Active Communities Malvern Hills District:
A Vision for the Future

Malvern Hills District
Sport and Leisure Strategy 2014 - 2024

Chapter 15:
Malvern Splash Leisure Complex Health and Fitness and Soft Play Need Assessment

Malvern Hills District Council
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15. MALVERN SPLASH LEISURE COMPLEX - HEALTH AND FITNESS AND SOFT PLAY NEEDS ASSESSMENT

15.1 Background

Sport, Leisure & Culture Consultancy (SLC) were appointed by Malvern District Council in December 2013 to undertake a market appraisal and need assessment for health and fitness and soft play provision at Malvern Splash Leisure Complex. The leisure facility is located in the centre of Malvern, a town which is located 8.8 miles (21 minutes drive) south west of Worcester, 8.5 miles (17 minutes drive) north east of Ledbury and approximately 40 minutes drive from Hereford, Cheltenham and Leominster. The facility is the primary public leisure facility in the south of the Malvern Hills district.

This needs assessment considers the requirement for health and fitness and soft play provision at the existing Malvern Splash site, including:

- the opportunity for expansion of the health and fitness facility (market demand)
- the need for a soft play facility at the centre.

In undertaking this assessment, it is important to consider the current context with regard availability and accessibility for residents within the district, the projected demographic changes over the next 10-15 years, including any significant localised population growth, and the latest best practice (based on Sport England guidelines) in facility supply and demand planning.

15.2 Our Terms of Reference

SLC has been appointed to produce an independent report, which will set out the need for long-term health and fitness and soft play provision at Malvern Splash. This is to support the upcoming procurement of a new management contract and to assist bidders.

The brief envisaged:

- assessment of demand for the aforementioned facilities at Malvern Splash
- availability of alternative provision (supply) in the area.

Key outputs required for the health and fitness assessment include:

- review of the local catchment, considering market segmentation findings
- supply analysis (competition profile)
- existing member analysis (points of origin)
- performance evaluation of current facility
- overall supply and demand analysis (considering capacity potential and population projections).

Key outputs required for the soft play assessment include:

- Supply analysis (competition profile and expected market share)
- Soft market testing (with a soft play operators).

15.3 The Structure of our Report

We have structured the remaining sections of this document to meet the requirements of your brief. We have developed this report setting out our core findings as structured below.

Table 68: Report Structure

Section		Key Content or Output
2	Health and fitness assessment	Review of supply and demand
3	Soft play assessment	Review of supply and demand
4	Conclusions and recommendations	Summary of facility development options

Health and fitness assessment

15.4 Introduction

Malvern Splash Leisure Complex is a public leisure centre owned by Malvern Hills District Council and currently managed by a commercial operator, Sport and Leisure Management (SLM). The facility was built in 1989 and has undergone numerous reconfigurations and refurbishments, including most recently to the wet side changing rooms in 2010. In addition to a 25 metre five lane swimming pool and leisure pool (with slide), the site currently has a 60 station pay and play health and fitness gym (last refurbished in 2007) and a 56m² exercise studio (refurbished in 2003). A small crèche is also provided.

15.5 Demographic overview

Table 69 provides a demographic breakdown of the catchments around Malvern Splash. The information is based on the latest Office of National Statistics (ONS) Household Survey (2011).

Table 69: Demographic catchment – Malvern Splash

	Catchment size (Malvern Splash)					
Demographic Criteria	**2 km (10 min walk)**	**10 min drive**	**15 min drive**	**20 min drive**	**Malvern Hills**	**England**
Total population	**6,014**	**21,766**	**52,954**	**75,410**	**74,631**	**53,012,456**
Aged 0-14	14.1%	15.1%	15.1%	15.4%	15.3%	17.7%
Aged 15-29	14.3%	14.1%	14.4%	14.7%	14.5%	20.0%
Aged 30-64	45.8%	46.0%	46.1%	46.2%	46.0%	46.0%
Aged 65+	23.2%	23.5%	23.6%	23.7%	24.0%	16.3%
Male	48.6%	48.5%	48.7%	48.8%	48.6%	49.2%
Female	52.0%	52.1%	51.3%	51.4%	51.4%	50.8%
Ethnic minority group	4.8%	4.7%	4.5%	4.6%	4.8%	20.2%
General health						
Good	35.0%	35.2%	35.3%	35.1%	35.1%	34.2%
Fairly good	14.2%	14.7%	14.5%	14.3%	14.0%	13.1%
Not good	2.9%	3.9%	3.8%	3.5%	3.9%	4.2%

	Catchment size (Malvern Splash)					
Demographic Criteria	**2 km (10 min walk)**	**10 min drive**	**15 min drive**	**20 min drive**	**Malvern Hills**	**England**
Population with a long term illness	8.5%	8.5%	8.6%	8.3%	8.6%	8.3%
Employment						
Economically active	62.3%	62.4%	61.8%	61.9%	62.6%	69.9%
AB. Higher and intermediate managerial/administrative/professional	45.7%	45.6%	45.4%	45.9%	45.9%	41.2%
C1. Supervisory, clerical, junior managerial/administrative/professional	16.4%	16.6%	16.8%	16.7%	16.7%	19.9%
C2. Skilled manual workers	19.2%	19.3%	19.5%	19.9%	19.5%	20.7%
D. Semi-skilled and unskilled manual workers	8.5%	8.5%	8.6%	8.8%	8.8%	7.2%
E. On state benefit, unemployed, lowest grade workers	14.1%	14.5%	14.2%	14.4%	14.0%	11.1%
Mobility						
Own one or more car	33.4%	33.5%	33.2%	33.3%	33.8%	24.7%
Multiple deprivation						
Household is deprived in at least one dimension	32.8%	32.4%	32.5%	32.8%	32.9%	32.6%

Source: ONS 2011 Household Survey (2013)

Table 2 suggests a relatively small local (10 minute drive time) population around Malvern Splash, which increases significantly between the 10-15 minute catchments as the catchment includes other small settlements such as Ledbury.

Compared with the local authority and national demographic profiles, the local catchment is relatively elderly (high percentage of residents aged 65 and over). While economic activity levels are lower than the national average (driven by the proportion of residents in retirement age), there is a significant disparity across the profile, with a higher than average proportion of residents within the higher AB socio-economic group and the lower group (E). Given the rural nature of the area, levels of car ownership are high, suggesting the site catchment could feasibly extend beyond 20 minutes drive time. Deprivation levels around the site catchment are in line with local authority and national averages.

Figure 15 illustrates that the lower super output area (LSOA) within which Malvern Splash is located is ranked in the better to mid range for multiple deprivation (25,911 out of 32,482 nationally). The site is however surrounded by LSOAs that are more deprived, again highlighting the diversity of the local resident population.

