

Design & Cost Report for gym refurbishment and purchase of gym equipment for Garforth Leisure Centre.

Date: 20/05/2021

Report of: Business Manager, Active Leeds

Report to: Director of City Development & Chief Officer Financial Services

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- The purpose of this report is to seek an injection and authority to spend £162,115 supported from prudential borrowing on new gym equipment which will be funded through existing Active Leeds prudential borrow budget and to seek approval to spend £100k on the refurbishment of the gym at Garforth Leisure Centre as part of the Sport Maintenance Capital programme number 33085\000\000
- The gym equipment and development will help to support healthy, physically active lifestyles, with ensuring the equipment is right for the demographics of the area, is current with the latest fitness trends and complements the new virtual spin studio and activity area. Giving greater opportunity to engage more people to increase their activity levels to lead happy, active and healthy lifestyles especially as part of improving the health as part of the recovery from the pandemic.
- Garforth Leisure Centre gym development was due to take place in 2020 and was originally part of the Sport Maintenance schemes in 20/21, however due to the financial pressures the sports maintenance capital budget was reduced to £100k from £500k and this meant we couldn't afford to do all the refurbishment at Garforth and concentrated on the fitness studio and virtual spin studio instead. It is now programmed in for the summer of 2021 in readiness for the increased interest in indoor facilities from September 2021. The gym is being enlarged and refurbished fully to improve the offer and experience for customers.
- Garforth Leisure Centre development was targeted to provide an additional £60k per annum to the services income based on increasing health and fitness memberships following this refurbishment which was set as part of the 2020/21 budget setting process. The possibility of achieving this income target is reliant on providing a better user experience to attract more customers to use the facilities on offer and help recovery membership levels following the pandemic.

Recommendations

- a) The Chief Officer Financial Services is requested to inject £162,115 departmental prudential borrowing into the 2021/22 Capital Programme.
- b) The Director of City Development to give:

- a. Approval to spend £100k from the Sport Maintenance Capital programme scheme number 33085\000\000 on the refurbishment of Garforth Leisure Centre gym.
- b. Authority to inject and spend £162k in 2021/22 supported from prudential borrowing at a cost of £26,020 per annum over 7 years on gym equipment for Garforth Leisure Centre.

Why is the proposal being put forward?

- 1 Garforth Leisure Centre gym was originally being refurbished in 2020, but due to the pandemic and subsequent financial position of the council the capital programme had reduced which meant the sport maintenance capital scheme funds reduced from £500k to £100k making the scheme unaffordable with other schemes taking priority. These schemes included a new fitness studio and virtual spin studio being created which now allows the gym to be extended into the old fitness studio.
- 2 The development of new build housing in the immediate area to Garforth Leisure Centre as well as the surrounding areas means that there is potential to grow the business at this leisure centre.
- 3 The gym is going to be extended and therefore new gym equipment is required to fully kit out this new gym extension.
- 4 Across the leisure industry it is recognised that customers look for and expect a good standard of facility and equipment to support their engagement in physical activity. If their expectations are not met then the number of users attending a facility reduces which has a direct impact on the associated health outcomes for those engaged in regular physical activity. In addition and importantly for the council any reduction in numbers attending the council's leisure centre portfolio also reduces the income generating potential of that facility.
- 5 Active Leeds has an annual income budget for activities of over £14.5m, of which Garforth Leisure Centre development is targeted to provide an additional £60k per annum to the services income as part of the original scheme in 2020/21. The possibility of achieving this income target is reliant on providing space and equipment that is fit for purpose and meets current and future customer expectations.
- 6 The impact of the pandemic has meant the membership levels across the leisure centres and including Garforth Leisure Centre have dropped by 30% compared to pre pandemic. The investment in to the refurbishment and gym equipment will help the service recover membership levels quicker as the current offering is out dated with old equipment that will start to cost the service more to keep maintaining and servicing the equipment.
- 7 Aspire day care services are based in the facility which helps to attract a wide range of users who wouldn't ordinarily visit a leisure centre and we need to ensure the equipment we have on offer meets the wide range of individual needs that we now see using our facilities. Modern equipment is more adaptable and functional to allow the service to meet the needs of a wide range of users and this investment will allow us to reach and meet the needs of more people helping to address the health inequalities we have seen grow during the pandemic.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted?

