As already mentioned, it is in the best interests of the Pewsey community, and for all organisations involved in the Alfred Project, if the Children's Centre works in

close harmony with Puddleducks in order to strengthen each other's position. Puddleducks is planning to provide the necessary wrap around childcare needed in the area.

- 6.27 Research carried out in the Summer of 2007 by the Higham Consultancy, and the results of the survey recently carried out for this report, show that there is a need for childcare from 7am through to 6pm. This can be satisfied with the planned expansion of Puddleducks in tandem with the Children's Centre.
- 6.28 Puddleducks currently provides sessional 3 hour pre-school facilities for up to 24 children aged 2-4 years each day. Their activities are currently in a corridor with additional use of a hall in The Shak youth centre.
- 6.29 For a few years now Puddleducks has been looking for a way to expand in order to meet the needs of the community. A purpose-built building within the Alfred project would provide them with (partly) the extra space to be able to do that. Meanwhile they have already started to increase opening hours and of more places.
- 6.30 Since the beginning of this term Puddleducks has added to the normal morning sessions that run from 9.15–12.15 lunch clubs that run on 4 days a week. They now provide:

Mornings

Monday - Friday
9:15am - 12:15pm

Afternoons

Tuesday and Thursday
1.15pm - 4.15pm
Wednesday
1.45pm - 3.15pm

£7:50 per session

Lunch club

Monday, Tuesday, Thursday, Friday
12.15pm - 1.15pm

£2.50

- 6.31 This has so far resulted in a staggering 5 extra children per week showing that the Higham report and the questionnaire were right to indicate a need for more hours of childcare.
- 6.32 In their Business Plan Puddleducks state that they want to expand the services to include:
- 82 childcare places per day from 7.30am – 6pm including facilities and care for an estimated

- 6 x Babies 0 -1 year
 - 8 x Toddlers 1-2 years
 - 8 x Older toddlers 2-3 years
 - 24 x Pre school 3 – 5 years
- Crèche facilities for the leisure centre
 - Breakfast and after school clubs
- 6.33 The expansion plans need to go hand in hand with the building of the premises included in The Alfred Project since the current accommodation wouldn't allow for this expansion. The Higham report mentions an extra 231 m² needed to house all groups, rooms and facilities to provide care and education for 0-5's.
- 6.34 The £300,000 and £315,000 already granted will cover for the building of the nursery accommodation kitchens, storage and, of course, The Children's Centre. Puddleducks has on top of that a strategy to raise another £60-70,000 needed for additional equipment.
- 6.35 Any Sure Start money can only be spent on the Puddleducks nursery if this goes hand in hand with the building of the new Children's Centre.
- 6.36 Collaborative working with Puddleducks and other services available within The Alfred Project will make it easier to provide a joined up quality service to the Pewsey Community in general and to families with children aged 0-5 years in particular.
- 6.37 As with the Children's Centre. Puddleducks will contribute to:
- Marketing of Alfred's services, activities and available facilities
 - More parents visiting the centre, so more potential customers
 - More activities, coffee and tea sold
- 6.38 Since Puddleducks aims to get 40 parents per day through the door and assuming that 5 % of those parents will stay for either a chat or an activity 44 weeks @ 5 days @ 2 parents @ £3.50 on average
- | | |
|-------------------------------------|-----------|
| Estimated Income for Alfred Project | £1,540 pa |
|-------------------------------------|-----------|
- 6.39 Puddleducks would pay a service charge for any services Puddleducks uses from the Alfred Project, e.g.reception staff, shared cleaning or maintenance costs. This of course would have to be in proportion to the use of these services and would have to be divided between all users of the Alfred Project.
- 6.40 Puddleducks expects to pay a peppercorn rent to WCC Sure Start, the owners of the new facility. Any recharge to the Alfred Project would have to be agreed between WCC Sure Start and The Alfred Project.
- 6.41 Puddleducks wants and needs to be where the Children's Centre is. The preferred site is close to the Primary School and Secondary School to offer

childcare and education for children of all ages on one campus. Being close to leisure facilities is a bonus but not a necessity.