Figure 15: Index of Multiple Deprivation (Malvern Splash)

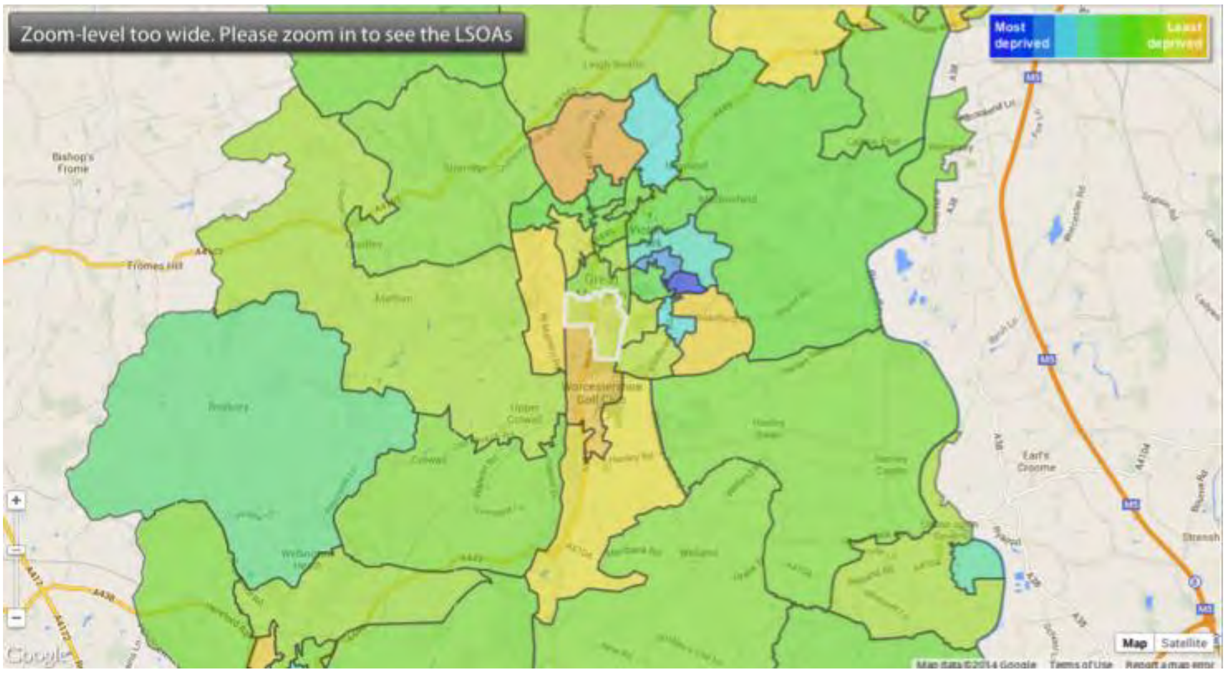


Figure 16 illustrates the barriers to housing and other services. The residents within the immediate Malvern Splash LSOA are relatively less well served (ranked 13,838) than those other LSOAs around the town centre.

Figure 16: Barriers to housing and services (Malvern Splash)

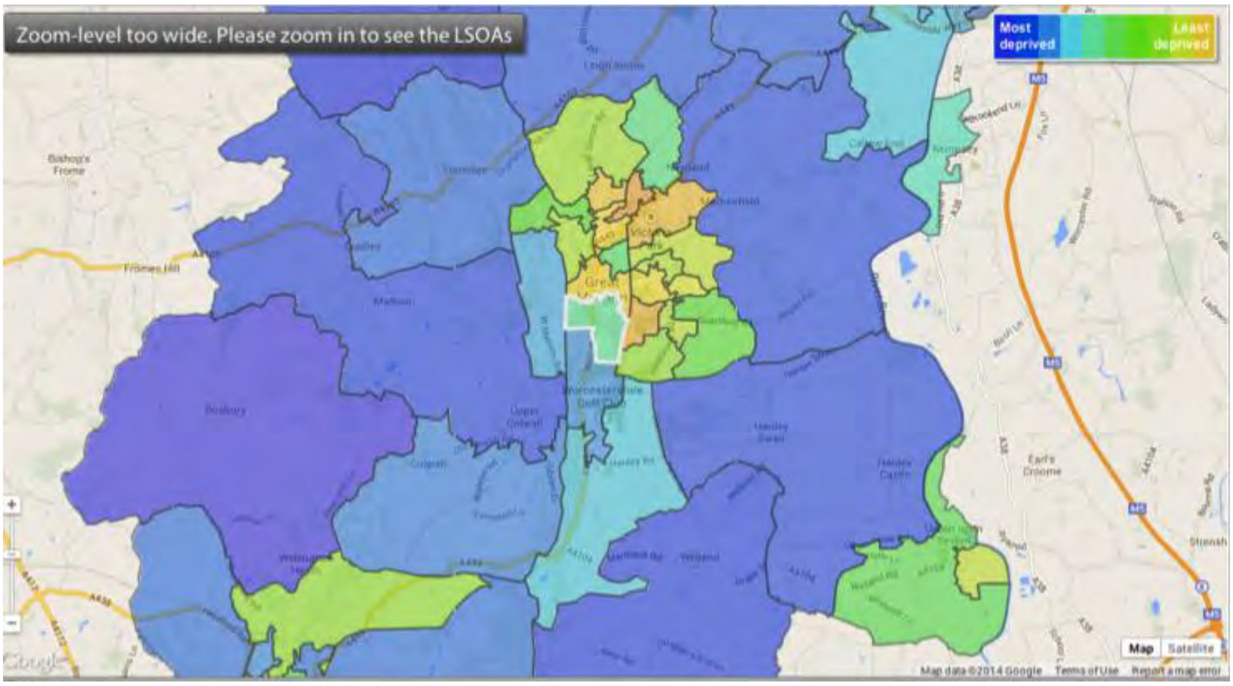
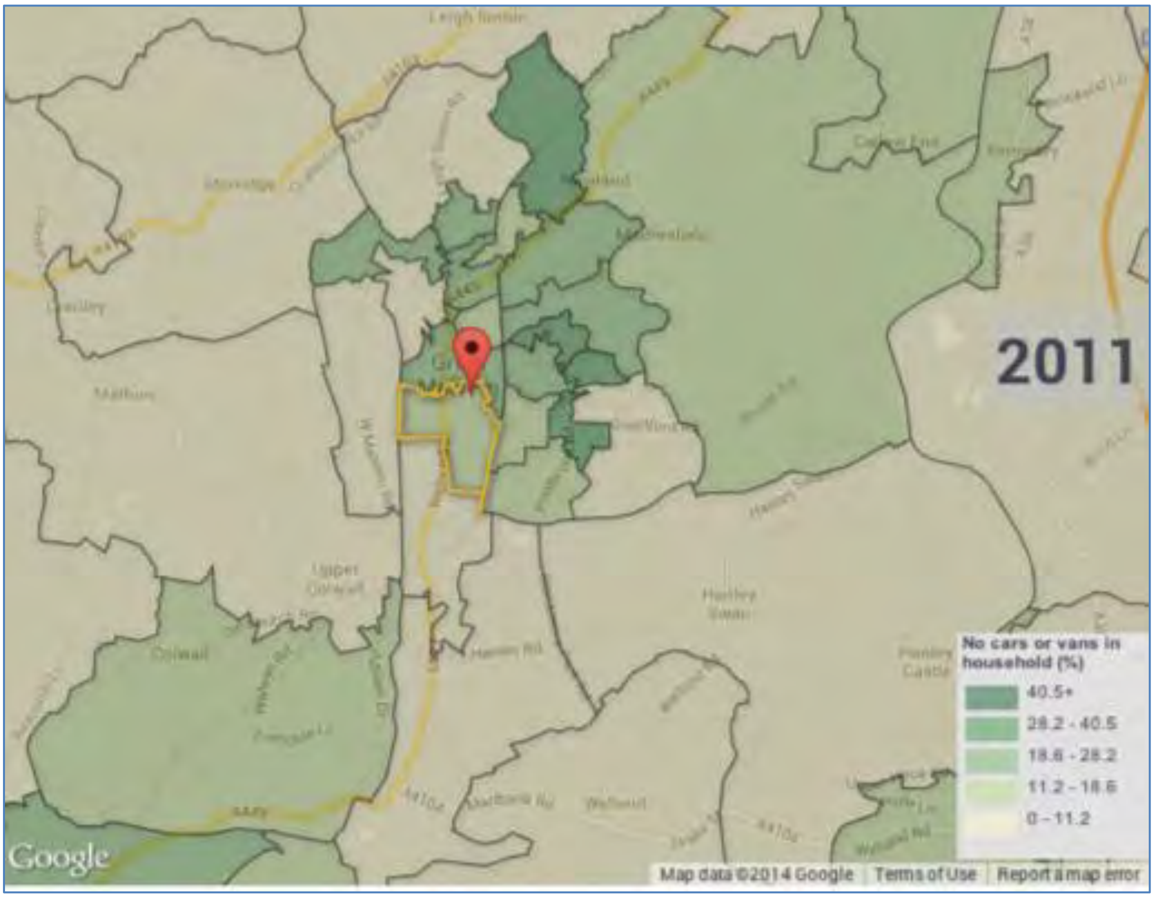