Yes

No

- 8 The impact of the scheme will increase customer satisfaction by improving the customer experience when using Garforth Leisure Centre. The gym will also complement the new fitness studio and virtual studio which the service has received lots of positive comments from customers following the reintroduction of fitness classes from the 17th May 2021.
- 9 The refurbishment will also ensure the Garforth Leisure Centre health and fitness membership numbers recover quicker and provide a more sustainable financial position for the site. The more members the leisure centre have mean that more people will be leading more active lifestyles which will correspond to improved health and wellbeing for the area of Garforth. Activity levels across Leeds have reduced during the pandemic and inactive rates have increased by 4.7% (31,000 people) during the last year and the development will ensure more people get back or start participating in physical activity.

What consultation and engagement has taken place?

- 10 Consultation has taken place with a variety of colleagues in Active Leeds. This included staff as well as senior officers and the finance team. The Executive Member, responsible for Active Leeds has been consulted with on xxxx.
- 11 Ward members have been informed of the plans and have recently be to site to see the refurbishment to the fitness and spin studio.
- 12 Research conducted with customers shows that investment in equipment has a favourable impact on health and fitness membership numbers leading to retaining more people, but also increasing the number of new members to the facilities.
- 13 Aspire day services based out of Garforth Leisure Centre have been consulted to understand their specific requirements for their users.
- 14 Once approval is given for the spend on the replacement gym equipment, consultation will take place with customers in terms of the types of equipment installed and layout to ensure this influences the final plans.

What are the resource implications?

- 15 £100k for the gym refurbishment which including enlarging the gym into the old fitness studio, replacement of flooring, redecoration, new ceiling, and improvements to ventilation systems. The forecast spend is £100k including a 10% contingency.
- 16 The forecast spend on the equipment scheme is £162,115 and this DCR commits to spend £26,020 per annum over 7 years based on an interest rate of 3%.
- 17 The £26,020 annual repayment figure has been identified from within the services prudential borrowing budget and therefore the unsupported borrowing request for this equipment does not represent any additional budget pressure upon the service based on the original business case for undertaking the development.

What are the legal implications?

- 18 Not applicable – significant operational decision.

What are the key risks and how are they being managed?

- 19 The purchase of the gym equipment will ensure Active Leeds maximises the potential income generated from Garforth Leisure Centre and significantly enhances provision within the locality. However, without the purchase of the equipment the service will not be able to achieve the £60k increase income target.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 20 Inclusive Growth - Health and Wellbeing is one of 12 big ideas and it states the importance of active lifestyles in fully realising social, educational and economic potential. Also with the new development it will enhance the facilities on offer in the Garforth area and encourage more people to use the leisure centre, as well as being a key facility to go alongside the growing population in the area.
- 21 Climate emergency – The refurbishment will help to lower the carbon footprint with a more efficient ventilation system and lighting along with the new gym equipment this will be as energy efficient as possible with a lot of the equipment being self-powered. The gym equipment supplier is working to be environmental friendly in its packaging and shipping materials as well as looking to use sustainable materials to build its gym equipment.
- 22 Health and Wellbeing - Physical Activity is one of 12 priorities for the Leeds Health and Wellbeing Board (and the only lifestyle risk factor identified individually within a specific priority) – ‘More people, more physically active, more often’.

Options, timescales and measuring success

a) What other options were considered?

- 23 Replace the outdated gym equipment and replace with new, however the customer experience will be let down by the room as the space is small and ceiling levels low which doesn't give the right environment for an enjoyable workout. It won't allow the membership level to grow as the space can't accommodate more people.
- 24 Carry out the refurbishment but use the old equipment. However with the new space the equipment will look and feel even more outdated, plus the number of pieces of equipment will be the same meaning membership levels won't be able to grow.
- 25 Carry out the refurbishment but just purchase some more equipment to add to the old equipment. Again this will not capitalise on the full experience and will just highlight the old equipment more which will lead to customer dissatisfaction.

b) How will success be measured?

- 26 The membership level and income will be the two main sources of measurement to ensure return on investment is achieved. The first target will be to increase the number of new joiners each month to ensure by 12 months the 30% of lost members during the pandemic are recovered and then the additional 200 new membership to achieve the extra £60k income target for health and fitness membership across the next 12 months.

c) What is the timetable for implementation?

- 27 The refurbishment works take 8 weeks starting late June and finishing the middle of August and allowing the gym equipment to be installed which will take 2 days.

Appendices

- 28 None

Background papers

29 None