

Report of Acting Business Manager

Report to Head of Sport & Active Lifestyles

Date: 15th August 2014

Subject: Design & Cost Report for Sport Equipment Leasing

Capital Scheme Number: 32003/SPT/COM

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Best Council Plan 2013 – 2017 sets Council objectives of:
 - Supporting communities and tackling poverty – involving people in shaping their city and tackling the challenges of poverty, deprivation and inequality – with a focus on supporting healthy lifestyles.
2. Customers look for a good standard of sports and fitness equipment and when equipment falls below standard, the number of active users reduces. This will in turn result in lower customer satisfaction and therefore lower income levels for the leisure sites.
3. On 14th February 2014, Executive Board approved £300.0k injection of funding for parent scheme 32003/SPT/000. Sport wishes to obtain authority to spend £131.9k in 2014/15 of the £300.0k total on scheme 32003/SPT/COM.

Recommendation

4. The Head of Sport & Active Lifestyles is recommended to agree that £131.9k is approved for spending on sports and fitness equipment in 2014/15 from scheme 32003/SPT/COM.

1 Purpose of this report

- 1.1 The purpose of this report is to seek authority to incur expenditure of £131.9k from capital scheme number 32003/SPT/COM.

2 Background information

- 2.5 In February 2014, Executive Board approved £300.0k injection of funding for equipment at leisure facilities in 2014/15 for parent scheme 32003/SPT/000.
- 2.6 In order to best manage the revenue budget in the medium term, Sport wish to limit expenditure to £200.0k in 2014/15, being £131.9k for scheme 32003/SPT/COM in this report plus £68.1k on scheme 16777/SPT/COM which has already been approved and committed for spending.

3 Main issues

- 3.1 The £200.0k will be spent on gym fitness equipment from approved suppliers to directly support the £4.5m Bodyline income. The equipment options are currently being reviewed to provide a clear overview of the essential investment required to protect the services income from its network of Bodyline Gyms. In addition general sports equipment will be purchased once prioritised to support the other £7.5m of sport income. This will include martial art and gymnastic matting, aquatics related equipment, and mechanical cleaning aids by way of examples.
- 3.2 The annual equipment leasing repayments are fully included in the current revenue budget for Sport and its 3 year medium term strategy 2015-2018.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Customer opinion has been catalogued through the annual customer survey which concluded:
- 4.1.2 *'If the impact of capital investment has a favourable impact on customer satisfaction, then the opposite can be said of the lack of investment. All centres occupying the bottom five places could argue that there is a need for significant investment in those sites.'*

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An impact assessment has been completed for the wider Sport capital programme; it includes the following issues:

- The programme should enhance disabled access;

4.3 Council policies and City Priorities

- 4.3.1 The Best Council Plan 2013 – 2017 sets Council objectives of:

- **Supporting communities and tackling poverty – involving people in shaping their city and tackling the challenges of poverty, deprivation and inequality – with a focus on supporting healthy lifestyles.**

- Becoming a more efficient and enterprising council – improving our organisational design and working with partners to effect change – with a focus on getting services right first time and improving customer satisfaction.

4.3.2 Both the above objectives are supported by the improvement of the equipment to encourage current users to keep using the leisure centres and to ensure they encourage new users to participate in sport and leisure activities.

4.4 Resources and value for money

4.4.1 **Full scheme estimate.** The scheme cost is £131.9k

4.4.2 Capital Funding and Cash Flow.

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	131.9		131.9				
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	131.9	0.0	131.9	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LCC MRP Departmental Funded	300.0		131.9	168.1			
Total Funding	300.0	0.0	131.9	168.1	0.0	0.0	0.0
Balance / Shortfall =	168.1	0.0	0.0	168.1	0.0	0.0	0.0

Parent Scheme Number : 32003/SPT/000.

Title : Equipment 2014/15 Sports (Uncttd)

4.5 Legal Implications, Access to Information and Call In

4.5.1 This decision is not subject to call-in.

4.6 Risk Management

4.6.1 As highlighted in the 2013 customer satisfaction survey, and from experience in leisure centres, to do nothing will reduce the attractiveness of the Council leisure centres and therefore the continued reduction in user numbers and income.

- 4.6.2 The new equipment will protect income and enhance the facilities for users.
- 4.6.3 The equipment will be procured under tendered arrangements to ensure the costs come within the available budget.

5 Conclusions

- 5.1 By investing £200.0k (£131.9k on scheme 32003/SPT/COM along with £68.1k on scheme 16777/SPT/COM already approved), key equipment will be refreshed in order to retain current users and attract future users, thereby achieving the aim set out in the February 2014 budget report to ensure protection of income levels.

6 Recommendations

- 6.1 The Head of Sport & Active Lifestyles is recommended to agree that £131.9k is given authority to spend on sports and fitness equipment in 2014/15 from scheme 32003/SPT/COM.

7 Background documents¹

- 7.5 Equality Impact Assessment (Sports maintenance programme)

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.