

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Advanced Subsidiary GCE

LEISURE STUDIES

G182/CS

UNIT 3: Leisure Industry Practice

CASE STUDY

PRE-RELEASE MATERIAL FOR JANUARY 2006 EXAMINATION

Thursday

12 JANUARY 2006

Morning

1 hour 30 minutes

INSTRUCTIONS TO CENTRES

- This clean copy of the case studies should be issued to candidates in the examination.

INFORMATION FOR CANDIDATES

- This is a clean copy of the case study which you should already have seen.
- You should refer to it when answering the examination questions which are printed in a separate booklet.
- You **must not** take your previous copy of the case study into the examination.
- You **must not** take notes into the examination.

These pre-release case studies consist of 4 printed pages.

New Horizon Leisure Centre

Opened six months ago, New Horizon Leisure Centre (NHLC) is a new venture undertaken by Hilton City Council and Hilton Development Corporation. The city centre of Hilton which had originally been redeveloped in the 1960's had become rundown and a focus for crime and disorder. The building of NHLC is part of the planned re-generation of the city centre which is being undertaken with both public and private funding. NHLC itself is only part of an overall leisure development that includes cinemas, shops and restaurants as well as a new privately owned leisure facility, Iceworld. The re-development also includes a park and ride scheme, with increased public transport, an emphasis on pedestrianisation and a congestion charging scheme within the city centre.

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NHLC has a traditional array of facilities including a sports hall, gymnasium, fitness studio, and a bar and cafe. In addition, it is planned that part of its unique selling points will be the 5,000 seating capacity sports hall (where the city's successful basketball team, the Hilton Panthers, will play their home games); as well as a new state of the art leisure pool. The leisure pool is designed in an oval shape with a beach area, wave machine and flumes; there is also a connecting area of rapid flow water in which small inflatable equipment can be used.

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The initial usage of NHLC has been less than anticipated and the leisure card scheme which offered discounts and bonus points through membership to residents of Hilton has not been as successful as had been hoped. NHLC is predicting to break-even in two years, based on its planned revenue/expenditure budget.

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NHLC has an experienced staff, although there has been an attempt to keep staff numbers to a minimum because of the anticipated impact on costs. The staff have been drawn from existing dual use facilities which are now in the process of being handed over to the management of the schools in which they are based. It is hoped that as the usage of NHLC increases, new employment opportunities will be developed. NHLC has also implemented the Investors in People Standard. A training programme for staff has been set up, with four training days organised a year. The next training day will cover The Disability Discrimination Act and The Children's Act.

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A marketing consultancy was employed before the opening of NHLC. The consultancy completed a report with recommendations on how NHLC should be promoted, integrated within a proposed marketing mix. The report recommended that NHLC should have a dynamic marketing plan, focusing on the marketing mix and it emphasised the need to assess the external influences on NHLC's products and services. However, much of the report (including both PEST and SWOT analyses) was ignored as it was initially seen only as a way of supporting bids for funding.

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Because of the lack of visitors, to the facility NHLC has set up a product development working group which is to re-visit the marketing report and prioritise the development of a programme of activities for NHLC. The management of NHLC also intends to draw up a customer charter which it will issue to all users.

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An extract from current weekday programme of activities at NHLC is shown in Fig. 1.

Fig. 1 – A typical weekday programme at NHLC.

	9.00	12.00	1.30	3.00	5.00
LEISURE POOL	Schools		Schools		Public swimming
SPORTS HALL			Play for u-4's		
SIDE HALL		To the max	High intensity circuit training	Total body	
GYM AND FITNESS STUDIO	Public access	Public access	Public access		Public access

A number of problems have been identified within NHLC since the opening and these include:

- poor financial planning
- a failure of the computer network, including the discovery that at one point the system had been 'hacked' into
- issues with the usability of business systems as a result of inadequate initial planning
- inadequate storage facilities in the bar/cafe
- a staff rota which failed to provide sufficient cover for staff illness, or to provide suitably trained staff to supervise the range of activities within the facility
- an insufficiently developed rolling health and safety procedure to deal with risk assessment for example there have been a number of instances of theft both from vehicles parked in the car park and from the changing rooms within the centre.

Fig. 2 shows an extract from the balance sheet of NHLC as at September 2005.

Fig. 2 – Extract from the interim balance sheet for NHLC (£'s)

FIXED ASSETS	10,682,000
CURRENT ASSETS	
Stocks	30,587
Debtors	6,418
Cash at bank and in hand	9,087
	46,092
CREDITORS	
(Due within current year)	(70,487)
NET CURRENT ASSETS	(24,395)
NET ASSETS	1,067,605

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