Figure 17 illustrates that there is a significantly higher proportion of residents (between 18% in the Malvern Splash LSOA and up to 39% within other neighbouring Malvern LSOAs) that do not own a vehicle. This would suggest that this local catchment is largely dependent on facilities within the local town.

Figure 17: Commuter patterns (Malvern Splash)



15.6 Market segmentation

Using Sport England's market segmentation tool it is possible to profile the local catchment in terms of its propensity for gym facilities (current demand) and for residents that would like to use gym facilities more (latent demand) but are restricted due to barriers such as availability, accessibility, cost, time etc.

Table 70 illustrates that the dominant segment within a 10 minute drive time catchment is the segment named 'Tim'. While Tim has a relatively high propensity for current participation in gym related activities he has a lower propensity for other class based activities. There is however (within the top nine segments) a high relative proportion of segments (and residents) who currently participate in class activities and have a high latent demand to do more gym based activities (segments such as 'Elsie and Arnold', 'Elaine', 'Chloe' 'Helena').

Table 70: Market segmentation

Segment	0-2.5 mins drive time	2.5-5 mins drive time	5-10 mins drive time	Total	Propensity (current participation)			Propensity (latent demand) Gym
Dominant Segment	**Roger & Joy**	**Elsie & Arnold**	**Ralph & Phyllis**	**Tim**	**Gym**	**Aerobics**	**Fitness classes**	
Tim	377	1270	1401	3048	170	10	29	63
Roger & Joy	457	1620	886	2963	71	65	99	81
Philip	305	1478	1142	2925	118	19	27	71
Elsie & Arnold	408	1737	643	2788	26	50	63	139
Ralph & Phyllis	347	873	1548	2768	40	40	84	78
Elaine	379	1081	1158	2618	104	174	211	122
Chloe	214	707	927	1848	191	200	200	138
Helena	248	797	774	1819	150	256	235	118
Ben	207	705	738	1650	225	5	13	47
Frank	167	879	335	1381	33	13	11	60
Alison	91	524	542	1157	153	314	215	118
Kev	61	891	203	1155	110	16	22	70
Jackie	63	740	265	1068	125	230	146	126
Paula	21	891	153	1065	107	165	95	117
Brenda	66	703	164	933	69	125	102	127
Terry	55	666	177	898	51	13	19	76
Jamie	103	612	154	869	190	6	16	76
Leanne	65	502	120	687	158	198	119	122
Norma	50	347	95	492	41	93	102	145
Total	3684	17023	11425	32132				

Source: Sport England, Market Segmentation (2013)

According to recent analysis undertaken by Experian (using Mosaic group classifications), Malvern Splash fitness membership is primarily attracting the following groups:

- B Professional Rewards (27% of members)
- D Small Town Diversity (18%)
- E Active Retirement (10%).

Compared with the local catchment (3 miles) resident population there is a relatively low representation from the following groups:

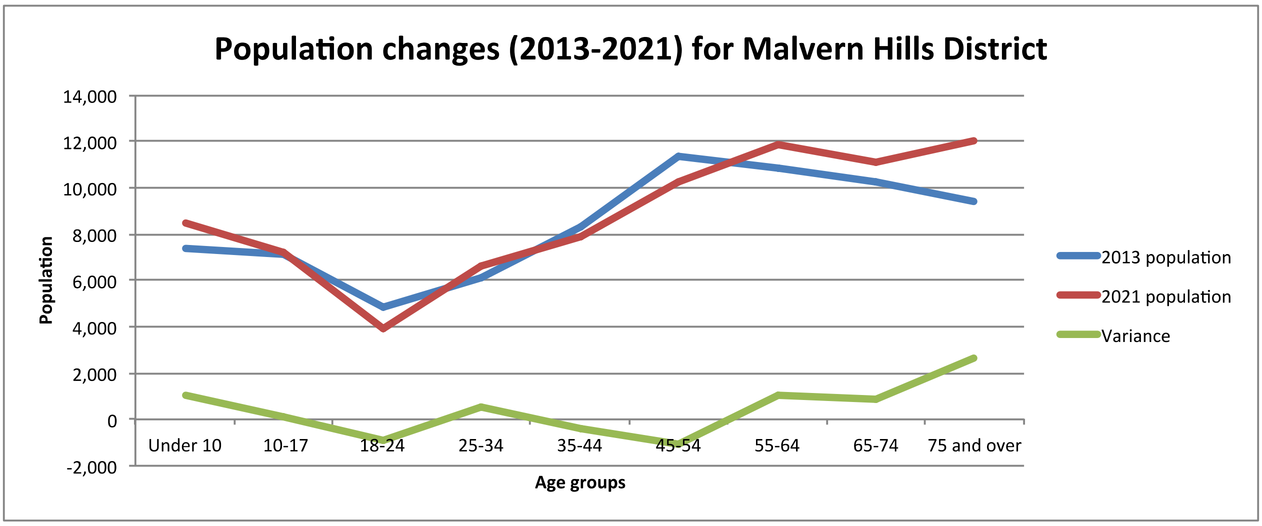
- L Elderly Needs (3% under expected levels)
- I Ex-Council Community (3%).

The above results would be expected given the lower propensity to participate in physical activity within these groups. However the results also show that the highest participating groups are also disproportionately over represented within the profile of members compared with the base resident population (there are 6% more fitness members from the 'Professional Rewards' group than that of the resident population). This would suggest that there may be limited opportunities for further growth given that these demographic groups with high propensity for participation are already over represented.

