

DELEGATED DECISION NOTIFICATION

REF NO ¹ D37367

DECISION MAKER	Chief Recreation Officer	AUTHORITY BY REFERENCE TO SCHEME OF DELEGATION: ²	Officer Delegation Scheme (Executive Functions) Chief Recreation Officer (a)
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SUBJECT ³	Withdrawal of remaining creche provision at leisure centres
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DECISION ⁴	COUNCIL FUNCTION <input type="checkbox"/> NOT SUBJECT TO CALL IN	EXECUTIVE DECISION (KEY) <input type="checkbox"/> ⁵ EXEMPT FROM CALL IN: NO	EXECUTIVE DECISION (MAJOR) <input type="checkbox"/> ⁵ EXEMPT FROM CALL IN: NO	EXECUTIVE DECISION (OTHER) <input checked="" type="checkbox"/> NOT SUBJECT TO CALL IN
<p style="text-align: center;">THIS DECISION SUPERSEDES D37354 AS THERE WAS AN ERROR IN SECTION 6.1 OF THE REPORT.</p> <p>The Chief Recreation Officer approved the withdrawal of the remaining leisure centre crèche provision.</p>				

AFFECTED WARDS	City Wide
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ADVICE SOUGHT	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">YES</td> <td style="text-align: center;">NO</td> </tr> <tr> <td>Legal</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Finance</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Personnel</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Equal Opportunities</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Other Please Specify</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/> Early Years and Children's Services</td> </tr> </table>		YES	NO	Legal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Finance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Personnel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Equal Opportunities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Other Please Specify	<input checked="" type="checkbox"/>	<input type="checkbox"/> Early Years and Children's Services
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DECLARED OFFICER / MEMBER INTERESTS ⁶	None
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¹ This reference number will be assigned by Governance Services and notified to you

² The relevant paragraph within the decision makers delegated powers should be identified.

³ A brief heading should be inserted

⁴ Brief details of the decision should be inserted. This note must set out the substance of the decision, options considered and the reason for deciding upon the chosen option, although care must be taken not to disclose any confidential or commercially sensitive information. Guidance on the substance of the note is available from Governance Services

⁵ For Key and Major decisions only. If exempt from Call In details to be provided in the report. The Call In period expires at 5.00 pm on the **5th** working day after publication. Scrutiny Support will notify decision makers of matters called in by no later than 12.00 noon on the **6th** day.

⁶ No officer having a pecuniary interest in any matter should take a decision in relation to that matter. Other interests of a non-disqualifying nature should be recorded here.

DISPENSATION BY STANDARDS COMMITTEE

DATE: _____

BACKGROUND PAPERS⁷

Council Budget Book 2010/11
Financial Health Monitoring 2010/11 – first quarter
Executive Board report 25 August 2010

EXEMPT/ CONFIDENTIAL APPENDIX

YES NO RULE NO 10.4⁸ ()

DETAILS OF CONSULTATION UNDERTAKEN (OTHER REASONS/ ORGANISATIONS CONSULTED)


	Yes	No	Date
Executive Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6.10.10
Ward Councillors	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Chief Officers Affected	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____
Others (Specify) _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____

CONTACT PERSON

Ian Waller

CONTACT NO: 3952378

AUTHORISED SIGNATORY⁹


(Name: Richard Mond)

DATE: 11.10.10

	KEY	MAJOR	OTHER
¹⁰ *First publication (5 day notice)			
Commencement for Call In			
Last date for Call In			
Implementation Date			11/10/2010

* If key decision not on Forward Plan, the reason and need that the decision be taken are that:-

⁷ A separate Index should be prepared if necessary. ALL DOCUMENTATION UPON WHICH THE DECISION WAS BASED MUST BE RETAINED AND BE READILY ACCESSIBLE SO IT CAN BE PRODUCED SHOULD THE DECISION BE CHALLENGED

⁸ Relevant Access to Information Procedure Rules to be quoted if there is an exempt appendix

⁹ The signatory must be duly authorised by the Director to make the decision in accordance with the Department's scheme. It is not acceptable for the signature to be 'pp' for an authorised signatory. For Key Decisions only, the date of the authorised signature signifies that, at the time, the Officer was content that the decision should be taken. However, should representations be received following public availability of reports the signatory will consider the effect which such representations should have upon the final decision.

¹⁰ Governance Services will enter these dates



Originator:

Mark Allman 78323

Report of: Head of Sport & Active Recreation

Report to: Chief Recreation Officer

Date of meeting: 6 October 2010

SUBJECT: Withdrawal of remaining creche provision at leisure centres

This report is for;

Discussion only <input type="checkbox"/>	Information only <input type="checkbox"/>	Advice/consideration prior to taking a key decision <input checked="" type="checkbox"/>
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Decision to be taken by:

Full council	<input type="checkbox"/>	Corporate governance and audit committee	<input type="checkbox"/>
Executive board	<input type="checkbox"/>	Standards committee	<input type="checkbox"/>
Area committee	<input type="checkbox"/>	Member management committee	<input type="checkbox"/>
Regulatory committee	<input type="checkbox"/>	A director using delegated authority	<input checked="" type="checkbox"/>

1.0 PURPOSE OF THE REPORT

- 1.1 To propose the withdrawal of the remaining crèche provision in the Sport and Active Recreation Services` Leisure centres.

