

Design & cost report for gym refurbishment and purchase of gym equipment for JCCS.

Date: 14.01.22

Report of: Head of Active Leeds

Report to: Chief Officer, Operations and Active Leeds

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 £117, 198.41 supported from prudential borrowing on new gym equipment which will be funded through the existing Active Leeds prudential borrowing budget for John Charles Centre for Sport (JCCS)
- 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 and improve the health of people in the catchment around JCCS as part of the recovery from the pandemic.
- Work is programmed in for the first quarter of 2022 in readiness for the increased interest in indoor facilities the next financial year. The gym is being refurbished with new flooring, decorations and branding throughout to improve the offer and experience for customers.
- The gym development at JCCS is targeted to provide an additional 200 members per annum, which was set as part of the 2022/23 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 Chief Officer, Operations and Active Leeds to give:
 - a. Authority to inject and spend £117, 198.41 in 2022 supported from prudential borrowing at a cost of £18,810 per annum over 7 years on gym equipment for JCCS Gym.

Why is the proposal being put forward?

- 1 The ward contains Middleton and Belle Isle and is neighboured by Beeston, Holbeck and Hunslet. According to the 2011 census Life expectancy for males and females is at 76.57

years which is more than three years less than the 79.91 years for the rest of Leeds. This highlights the importance of John Charles having a gym facility that is safe and good value for money.

- 2 The Middleton Park ward is the 4th largest ward in Leeds with a population of around 20,000 people who have limited access to health and fitness provisions within a 10minute drive. It is essential that JCCS provides a good standard facility for the local community in order provide the best opportunities to the community to engage in physically activity and invest in their health and wellbeing.
- 3 The gym will have a new layout and the current equipment is over 12 years old and does not fit with current trends of the industry. The service has been fortunate to be able to invest in new equipment for the gyms across the estate with John Charles being one of the last remaining sites to benefit from new equipment and refurbishment. The maintenance and service of this equipment increases year on year, which is currently costing over £20k per annum on repair costs.
- 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 leisure centre across the city also reduces the income generating potential of that facility.
- 5 Active Leeds has an annual income budget for activities of over £15m, of which JCCS contribute to £1.4m income to this budget. Health and fitness memberships budget for JCCS accounts for over a quarter of this income at £376k 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.
- 6 The impact of the pandemic has meant the membership levels across the leisure centres, including JCCS 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 by over 10%.
- 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 grown during the pandemic.

Wards Affected:

Have ward members been consulted?

Yes

No

What impact will this proposal have?

- 8 The impact of the scheme will increase customer satisfaction by improving the customer experience when using JCCS. Thus improving retention rates and encouraging repeat visits to the facility and attracting new customers.
- 9 The refurbishment will also ensure the JCCS 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 Middleton Park ward. Activity levels across Leeds have reduced during the pandemic and inactive rates have increased by 4.7% (31,000 people) during the last two years 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 18th January 2022
- 11 Ward members have been informed of the plans.
- 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 JCCS 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 The forecast spend on the equipment scheme is and this DCR commits to payback this at the rate of £18,810 per annum over 7 years based on an interest rate of 3%.
- 16 The £18,810 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?

- 17 Not applicable – significant operational decision.

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

- 18 The purchase of the gym equipment will ensure Active Leeds maximises the potential income generated from JCCS 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.
- 19 Members will be signposted to Middleton Leisure centre to ensure customers are still able to access their fitness needs whilst the refurbishment takes place.
- 20 Clear communication and updates on the proposal will ensure all customers and stakeholders are aware of what is happening.
- 21 Marketing support will ensure that the service is able to maximise on the investment and ensure the facility is ready for the post- January peak for new customers who are looking to get active.

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

Inclusive Growth

Health and Wellbeing

Climate Emergency

- 22 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 JCCS 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.
- 23 Climate emergency – The refurbishment will help to lower the carbon footprint with a more efficient lighting along and new gym equipment which is mainly 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.
- 24 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?

- 25 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.
- 26 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?

- 27 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?

- 28 The refurbishment works take 3/4 weeks starting late April and finishing towards the end of May, allowing the gym equipment to be installed which will take 2 days.

Appendices

- 29 Equality Screening

Background papers

- 30 None

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2021 £000's	FORECAST				
			2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						

INTERNAL DESIGN FEES (6)	0.0							
OTHER FEES / COSTS (7)	0.0							
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH	FORECAST					
		2021	2021/22	2022/23	2023/24	2024/25	2025 on	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0							
CONSTRUCTION (3)	0.0							
FURN & EQPT (5)	110							
INTERNAL DESIGN FEES (6)	0.0							
OTHER FEES / COSTS (7)	0.0							
TOTALS	110	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH	FORECAST					
		2021	2021/22	2022/23	2023/24	2024/25	2025 on	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LCC Corporate Borrowing	118							
Revenue Contribution	0.0							
Capital Receipt	0.0							
Insurance Receipt	0.0							
Lottery	0.0							
Gifts / Bequests / Trusts	0.0							
European Grant	0.0							
Health Authority	0.0							
Private Sector	0.0							
Section 106 / 278	0.0							
Government Grant (Specify)	0.0							
Departmental Borrowing	0.0							
Any Other Income (Specify)	0.0							
Total Funding	118.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE EFFECTS	2021/22	2022/23
	£000's	SUBSEQUENT YEARS
		£000'S
EMPLOYEES		
PREMISES COSTS		
SUPPLIES & SERVICES		
EXTERNAL INCOME GENERATED		