

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

Date: 27.09.21

Report of: Head of Active Leeds

Report to: Director of City Development

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 £149,917.20 supported from prudential borrowing on new gym equipment which will be funded through existing Active Leeds prudential borrowing budget.
- The gym equipment and development will help to support healthy, physically active lifestyles, ensuring the equipment matches the needs and demographics of the area, whilst providing equipment to match the latest fitness trends. Giving greater opportunity to engage more people to increase their activity levels to lead happy, active and healthy lifestyles, improving the health of people in the catchment around Pudsey Leisure Centre as part of the recovery from the pandemic.
- Work is programmed in for the winter of 2021 in readiness for the increased interest in indoor facilities from January 2022. The gym is being refurbished with new flooring, decorations and branding throughout to improve the offer and experience for customers.
- Pudsey Leisure Centre development is targeted to provide an additional 200 members per annum increasing health and fitness memberships following this refurbishment which was set as part of the 2021/22 budget setting process. The possibility of achieving this income 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 Director of City Development is recommended to give:
 - a. Authority to inject and spend £149,917.20 in 2021/22 supported from prudential borrowing at a cost of £24k per annum over 7 years on gym equipment for Pudsey Leisure Centre.

Why is the proposal being put forward?

- 1 Pudsey has a population of over 20000 people who have limited access to health and fitness provisions within a 10 minute drive. Pudsey Leisure centre is located in the heart of

Pudsey and has good public transport links. It is essential that Pudsey Leisure centres provides a good standard facility for the local community to stay physically active and maintain their health and wellbeing. The demographics around Pudsey is older than Leeds as a whole and this is also seen in the current customer and hence the equipment needs to be tailored to the people we are looking to target.

- 2 The gym will have a new layout and the current equipment is over 10 years old, and very dated and does not fit with current trends of the industry. The maintenance and service of this equipment increases year on year, which is currently costing over £20k per annum on repair costs.
- 3 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 cities leisure centre portfolio also reduces the income generating potential of that facility.
- 4 Active Leeds has an annual income budget for activities of over £14m, of which Pudsey Leisure Centre contribute to £1m income to this budget. Health and fitness memberships budget for Pudsey accounts for half of this income at £514k per annum. The possibility of achieving this income target is reliant on providing a space and equipment that is fit for purpose and meets current and future customer expectations.
- 5 The impact of the pandemic has meant the membership levels across the leisure centres, including Pudsey Leisure Centre have dropped by 20% compared to pre pandemic, however the reopening of facilities is now seeing an increase in Membership sales, although they currently remain below pre-pandemic levels
- 6 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 grown during the pandemic.

What impact will this proposal have?

Wards Affected:

Have ward members been consulted?

Yes

No

- 7 The impact of the scheme will increase customer satisfaction by improving the customer experience when using Pudsey Leisure Centre. Thus improving retention rates and encouraging repeat visits to the facility and attracting new customers.
- 8 The refurbishment will also ensure the Pudsey 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 Pudsey. 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?

- 9 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
- 10 Ward members have been informed of the plans.
- 11 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.
- 12 Aspire day services based out of Pudsey Leisure Centre have been consulted to understand their specific requirements for their users.
- 13 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?

- 14 The forecast spend on the equipment scheme is £149,917.20k and this DCR commits to payback this at the rate of £24k per annum over 7 years based on an interest rate of 3%.
- 15 The £24k 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?

- 16 Not applicable – significant operational decision.

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

- 17 The purchase of the gym equipment will ensure Active Leeds maximises the potential income generated from Pudsey Leisure Centre and significantly enhances provision within the locality. However, without the purchase of the equipment the service will not be able to recover from the pandemic as quickly and may never be able to get back to pre pandemic levels.
- 18 A temporary gym will be setup at Pudsey to ensure customers are still able to access their fitness needs whilst the refurbishment takes place.
- 19 Clear communication and updates on the proposal will ensure all customers and stakeholders are aware of what is happening.
- 20 Marketing support will ensure that the service are able to maximise on the investment and ensure the facility is ready for the post-Christmas rush of customers looking to get active.

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

Inclusive Growth Health and Wellbeing Climate Emergency

- 21 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 Pudsey 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.

- 22 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.
- 23 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?

- 24 Carry out a refurbishment but use the old equipment. However with the new space the equipment will look and feel even more outdated, and the cost to repair and service the equipment will continue to increase and customer satisfaction levels will fall.
- 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 20% of lost members during the pandemic are recovered and then then an additional 200 new membership to achieve the budgeted income target for health and fitness membership across the next 12 months.

c) What is the timetable for implementation?

- 27 The refurbishment works take 3 weeks starting November and finishing the middle of December and allowing the gym equipment to be installed which will take 2 days.

Appendices

- 28 None

Background papers

- 29 None