15.7 Population trends

Figure 18 illustrates the population change within the district by age group between 2013 and 2021 (2011 sub-national ONS projections do not currently project further forward than 2021). The figure suggests a significant increase in those aged 55 and over. This will reinforce the existing market segmentation profile of the area. The implications will mean that there is unlikely to be a significant increase in traditional gym demand.

Figure 18: Population projections by age



Source: ONS Household Survey Sub National Projections (2013)

While the ONS in their latest projections estimate limited overall population growth in the area through to 2021 (5.1% growth in Malvern, 6.6% in Herefordshire, 2.9% in Wyre Forest, 2.2% in Worcester and 4.7% in Wychavon), the council has a number of significant additional residential developments planned (up to 2030) in addition to urban extensions around Worcester. This includes the following:

- Total of 5,306 new homes across the area, equating to approximately 12,204 residents (ONS average of 2.3 residents per household)
- It has been assumed at least 25% of this additional growth will be within a 10 minute drive from the catchment of Malvern Splash, including 700 new homes in north east Malvern and 250 homes in Malvern Town
- Other major extensions approximately 20 minutes drive from Malvern Splash include 2,450 homes in the Worcester Southern Urban Extension and 975 homes in the Worcester West Urban Extension areas.

15.8 Participation rate trends

Table 71 illustrates the latest participation rates for gym-based activities (the most recent statistically reliable results that are availability from Sport England's Active People Survey). The table suggests that Malvern Hills is currently below the national participation rate but has experienced a small amount of growth (1.07%) since 2006. The table does however suggest an overall growth in group and class based fitness activities (supporting the need for studio space).

Table 71: Participation rate trends

Gym participation (once per week)	Latest statistically reliable estimate (Sport England)	Change since 2006
Malvern Hills	**8.43% (2012)**	**+1.07%**
County of Herefordshire UA	6.73% (2013)	-0.26%
Worcester	10.90% (2013	+1.83%
Wychavon	8.82% (2011	-0.31%
Forest of Dean	7.91% (2010)	+2.19%
Tewkesbury	10.20% (2013)	+3.54%
West Midlands region	8.90% (2013)	+0.29%
England	9.51% (2013)	+0.52%
Fitness and conditioning		
West Midlands region	3.64% (2013)	+1.06%
England	4.12% (2013)	+1.64%
Keep fit classes		
West Midlands region	1.84% (2013)	+1.50%
England	1.82% (2013)	+1.46%

Source: Sport England, Active People Survey (2013)

15.9 Existing user points of origin analysis

Figure 19 illustrates the distribution of existing fitness members across the Malvern Splash catchments. Figure 20 shows this split by fitness membership type. It is clear that the majority of current members are located within the 10 minute drive time catchment, and that Malvern Splash serves a distinct local resident population.

Figure 19: Health and fitness user point of origin map (all)

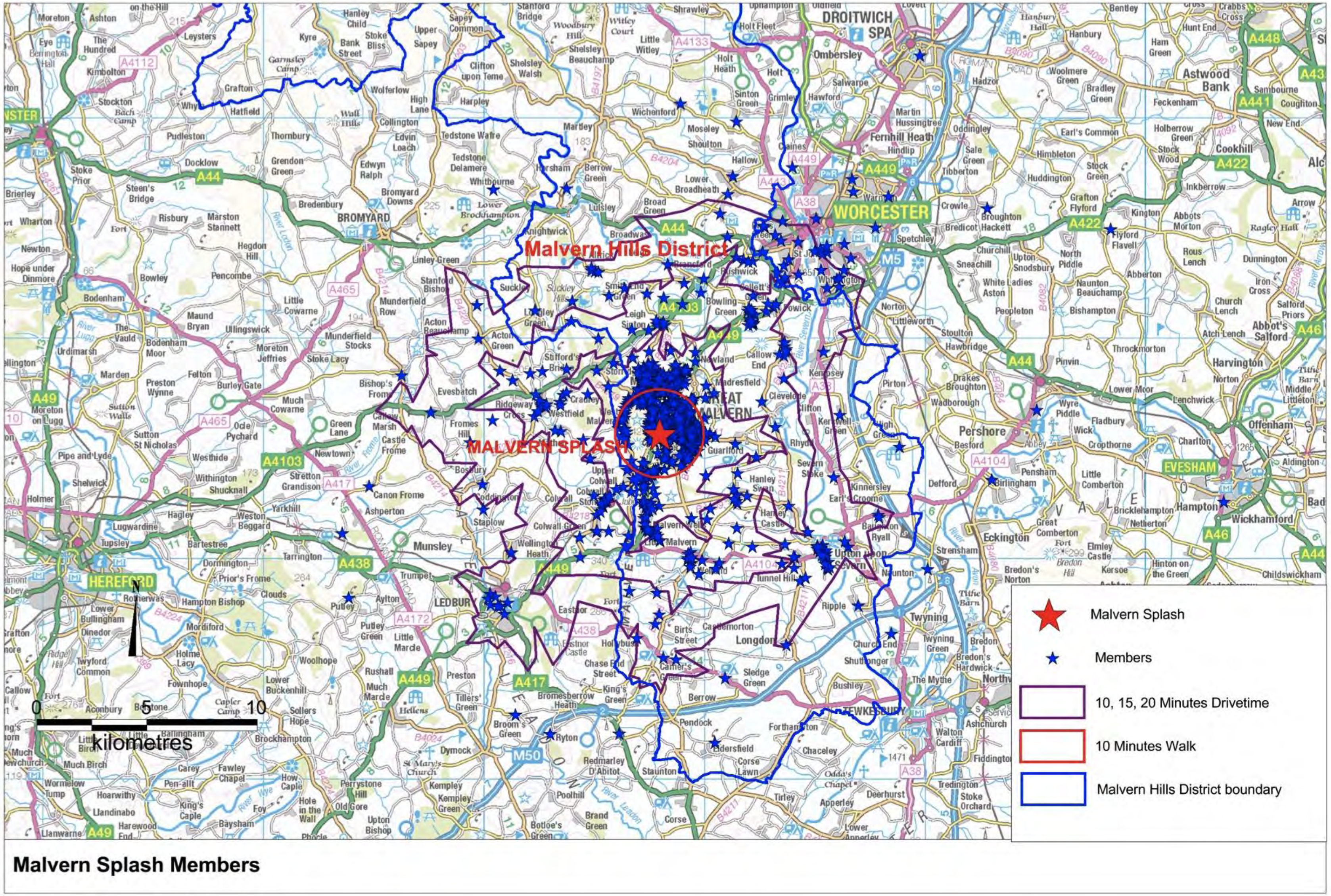
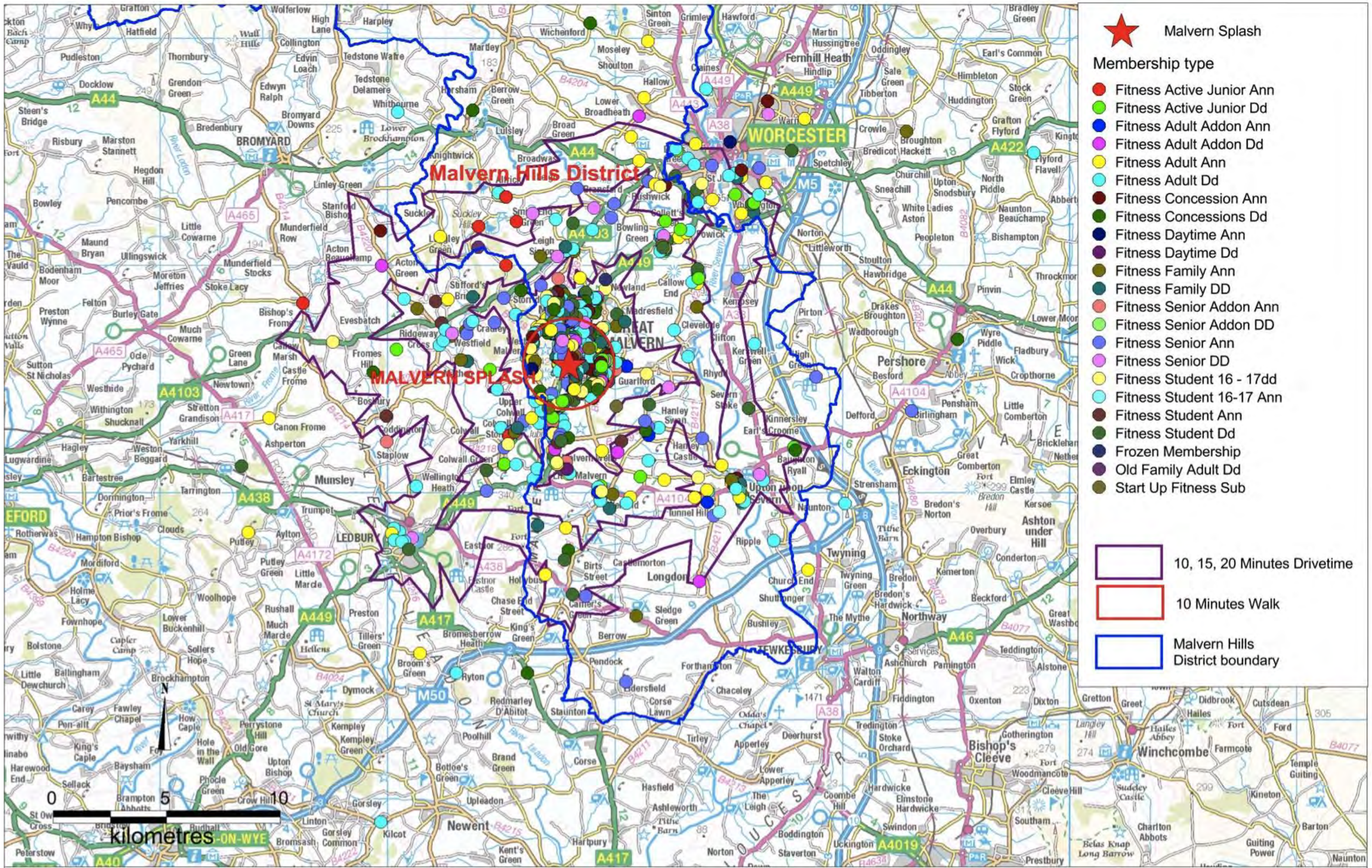


