

**CABINET
13 SEPTEMBER 2022**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: NORTH HERTS LEISURE CENTRE SOFT PLAY INVESTMENT

REPORT OF: THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER: ENVIRONMENT & LEISURE: CLLR STEVE JARVIS

COUNCIL PRIORITY: SUSTAINABILITY / A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to seek Cabinet approval for an investment proposal at North Herts Leisure Centre, Letchworth. The proposal would involve using two of the four existing squash courts and the changing rooms located in the same area, to create a soft play facility with a toddler and junior area, plus provision for parties.

2. RECOMMENDATIONS

- 2.1. That Cabinet consider and agree the soft play investment proposal.
- 2.2. That Cabinet recommends to Council to make the addition of £150k to the Capital programme in 2022/23.
- 2.3. That Cabinet recommends to Council to move the existing capital allocation of £100k in 2023/24 for refurbishment of the dry-side changing rooms to 2022/ 23 and reallocate it to the soft play project.

3. REASONS FOR RECOMMENDATIONS

- 3.1. Introducing a soft play facility at North Herts Leisure Centre will enhance the range of leisure facilities on offer and provide a dedicated play space for families with toddlers and young children within the local area.
- 3.2. The new facility will generate additional revenue for the site, aiding the financial recovery of leisure post covid and providing an attractive additional facility for bidders when the new leisure contract is procured in 2024.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Not to proceed with the proposal and refurbish the existing dry change facilities as per the existing 2023/24 Capital programme. As there is limited use of the dry change facilities and of the squash provision, officers don't recommend this approach as it won't provide best value for money.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The relevant Executive Member for Environment and Leisure, the Service Director Resources and Executive Member for Finance and IT have been consulted and support the proposal.
- 5.2. On Thursday 16 June 22 a meeting was held with representatives of the North Herts Squash League who voiced their concerns about the proposal to remove the squash courts. However, our usage data shows there is adequate capacity with 2 courts even if usage increased.
- 5.3. A short online survey went live on 21 July 2022 until 21 August so that residents and users of the leisure centre could have their say on the proposal. The survey was promoted via both the Council's channels and through SLL. A total of 1191 people responded to the survey.
- 5.4. 91% of respondents to the survey either strongly agreed or were inclined to agree that the proposal to convert two squash courts and changing area into a soft play facility will be a positive addition to the facilities at North Herts Leisure Centre. 66% of respondents indicated that their family would be likely to use a soft play facility at the leisure centre at least fortnightly, or more frequently. 36% of respondents indicated that they would be likely to use a supervised drop off facility at least fortnightly.
- 5.5. The full consultation responses can be found at Appendix A.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on 18 July 2022.

7. BACKGROUND

- 7.1. The leisure facilities have been making a steady rate of recovery since reopening in March 2021, following Covid restrictions, with usage recovery rates settling at 90%.
- 7.2 Officers have been working in partnership with Stevenage Leisure Limited (SLL) to explore new initiatives that will support recovery and increase physical activity levels in North Herts and take into account changes in use of facilities
- 7.3 This report details a proposal at North Herts Leisure Centre (NHLC) to convert the dry side changing rooms (utilised by sports hall users), accessible toilet, and two squash courts into a soft play area. The new provision would provide many benefits to both adults and children, attract a new customer base and support recovery with increased usage and income levels.

8. RELEVANT CONSIDERATIONS

- 8.1. The existing dry side changing rooms, located on the ground floor, are over sixteen years old and becoming in need of refurbishment. A £100k capital project to refurbish the areas is due to take place in 2023/24.

- 8.2 Over recent years customer trends have changed and dry side changing rooms are no longer seen as an essential provision for customers participating in dry side activities. The existing dry side changing rooms have very low use as most customers are now choosing to come activity ready. However, there are other changing areas readily available if required.
- 8.3 NHLC currently has four squash courts available to customers. On average there are 2184 available court sessions per month. 2021/22 data shows that only 18% of these sessions were booked by customers. During peak times (4pm-9pm) data shows 36% of sessions were booked by customers. The following table shows a monthly breakdown of 2021/22 usage data.