7. RISK ANALYSIS

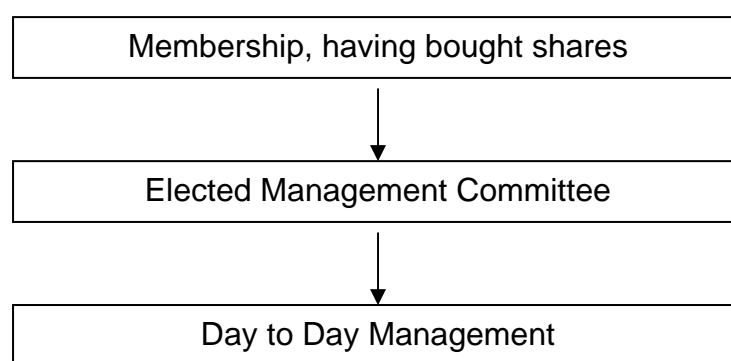
7.1 We have outlined below the potential risks involved in continuing with the Alfred Project at the present time. Clearly most of these are speculation on our part and are not supported by evidence. It is unlikely, for example, that there will be a clear policy in relation to Leisure Centres in Wiltshire until 2010 so the future of the Pewsey Leisure Centre will remain in doubt until then. Similarly we will not know the outcome of the review of schools in Wiltshire for some time or, indeed, the effect of the new St John's School in Marlborough will have on roll numbers of Pewsey Vale School, However, we do need to consider a worst case scenario:

EVENT	Severity on Alfred Project	Outcome
No Capital Investment in Leisure Centre	High	Use of Leisure Centre will continue to decline
No guaranteed subsidy from WCC to support Leisure Centre	High	More limited facilities and continued decline
Decline in roll numbers at Pewsey Vale School	High	Eventual closure of school
Continued restriction of use of Leisure Centre by public	High	Public will use alternative facilities available elsewhere
Closure of Leisure Centre	Medium/high	Children's Centre will be isolated
Purpose built Activity Hall/Studio separate to existing Leisure Centre	High	In the event of Leisure Centre and/or Pewsey Vale School closure Activity Hall would be redundant
Activity Hall to be built within existing Leisure Centre	Medium/Low	Dependent on continued support of Leisure Centre by WCC

8. MANAGEMENT AND ADMINISTRATION

- 8.1 Currently the Leisure Centre is staffed by a Manager together with a number of full- and part-time staff. In addition, the Youth Development Service provides staffing for The Shak. The pre school nursery, Puddleducks, has its own staff.
- 8.2 The Alfred Project will require increased staffing levels to allow for longer opening hours, a larger reception area, a catering facility, and specialist staff for the Children's Centre. The current role of the Leisure Centre manager will therefore change significantly with added responsibilities. There is no doubt that there should be one manager appointed to be responsible for the Alfred Project overall. How this will impact on the individual members of the Alfred Project will need to be handled delicately and with considerable diplomacy.
- 8.3 We have looked at potential legal structures for the Project and collected evidence from other leisure centres. Both Calne and Cricklade leisure centres are established as community enterprises and are dependent on funding from their District Councils in order to survive. The Alfred Project will be in a similar position: projected revenue generated by all the activities will be insufficient to cover projected costs. This means that a subsidy will be needed to meet any shortfall. At the present time the position of Wiltshire County Council is indeterminate so assumptions have to be made that some funding will be available to support the Alfred Project.
- 8.4 That said, a number of questions need to be answered in order to recommend a way forward for the Alfred Project:
- *Is community involvement important for the success of the project?* If so, does the Steering Team wish to encourage community involvement by allowing residents and users of the centre to have a say in the management of the project? This could be achieved by offering members of the community the opportunity to buy shares in the venture. The appropriate legal structure to achieve this would be a Community Interest Company(CIC) or an Industrial & Provident Society
 - *Is charitable funding important for the business success of the Alfred Project?* If this is the case a Company Limited by Guarantee with Charitable Status might be the best way forward. However, charitable status sometimes limits a company's ability to flourish and generate profit. Charities can only do what is 'charitable'. Since the recent review of the Charity Act, leisure is included in charitable aims and the Alfred Project would be limited to the sale of goods that relate to the primary purpose of the Alfred Project. Charities also need an organisational model that ensures charitable funding cannot be used for the private benefit of members and trustees. Controls therefore have to be in place and these controls can make decision-making slow and bureaucratic. Charities do, of course, get tax and business rates relief. However, an IPS registered as a society for the benefit of the community (bencom) and registered as an 'exempt charity' can also apply for tax and rate relief. The same applies to the new CICs.