Figure 20: Health and fitness user point of origin map (by membership type)



Malvern Splash Members by Membership type

Table 72 shows the break down of existing fitness members. The table shows how 87% of members reside within a 10 minute drive of Malvern Splash and 93% within 15 minutes drive. The table also compares the number of members with the base resident population for each catchment, illustrating a significantly high conversion rate (11%), as would be expected given the local nature of the site, within the 10 minute walk time catchment of Malvern Splash.

It is interesting to note that the average participation rate in Malvern Hills district is 8.4%. Malvern Splash attracts 11% of local residents (within 2km) and 6% of residents within a 10 minute drive time as fitness members. This is impressive, especially as there is alternative pay and play provision within these catchments.

According to Sport England's market segmentation tool (based on participation rates and the demographic profile) there should be approximately 2,868 keep fit and gym participants within a 2km catchment of the site and latent demand of 1,158 residents. It will be important to consider these levels when reviewing overall throughput at the existing site (as these figures also consider casual participation).

Table 72: Distribution of existing users (conversion rates)

Catchment	Inside Malvern Hills District (fitness members)	Outside Malvern Hills District (fitness members)	Total fitness members	Percentage of members by catchment	Resident population	Conversion rate
2km (10 mins walk)	684	1	685	45.4%	6,014	11.4%
Within 10 mins drive time	1,299	12	1,311	86.8%	21,766	6.0%
Within 15 mins drive time	1,364	45	1,409	93.3%	52,954	2.7%
Within 20 mins drive time	1,408	60	1,468	97.2%	75,410	1.9%
Outside 20 mins drive time	10	32	42	2.8%	N/A	N/A
Total members (valid postcodes)			1,510			

Source: SLM membership data (2013)

15.10 Supply assessment (competition audit)

To fully assess the need for alternative (or additional) health and fitness provision at Malvern Splash, an audit of competing health and fitness facilities within the site catchments has been undertaken. Figure 21 and Table 73 illustrate the alternative provision in the local area.

The price audit in Table 73 suggests that the price for Malvern Splash is relatively high, both in terms of membership and casual pay and play access, compared with other local gyms. This is relevant given the relatively high socio-economic diversity levels within the immediate catchment.

Figure 21: Health and fitness competition map

Health and Fitness facilities around Malvern Splash by number of stations

Table 73: Local competition audit

Catchment	Facility name	Stations	No. of studios	Access type	Membership price (full adult monthly)	Pay and play price (peak time)
2km (10 min walk time)	**Malvern Splash**	**60**	**1 x 56m²**	**Pay and Play**	**£34.99**	**£6.25**
	Malvern College Sports Complex	45	1	Registered Membership use	£41.00	Not available
	MSJ Sports and Fitness Centre	30	1	Pay and Play	£30.00	£5.00
	Revolution Fitness	45	1	Pay and Play	£30.00	£5.00
10 min drive time	Energize	42	0	Pay and Play	£31.50	£5.00
	Pf2 Health Club (Malvern)	37	1 x 70m²	Pay and Play	£33.00	£8.00
	Sport Dyson Perrins	30	0	Pay and Play	£19.00	£3.00
	The Malvern (spa)	50	1	Members only	£64.00	Not available
	Abbey College	15	0	Private Use	N/A	N/A
15 min drive time	Bank House Hotel & Golf Country Club	4	0	Private Use	N/A	N/A

Source: Sport England, Active Places (2013)

Table 74 summarises the level of health and fitness provision within each catchment, comparing the number of stations with the resident population. The table suggests a relatively high level of all types of access and pay and play access within the immediate catchment of Malvern Splash.