Month	Booked Sessions	Unused Sessions
Apr-21	105	2,079
May-21	246	1,938
Jun-21	270	1,914
Jul-21	229	1,955
Aug-21	254	1,930
Sep-21	264	1,920
Oct-21	367	1,817
Nov-21	369	1,815
Dec-21	322	1,758
Jan-22	543	1,641
Feb-22	489	1,695
Mar-22	435	1,749

- 8.4 Active Places Power, Sport England's interactive mapping and reporting tool states there are currently eight squash courts within the North Hertfordshire district.

Facility	No. of squash courts
North Herts Leisure Centre	4
Ickleford Sports and Recreation Club,	2
Letchworth Sports and Tennis Club	2

- 8.5 The above facilities have been contacted to get an understanding of their current availability. Feedback was that usage is at a similar level to NHLC with sessions available during off peak and peak times.
- 8.6 NHLC facilitates North Herts Squash League which currently has 36 members. Every Sunday a league is held at the centre using all four of the squash courts over a two-hour period. In recent months players have averaged between 5-6 per week.
- 8.7 Considering the current usage levels, the proposal to remove two courts would not have a negative impact on the existing two-hour playing time. However, if the leagues member attendance was to increase, the centre could provide extended hours, designated to the squash league, to accommodate them within the two remaining squash courts.

- 8.8 Due to the pandemic, the creche service operated from the Pembroke Studio was suspended. When the centre reopened, to enable social distancing, the fitness kit was spread into the Pembroke Studio. To support the recovery of leisure the kit has remained in this location and therefore the creche service remains suspended.
- 8.9 The new soft play provision would enable SLL to replace the creche with a 'drop off' service, for pre-school children, to customers whilst they use other areas of the facility. The operating costs of the drop off service are much lower than the standalone creche as staff can be utilised to work within both the soft play and drop off areas.
- 8.10 Each drop off session will be under two hours and therefore Ofsted registration is not required. As a minimum, staff supervising children will be qualified in early years practitioner (level 2) and have an enhanced DBS check. The age limits for children using the service will be 3-5 years old. In line with Ofsted, the maximum number of children per drop off session will be eight. Parents/ guardians must remain onsite when using the service.
- 8.11 The proposed pricing structure, for the drop off service, is in line with similar service offerings. Usage is expected on average to be at 80% occupancy.

Member	Non-Member
£6.00	£8.00

- 8.12 NHLC currently run a toddler session on a Tuesday in the sports hall. This session is run inside the sports hall and is aimed at pre-school children. The session consists of a bouncy castle and soft play equipment for a one hour session with parent / guardian followed by one hour in the pool. Usage data demonstrates there has been an increase in this activity since sessions restarted post-pandemic.
- 8.13 There is currently no soft play provision in Letchworth. Hitchin has two soft play centres - Space 2 Play and Little Rascals. Logans Den in Baldock is the geographically closest soft play, although it is small. There is also a large soft play facility, Bury Lane Farm, just outside of the district near Melbourn (past Royston), The Hive in Shefford and two large facilities in Stevenage.
- 8.14 Soft play has many benefits to both adults and children. Not only does it keep the children entertained and engaged both physically and mentally it also has the following benefits;
- Helps Support learning and development
 - Fun physical activity
 - Social awareness
 - Safe space for play
 - Catching up with friends for both adult and child
 - Benefits for reducing anxiety, loneliness and post-natal depression due to parents meeting new people in similar stage of life.
- 8.15 Appendix B provides a perspective view of the proposed soft play area. The design includes a baby and toddler area with the capacity of 35, a junior area with the capacity of 87.

- 8.16 In addition to the soft play area, a kiosk serving drinks and pre-packaged food, and seating area will be provided. The proposal includes table seating for approximately 60 people. A proposed floorplan on the area is shown in Appendix B.
- 8.17 The car park can become extremely busy from September to May when matches at both the rugby and football clubs take place. Car park improvements were made in 2016 to create an additional 92 spaces located on the rugby club site. As part of this development the Council, rugby club, football club and the Letchworth Garden City Heritage Foundation (LGCHF) agreed to terms that allow equal rights for all users to park where spaces are available in either of the car parks on the leisure centre site and the rugby club site.
- 8.18 The Council and SLL will continue to work with the clubs to look at initiatives such as car sharing for home and away players where possible to reduce pressure on the car park.
- 8.19 North Herts Leisure Centre was leased for 99 years on a full repairing lease, by the LGCHF, until 19th February 2081 on a peppercorn rent to North Herts Council. The Council have contacted the LGCHF to discuss the proposal and they are content the use will continue to fall within the provisions of the lease, i.e. as a Sports and Leisure Centre, so there will be no need for a change of use.