2.0 BACKGROUND INFORMATION

- 2.1 Creche provision has already been rationalised, and is currently offered in six leisure centres. Together they cost £85,000 in direct staff costs and £1,000 on equipment replacement. Direct income in 2009/10 was £11,600. The resulting £74,400 subsidy in 2009/10 equates to £10.22 for each of the 7,264 annual creche visits, net of overheads and of secondary income from the parent or guardian.

3.0 MAIN POINTS

3.1 The Sports Service faces a significant 2010/11 budget deficit of at least £0.5million, and the expectation is that future years budgets will be even tighter. As part of its budget plan, the service is proposing to withdraw from non core areas of service that operate with a disproportionate subsidy and consequently represent poor use of scarce resources.

3.2 Crèches in leisure centres have been in decline for a number of years. They were introduced to allow parents/guardians to take part in physical activity in the leisure centre, but the expansion of early years childcare provision, private sector operators and Sure Start centres has brought into question their role and cost.

3.2.1 Creches are not universally provided across the service. In fact the total crèche provision is now only 53.75 hours per week across 6 sites, with usage and costs in 2009/10 as follows:

	visits/week	Hours/week	visits/hour	Net cost/yr £	Net cost/visit £.p
Rothwell	41	11.50	3.57	-12,065	-5.66
Pudsey	24	4.00	6.00	-5,287	-4.24
Scott Hall	33	15.00	2.20	-24,560	-14.31
East Leeds	23	11.25	2.04	-11,740	-9.82
Kippax	8	5.25	1.52	-8,891	-21.37
Aireborough	11	6.75	1.57	-11,827	-20.68
ALL	140	53.75	2.82	-74,369	-10.22

3.3 In 2009/10 direct income was £11,600 from a total of 7,264 visits. The direct staff cost was £85,000. Additional costs e.g. equipment have been low – only £1k in 2009/10. The net direct cost of providing the service is therefore £74,400 (£10.22 per visit).

3.4 These figures do not include either indirect costs (such as facility costs, management overheads) or indirect income from secondary spend by parents/carers on sports activities or catering. The secondary spend associated with each crèche visit can only be estimated, because the current leisure management database system does not provide this information. However, even based on the highest off peak standard charge of £5.00 for a Bodyline Gym session, 7,264 visits equates to an income of £30,910, well under half the subsidy before overheads. Charges for other activities or for Leeds Card holders are much lower, and a realistic estimate of ancillary income is probably no more than £20,000, including net revenue generated from vending and café sales.

3.5 Three options have been reviewed to improve the financial performance:

- increasing charges - this would not be a credible way to make a significant impact on the subsidy level. If full cost recovery based on current throughput were applied, crèche charges would rise from £2.00 per hour per child standard rate, £1.80 for Leeds card and £1.30 for Leeds card extra to approximately £11.00 (or £8.00 allowing for secondary income). At this level, uptake would be minimal so the financial position would deteriorate.
- cutting costs. However, costs are almost entirely staffing, and there is no significant scope to cut this as fixed staffing costs are necessarily high to meet OFSTED and general child protection requirements.

- Close worse performing sites, and/or restrict opening hours further. While this would reduce the deficit, the service would still require a significant subsidy per visit which could have been used for other purposes. Moreover the usage trend is downwards and the position is likely to worsen even at the better performing sites.

4.0 FINANCIAL/LEGAL AND EQUALITIES IMPLICATIONS

- 4.1 Staff affected would be entered into the appropriate procedure to support them in finding alternative opportunities either within the service or within Leeds City Council.
- 4.3 The aim of providing crèches was to extend opportunities for participation for parents / carers of young children. Unfortunately the low and declining numbers using the creche service means that this is a disproportionately expensive approach. The Sport and Active Recreation Service has considered the impact of the withdrawal and an Equalities Impact Assessment has been prepared. In light of the large subsidy per user, the partial nature of provision and the availability of other childcare opportunities, it is judged reasonable, even in the light of the impact assessment, for the remaining six crèche services to be withdrawn. Officers have not been able to identify directly comparable alternative facilities in the vicinity of the creches, however the leisure centres will endeavour to signpost or provide information on what child care facilities do exist.
- 4.4 Net savings on direct costs incurred total £74,400. The service anticipates retaining 30% of the estimated secondary income as some customers find alternative child care arrangements or attend classes / sessions at different times of the day. Based on the assumptions above, approximately £14,000 of secondary spend would be lost resulting in an estimated annual net saving for the service of £60,400.

5.0 NEXT STEPS

- 5.1 Staff who are affected will be managed under “Managing Workforce Change” policies and the service will endeavour to absorb them or seek alternative employment in the council.
- 5.2 Existing users of the service will be advised of the closure and what alternative provision the Sports service is aware of. The implementation of the decision will be held for a month from decision date in order to allow customers to explore alternative childcare arrangements.

6.0 RECOMMENDATIONS

- 6.1 The Chief Recreation Officer is requested to approve withdrawal of the remaining leisure centre crèche provision.

Background Papers

Council Budget Book 2010/11
Financial Health Monitoring 2010/11 – first quarter
Executive Board report 25 August 2010