Table 74: Local competition – provision benchmarking

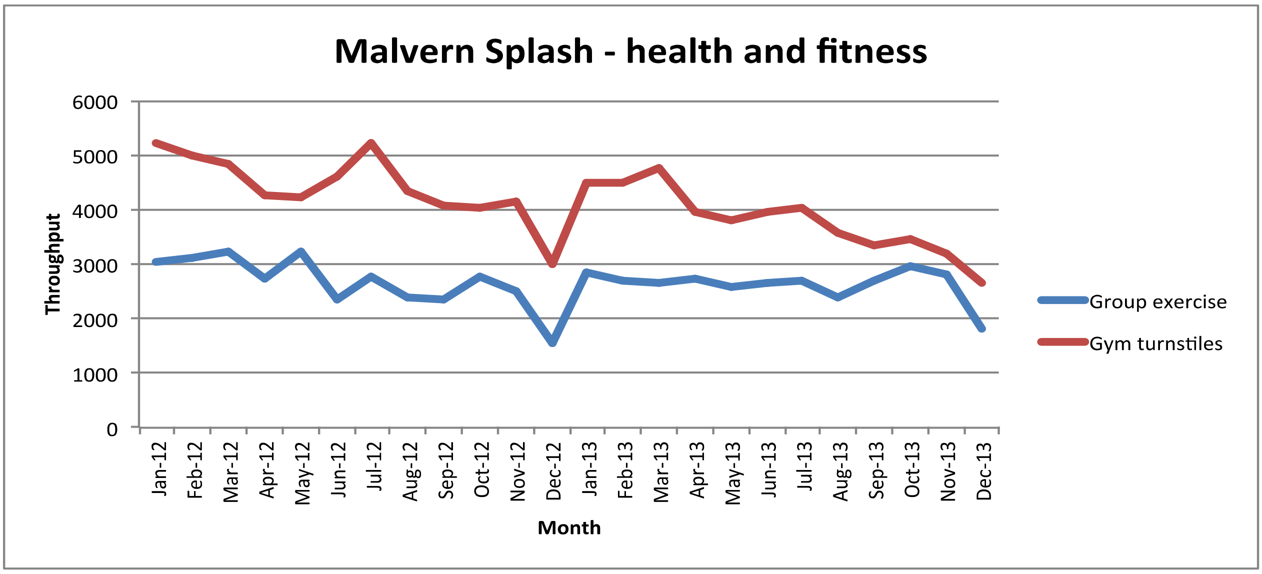
Catchment	Total provision (stations)	Total pay and play provision (stations)	Population	Provision per 1,000 residents (all access types - stations)	Provision per 1,000 residents (pay and play - stations)
2km (10 min walk)	180	135	6,014	29.9	22.4
10 min drive time	354	244	21,766	16.3	11.2
15 min drive time	358	244	52,954	6.8	4.6
20 min drive time	581	370	75,410	7.7	4.9
Malvern Hills District	435	344	74,631	5.8	3.9
England	340,305 (7580 sites)	187,969 (3,697 sites)	53,012,456	6.4	3.5

15.11 Operational evaluation

The current gym has approximately 1,510 members, equating to approximately 25 members per station (although not all these should be assumed to be regular gym users given the nature of different memberships). This is below the industry target of circa 30-35 members per station, accounting for a comfort factor and peak time pinch points.

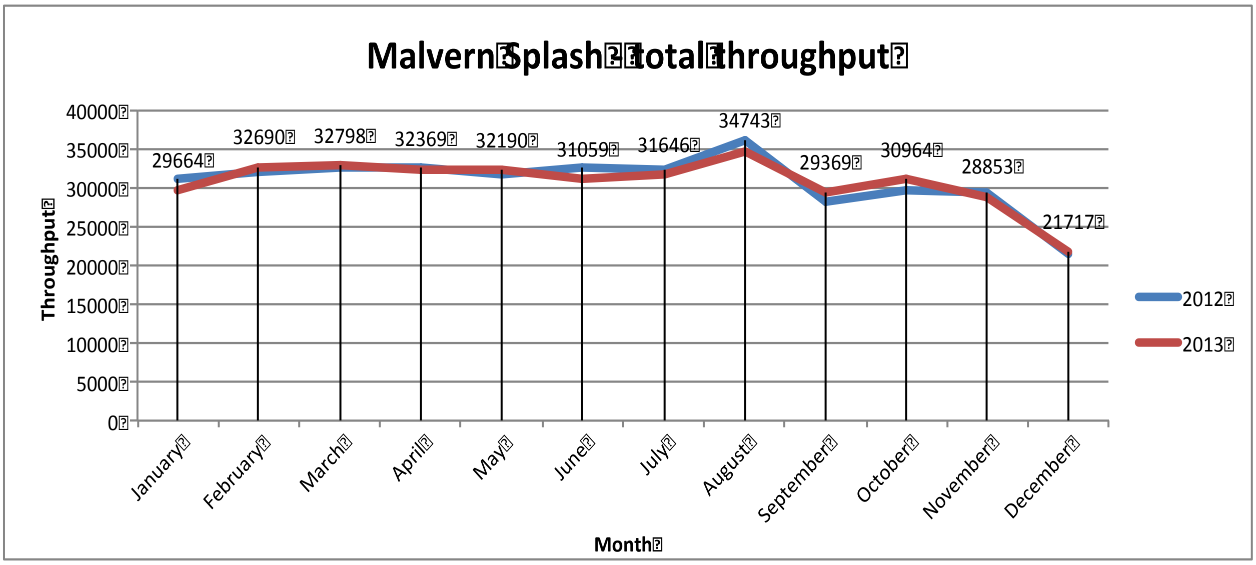
Figure 22 illustrates the gradual decline in both group exercise and total throughput within the Malvern Splash gym over the last two years. Between the two years group exercise throughput has fallen by 2% and overall gym throughput by 14%. Figure 23 illustrates how this decline in gym use has been mirrored by an overall decline in throughput within the centre.

Figure 22: Health and fitness throughput trend



Source: SLM (2013)

Figure 23: Malvern Splash total throughput



Source: SLM (2013)