9. LEGAL IMPLICATIONS

- 9.1. Cabinet has within its terms of reference to approve those major service developments which also constitute Key Decisions (para 5.6.11), and to oversee the provision of all of the Council's services, other than those functions reserved to the Council (para 5.6.15).
- 9.2 The proposed steps are in accordance with the Council's legal powers to provide sports, leisure and recreational facilities, as it thinks fit, under S.19 Local Government (Miscellaneous Provisions) Act 1976. Although there is no express statutory duty to consult in relation to the provision of sport and leisure facilities, the Council has undertaken a consultation as detailed in section 5 above and Appendix A, in accordance with the principles of fairness and legitimate expectation.

10. FINANCIAL IMPLICATIONS

- 10.1. The initial project costs are detailed below:

Element	Circa £
Build Cost	£170k
Soft Play Equipment	£80k
Total Project Costs	£250k

- 10.2 The expected life of the soft play equipment is six years and therefore replacement will need to be included in the 2029/30 Capital programme.
- 10.3 The following table details the proposed charges for each 1 hour, 45 minute session.

Weekday Sessions (term time only)

Age	Charge
Under 1	£2.00
Age 1-4	£4.00

Age 5+	£5.00
Adults	£1.50

Weekend & School Holiday Session

Age	Charge
Under 1	£3.00
Age 1-4	£6.00
Age 5+	£8.00
Adults	£2.50

- 10.4. SLL have provided a conservative forecast for the proposal and would expect it to generate £50k additional surplus in the first financial year , and £60k per year thereafter.
- 10.5. Income generated from soft play will be treated under the main contract and therefore payable to the Council until SLL are in a position to fully pay the management fee. The Part 2 report provides further information on the basis for estimating these levels of net surplus.
- 10.6 The Council currently has on its 10-year Capital plan, a sum of £100k for the refurbishment of dry side changing. Therefore, the additional sum required from capital to redevelop and repurpose the area is £150k.
- 10.7 HMRC states that soft play centres provide “a leisurely pursuit or amusement activity” and do not have any sporting benefit so are not VAT exempt, therefore SLL will charge 20% VAT on the service. The charges specified above are inclusive of VAT, but the income forecasts are exclusive of VAT.

11. RISK IMPLICATIONS

- 11.1. The current levels of inflation mean that the capital costs could be higher than the forecasts detailed in paragraph 10.2. Any variation will be managed in line with the financial regulations. The estimated costs are based on recent quotations provided by construction contractors and soft play specialist.
- 11.2. Estimated demand and pricing is uncertain, but has been based on other similar facilities and have been reviewed by the manager of those facilities. However demand may be affected by high inflation reducing disposable income.
- 11.3. Secondary spend has not been included within the soft play forecast. It is expected that the soft play will help drive demand for catering and is therefore an additional opportunity to generate further income.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. The soft play will improve provision at the leisure centre for younger age groups. Squash is more likely to be played by older age groups and current usage data demonstrates players are unlikely to be negatively impacted by the removal of two of the four courts.

Sport England, a body of government responsible for developing sport and physical activity and getting people active, have been consulted on the proposal and have no objections to the removal of two squash courts as there will still be squash provision at the site.

- 12.3 The North Herts Squash League use all four courts on Sundays from 6pm-8pm with up to 10-16 players in attendance. The removal of two courts would negatively impact this current booking as capacity would be reduced. However, the League's members are free to utilise the remaining courts which will also be available to them at other times.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. As the recommendations in the report relate to a contract above the EU threshold, Social Value will be incorporated in the procurement process.
- 13.2 The Public Services (Social Values) Act 2012 imposes an active duty on relevant contracting Authorities to consider the economic, environmental and social benefits that can be achieved through commissioning. It does so by requiring consideration of the improvements of economic, environmental and socio-economic of the procurement to wider society.
- 13.3 As detailed in item 8.14, there is tremendous scope and ergo it would be judicious to incorporate appropriate themes, outcomes and measurements in the procurement processes to ensure that the full scope of societal benefits is harnessed.
- 13.4 Finally, utilisation of the Scape Procure Regional Construction Framework ensures Social Value outcomes; for example, utilising a 'go local' approach to spend which benefits the local economy.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. An Environmental Impact Assessment has been undertaken. We recognise that there will be some negative impacts as a result of the soft play proposal, however the consultation with the public had an overwhelming positive response and therefore the project can proceed. Completing the assessment highlighted possible actions that can be explored to reduce the environmental impacts which include;
- Installing a second cycle rack
 - Purchase second hand/ upcycled café furniture
 - Install water saving toilets and taps
- 14.2 Future environmental projects at the leisure centres are being investigated, such as solar PV/ thermal, to reduce their overall environmental impact.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct human resource implications relating to this report.