- *Would the parish councils in the Pewsey Community Area consider raising funding for the Alfred Project through an increase in their Council Tax precepts?* This might be difficult to achieve administratively as it would have to be based on perceived 'benefit' to a given community
- *Who should manage the Alfred Project?*
Who has a say and in what way? Real community involvement often goes hand in hand with real power and a real say in the management of an organisation. By definition the Alfred Project has key stakeholders: Pewsey Parish Council, Wiltshire County Council and Pewsey Vale School. If we include local community involvement a typical scenario would be a three tier organisation as follows:



- 8.5 This assumes that residents of the Pewsey Community Area would form the wider membership of a CIC or IPS and be responsible for electing a Management Committee from their membership. The Management Committee would have the power to co-opt other members as and when necessary, particularly where specific skills are required. Typically a Management Committee should consist of no more than 10 members, with an 'executive committee' elected by them to make day to day decisions.
- 8.6 Day to day management would be in the hands of a newly recruited Centre Manager to whom all staff at the Centre would report. The manager would need to have basic business skills in addition to experience of, and an interest in, some or all of the activities of the Alfred Project. The manager could also be co-opted to the Management Committee assuming a CIC or IPS had been set up. If, however, Project Alfred is set up as a Charity this would not be possible since individual members cannot benefit from the charity.
- 8.7 We should emphasise that we are not legal experts and the above comments are based on our understanding of current practice. In order to pursue the options we have outlined, professional legal advice will need to be obtained.
- 8.8 The establishment of an appropriate legal structure is, at this stage, academic. Until additional sources of capital and revenue funding have been determined the most appropriate legal structure cannot be determined.

LIST OF CONSULTEES

Gill Hanlan	WCC Early Years/Sure Start
Beverley Smith	Puddleducks Pre School
Sally Lewis	Puddleducks Pre School
Lyn Dean	Bubbles Pre School
Ali Perry	Voluntary Action Kennet
Carl Bowen	WCC Youth Development
Helen Nicol	WCC Youth Development
Jerry Kunkler	Leisure Centre Management Committee
Paula McGrory	Leisure Centre Manager
Colin Brown	Kennet District Council Leisure Services
Gillian Thompson	Kennet District Council Leisure services
Graham Harris	WCC Central bidding Unit
Lucy Murray Brown	West Wilts District Council Leisure Manager
Carol Grant	Head, Pewsey Vale School
Mike Carter	Head of PE, Pewsey Vale School
Anita Hodgson	Calne Leisure Centre
Gary Walker	Cricklade Leisure Centre
Andy Donald	Malmesbury Leisure Centre
Hannah Vickers	Marlborough Leisure Centre
Adam Casson Crook	Tidworth Leisure Centre
Trixie Avery	Devizes Children's Centre
Pauline Monaghan	Chippenham Children's Centre
Sue Deedigan	Marlborough Children's Centre
Betty Dobson	Marlborough Children's Centre

LIST OF CONSULTEES (CONTD.)

Sally Matton	Rosemary Conley Diet & Fitness Clubs
David Whewell	Head of Youth Development WCC
Terry Kemp	PACT Centre
Esmee Dineen	Bouverie Hall Management Committee