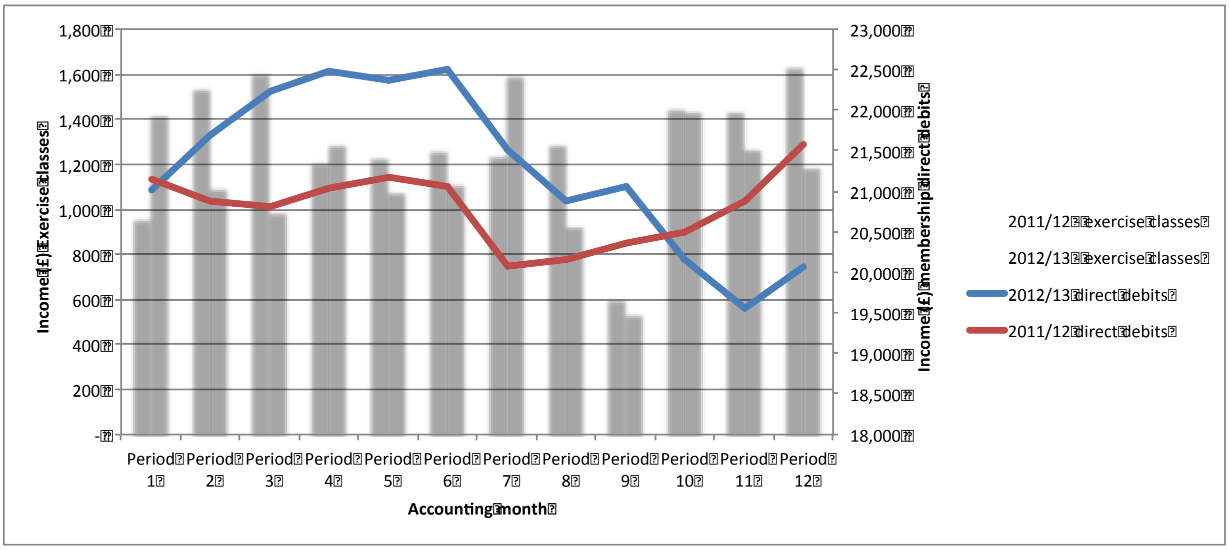
15.12 Financial evaluation

The following two figures (24 and 25) provide a financial overview for the last two years (direct debit income which includes fitness membership and exercise class membership) and the trends specific to the gym for the last ten years.

Figure 24 suggests that direct debits were up for the first half of 2012/13 compared with the previous year but these then fell in the second half of the year. Overall income from exercise classes has remained relatively stable over the last two years but with significant monthly fluctuations.

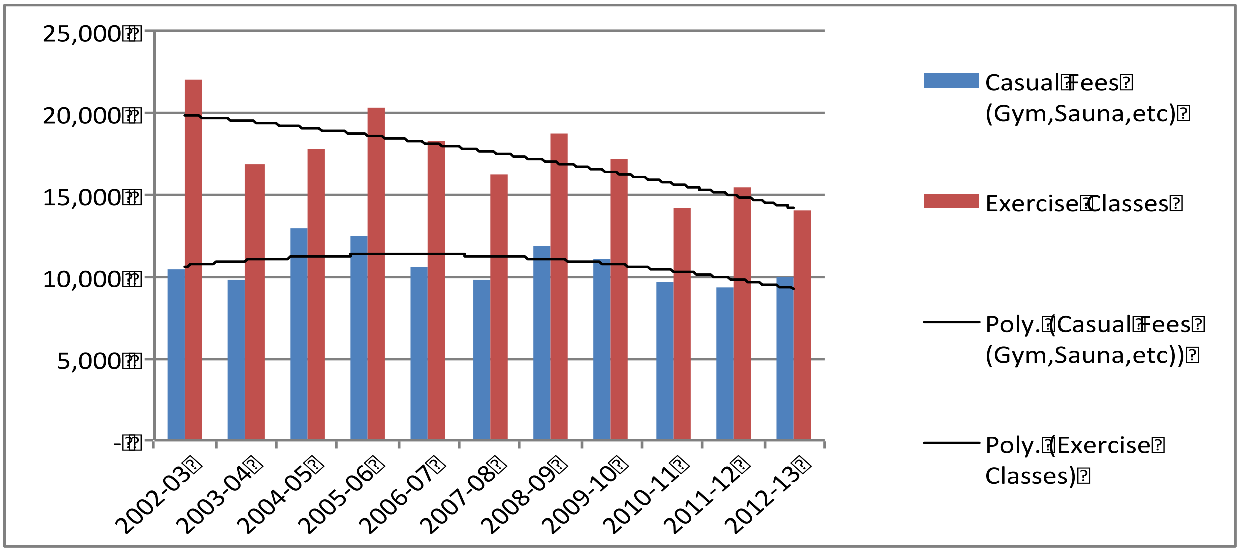
Figure 25 demonstrates the long-term gradual decline in income from the Malvern Splash gym. Given that casual and group exercise has only fallen slightly over the past couple of years, the main causal factor in the decline of throughput (and therefore income areas such as secondary spend) will be the decline in fitness membership income.

Figure 24: Malvern Splash income trends (2011-2013)



Source: Data from Malvern District Council (2013)

Figure 25: Malvern Splash income trends – health and fitness (2002-2013)



Source: Malvern Hills District Council (2013)

15.13 Supply and demand modelling

Our in-house model has been used to provide a further overview of health and fitness supply and demand in around the Malvern Splash site. The following parameters and assumptions have been applied to the modelling for health and fitness facilities:

- the model defines health and fitness users as all people participating in health and fitness, including private club members, users of local authority facilities and home users
- health and fitness stations are pieces of fixed equipment – either resistance or cardiovascular. Free weights are not included in the calculations
- penetration rates of health and fitness (gym) users are defined using results from the Sport England's Active People Survey (2012). This is estimated at 8.43% for Malvern
- facilities at public, private and dual use sites are all included with equal weighting since peak use is in the evenings and weekends
- an industry standard drive time catchment of 15-minutes has been used
- peak times are 6-10pm Monday to Friday and 12pm-4pm at weekends (28 hours in a week)
- the average user participates on average 2.4 times per week or 9.5 times every four weeks
- the 'at one time' capacity of a health and fitness facility is calculated by the ratio of one user per station. 65% of use is at peak times. .

Based on the above assumptions, Table 75 illustrates the current demand (based on ONS 2011 population estimates and projections and planned housing developments) for the Malvern Splash catchment). The model suggests an overall supply of pay and play facility access type (244 stations) within a 10 minute drive time is sufficient to cater for the current and projected levels of demand (only an 18 station undersupply in 2021 if all residents use just pay and play facilities).

Factoring in the planned housing developments this undersupply rises to 32 stations (10 minute drive time) for pay and play provision although it is likely that the three private gym facilities (with 110 stations) within this catchment will absorb some of this demand, as well as absorbing a significant amount of current demand. Across all access types there is projected to be an oversupply of stations, despite the overall planned population growth, both within a 10 minute and 20 minute drive time catchment.

Table 75: Health and fitness needs estimate

	10 minute drive time catchment (2011)	10 minute drive time catchment (standard ONS 2021 projections only)	10 minute drive time (ONS projections + planned Council residential developments)	20 minute drive time (ONS projections + planned Council residential developments)
Catchment	52,954	55,655	58,706 (assumed 25% of growth within catchment)	91,460
Demand	249	262	276	430
Pay and play				
Current catchment supply (pay and play)	244	244	244	370
Oversupply (undersupply)	(5)	(18)	(32)	(60)
All access types				
Current catchment supply (all access types)	354	354	354	581
Oversupply (undersupply)	105	92	78	151

In conclusion there is limited justification for expanding the gym at Malvern Splash with additional health and fitness equipment (stations), as the current level of 60 stations is adequate.

The focus should be on maximising current studio space and qualitative improvements to the gym environment to increase throughput (attracting a broader range of members from the local community, including those moving into the new residential developments) and enhance membership retention rates.

15.14 Health and fitness summary

Based on the above analysis it is unlikely that additional capacity is required within the Malvern Splash gym (stations or studio space), factoring in the planned housing developments across the area, and this is further supported by the longer-term demographic projections.

The focus should be on qualitative improvements to increase membership closer to the 30 members per station (which is deemed to be possible if the centre can generate greater overall footfall to the site) and then reduce attrition rates through suitable programming of activity and studio space to broaden the appeal of the fitness facility to a wider resident demographic.