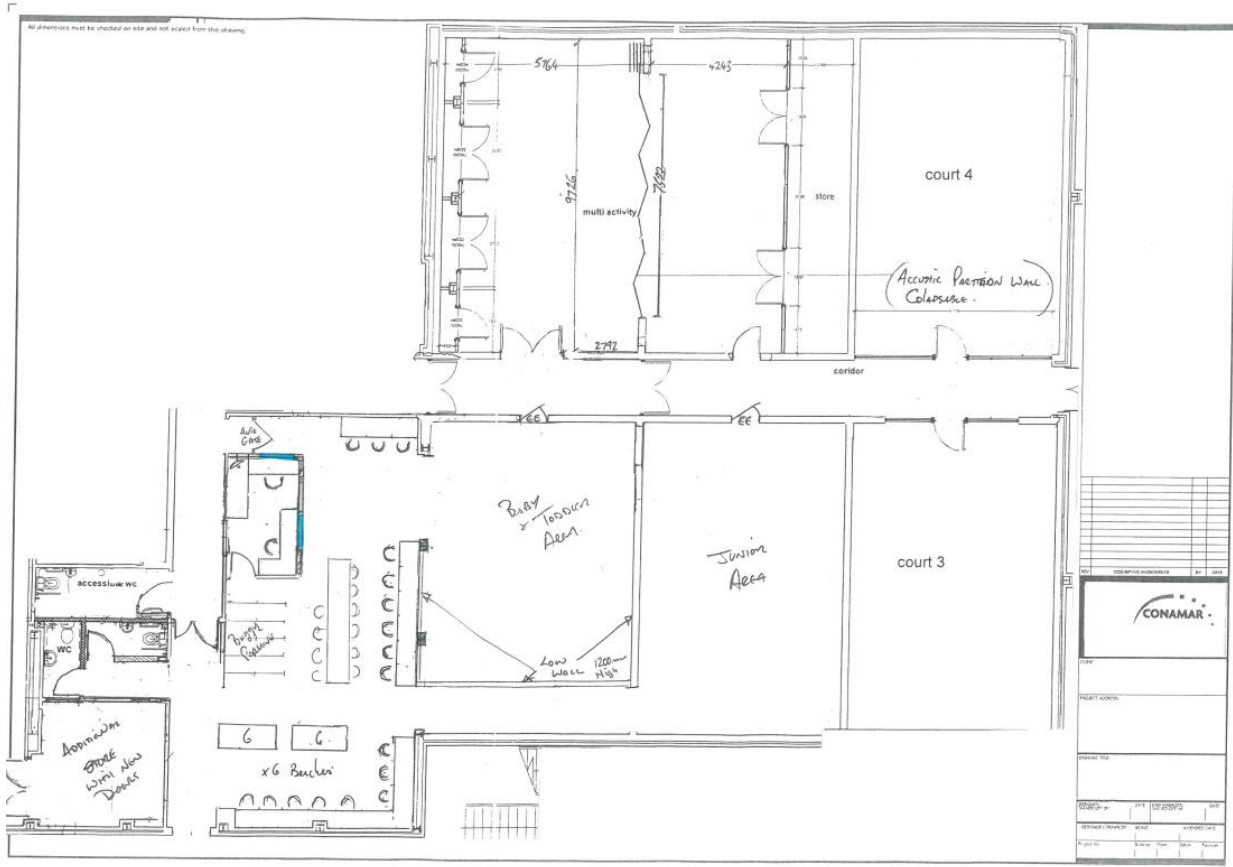
16. APPENDICES

- 16.1 **Appendix A Consultation Results**

16.2 Appendix B Soft Play Perspective View



16.3 Appendix C Proposed Floor Plan



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18. BACKGROUND PAPERS

- 18.1 None