15.15 Soft Play Assessment

The current site has a small crèche but no soft play provision, which is typically provided to appeal to an age group ranging from 2 to 14 years old. While there are no industry models to evaluate supply and demand for soft play, a high level assessment has been undertaken, including soft market testing and initial business planning with a soft play operator.

15.16 Supply (competition audit)

Figure 26 illustrates the provision of other soft play facilities around Malvern Splash. The audit illustrates that only one other facility is located within a 20 minute catchment of the site. As detailed in Table 76 this site (Little Acorns Indoor Play) is a relatively small site with limited facilities, therefore we would anticipate the Malvern Splash catchment, subject to facility specification, could extend in Worcester.

Figure 26: Soft play provision

Soft Play facilities around Malvern Splash

Table 76: Local soft play provision

Facility	Food & beverage available	Age group/spec	Peak time rate
Little Acorns Indoor Play	Yes	2-14 years old 500sq ft. (200 capacity)	£5.00
Wacky Warehouse - Strawberry Field	Yes	Under 12 years old/ small soft play area and activity centre – part of a pub	£3.75
Play Planet Soft Play Centre	Yes	Aged 0-13 years old/ Zip wires, climbing wall, sports area etc. + outdoor play area 15,000 sq. ft. (licenced for 350 but don't allow over 250)	£5.40

15.17 Demand assessment

The demand for soft play provision is primarily driven by the size and profile of the local catchment and the amount of junior (primary) school provision in the local area. Typically a catchment can extend up to a 30 minute drive time depending on local competition. Outside of a 15 minute catchment and operators would expect children to visit once per month on average. Within a local catchment and children use venues typically on a weekly basis. Leisure centres are favoured sites by operators as they have a ready made client base (adult members using other facilities), existing food and beverage facilities on site and significant parking facilities.

Given the potential size of the Malvern Splash catchment (75,000 within a 20 minute drive time catchment and a further 99,600 (2011 ONS) in Worcester) we would expect significant demand at the site. However, it is important to take into account the relatively low number of under 14s (currently and within the future demographic projections).

15.18 Specification guidance

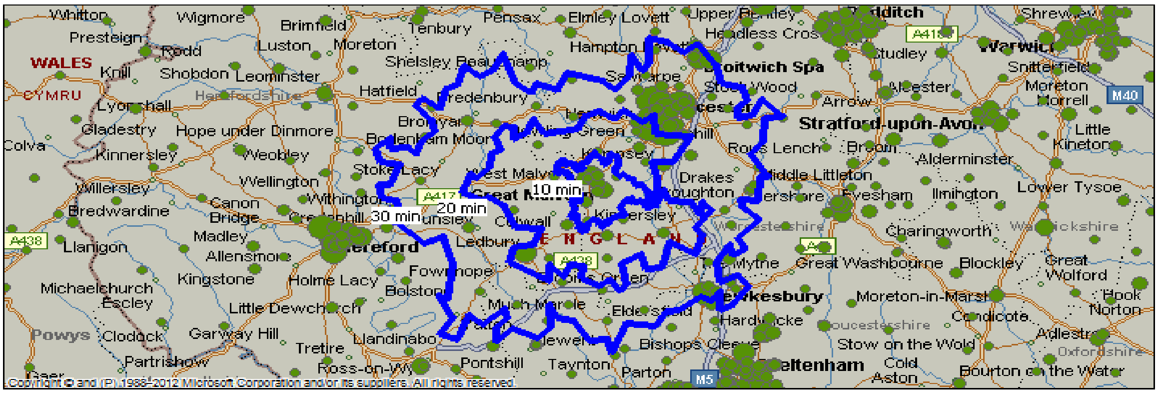
A small (commercial) soft play facility is typically 2,500-3,000 sq. ft. (235m²) with larger centrally located facilities of 7,000-8,000 sq. ft. (650m²) Regional sites can be up to 15,000 sq. ft. (1,400m²). It is recommended soft play areas are double heighted to allow for slides. Food and beverage (serveries) are deemed mandatory as parties drive a large proportion of income.

15.19 Soft market testing (House of Play)

House of Play is one of the leading soft play providers in the UK. They would typically look for a catchment of 25,000 under 14 year olds to make a large facility commercially viable (we would expect the Malvern Splash site, assuming it attracts a proportion of Worcester residents, to serve a catchment of circa 150,000 residents (equating to 22,500+ under 14 year olds).

House of Play have undertaken additional analysis on the site and given the number of junior schools in the area would propose a facility primarily for up to 8 years old (17,585 primary school students within a 30 minute drive time catchment, as per Figure 27). Their internal model predicts an annual throughput of 27,899 comprising of 5,750 juniors, 8,445 toddlers, 1,678 party attendees and 12,026 accompanying adults.

Figure 27: Primary schools within a 30 minute drive time catchment of Malvern Splash



Source: House of Play (2013)

This type of facility (approximately 235m² evenly split by play, seating and ancillary areas) would typically turnover circa £71k in year one and then £90k from year two onwards with gross profit at circa 73%. Fit out cost (play equipment only) is estimated at £36k (excl. VAT).

If the soft play facility is owned/managed by the local authority or trust it is seen as advantageous given that the savings on rent and business rates can often determine the success of a soft play facility.

15.20 Soft play summary

From the above high-level analysis it is recommended that a soft play facility is viable at the Malvern Splash site, subject to further soft market testing to establish the most appropriate specification, which also needs to fit with the remainder of the facility mix.

The relatively low capital expenditure required to fit out the facility, in addition to existing ancillary provision already in-situ and current footfall should mean the facility reaches operational maturity by year two and should return a standalone net profit margin within year one. The capital expenditure for fit out is relatively low accounting for existing ancillary provision and the facility is projected to return a net profit margin in year one. However, the capital investment required to accommodate this facility will be the issue if it cannot be accommodated within the current facility (which we have assumed to be the case).

15.21 Conclusions and Recommendations

Sport, Leisure and Culture (SLC) were commissioned by Malvern Hills District Council to undertake a needs assessment for gym (health and fitness) and soft play provision at Malvern Splash. It is expected that this high level review will inform potential operators as part of a leisure procurement programme.

In conclusion we do not believe that it is commercially viable to extend the existing gym further but enhancements to the environment will support the maintenance of existing levels of demand. The current and projected demographic profile (despite planned residential developments), coupled with relative high levels of alternative provision and a historic trend in performance suggest that improvements to the existing site should be qualitative. They should focus on accessibility and availability of programmes and activities to the local (demographic) market segments.

In terms of soft play there is a significant market opportunity to establish a central facility to appeal to residents under 8 years old both across Malvern Hills district and Worcester. To be commercially viable this will need to be of significant size (at 235m² total area) and have prominence within the overall on-site leisure offering. The capital expenditure for fit out is relatively low accounting for existing ancillary provision and the facility is projected to return a net profit margin in year one. However, the capital investment required to accommodate this facility will be the key issue that will require further consideration by the council and its operating partner.

Active Communities Malvern Hills District:
A Vision for the Future

Malvern Hills District
Sport and Leisure Strategy 2014 - 2024

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