



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 4 April 2022
Report Number	AGENDA ITEM 10
Subject	APPROVAL FOR USE OF FUNDS FROM THE CAPITAL PROGRAMME TO INVEST IN THE COUNCIL'S LEISURE FACILITIES
Wards affected	ALL
Accountable member	ClIr Jenny Forde Cabinet Member for Health & Wellbeing Email: <a href="mailto:jenny.forde@cotswold.gov.uk">jenny.forde@cotswold.gov.uk</a>
Accountable officer	Scott Williams Business Manager - Contracts Email: <a href="mailto:scott.williams@publicagroup.uk">scott.williams@publicagroup.uk</a>
Summary/Purpose	To approve the use of funds in the Capital Programme for the delivery of a Capital Investment project, as detailed in this report and supporting documentation, by SLM Everyone Active (SLM)
Annexes	Annex A – SLM Health & Wellbeing Strategy and Facility Improvement Proposal Annex B – Technogym Equipment Update 2022 Annex C – Technogym Update/Sector Information
Recommendation(s)	That Cabinet recommends to Council:  <i>a) That SLM is given approval to complete the Capital Investment project.</i> <i>b) That SLM's proposed Option (1) as set out in Annex A is approved with the remainder of the Capital budget being retained for investment in Leisure Equipment.</i> <i>c) That the authority to approve expenditure of the retained balance of the Capital budget, if Option (1) is supported, is delegated to the Portfolio Holder for Leisure.</i>
Corporate priorities	<ul style="list-style-type: none"><li>• Delivering our services to the highest standards</li><li>• Helping residents and communities access the support they need for good health and wellbeing</li></ul>



Key Decision	NO
Exempt	YES – (Annex A contains commercially sensitive information)
Consultees/ Consultation	CLLr Jenny Forde Senior Officers – CDC/Publica Project Team; Pete Williams, Business Development Director SLM Jamie Nesbit, Partnership Manager SLM Dan Carvell, Regional H&F Manager SLM Technogym



## I. BACKGROUND

1.1 As part of the Leisure Management Contract with SLM Everyone Active (SLM) a schedule of agreed contributions towards Capital Replacement of Fitness Equipment was included. The investment was scheduled to take place at prescribed time intervals, however, due to the forced closures and disruption of 2020/21 the programme was put on pause until a clearer understanding of the emerging Leisure Sector could be gained following the stabilisation of the Country after the pandemic.

1.2 The table below shows the original schedule for the Capital Investments for fitness equipment.

Year (Contract Year)	Value £?	Who is responsible?	What is the investment for?
2013 (Yr1)	£60,000	SLM	Additional Health & Fitness Equipment (CiLC & BLC)
2015 (Yr3)	£380,000	CDC	Replacement of Health & Fitness equipment project
2015 (Yr3)	£49,000	SLM	Group Cycling & Group Exercise Equipment Replacement (CiLC and BLC)
2019 (Yr7) {Now Scheduled for 2021/22}	£49,000	SLM	Group Cycling & Group Exercise Equipment Replacement (CiLC and BLC)
2020 (Yr8)	£380,000	CDC	Replacement of Health & Fitness equipment project

*Note: CiLC – Cirencester Leisure Centre, BLC – Bourton Leisure Centre*

## 2. PROJECT PROPOSAL COST SUMMARY

2.1 The proposal put forward by SLM contains a breakdown of the costs to deliver the project, and also includes 2 options which refer to Chipping Campden as detailed in the table below.

Cirencester Leisure Centre	Cost
Fitness Equipment (includes 5 year warranty)	£207,800
Enabling works (electrical, specialised flooring)	£23,900
Temporary Gym (equipment move, temporary power etc.)	£1,000
Equipment Trade-in	-£15,000



Cafe Furniture/Equipment	£7,000
Total (exc. VAT)	£224,700
<b>Bourton Leisure Centre</b>	<b>Cost</b>
Fitness Equipment (includes 5 year warranty)	£125,000
Enabling works (electrical, specialised flooring)	£18,280
Temporary Gym	£1,000
Equipment Trade-in	<b>-£10,000</b>
Total (exc. VAT)	£134,280
<b>Chipping Campden Leisure Centre</b>	<b>Cost</b>
Option 1 - Refurbish and relocate Equipment from other sites	£5,000
Option 2 - Purchase new Fitness Equipment (includes 5 year warranty)	£40,000
<b>TOTAL CAPITAL INVESTMENT WITH CHIPPING CAMPDEN OPTION 1</b>	<b>£363,980</b>
<b>TOTAL CAPITAL INVESTMENT WITH CHIPPING CAMPDEN OPTION 2</b>	<b>£398,980</b>

### 3. Project Overview

#### 3.1 Fitness Equipment

3.1.1 The fitness sector is constantly evolving and there is a vast array of equipment types and varieties. There are a few named brands of fitness equipment who have established themselves as leaders in this field, one of these is Technogym - who are the preferred supplier to SLM. Following a full procurement exercise in 2017 SLM have established supplier arrangement with Technogym that allows them to access reduced pricing for equipment due to the scale of purchases made across the company, and also provides support in Design and Installation services for projects.

3.1.2 It should be noted that although this arrangement is in place if particular items of equipment from other manufacturers are specified (for example one of the most popular rowing machines on the market is made by Concept) these items can also be added to the facility mix.

#### 3.2 Local Authority Leisure Sector

3.2.1 The Local Authority leisure centre occupies a challenging sector of the leisure market in that it is within the middle band in terms of cost and audience. There are a number of lower cost operators who have a simpler 'Fitness Warehouse' approach, where little time is given to personalised service but self-serve low cost membership options are available, which is often referred to as the 'Budget Gym' market. There is also a 'Premium Gym'



market which generally focuses on exclusivity, adults only environments, and high end attractions such as laundered towels and therapies/treatments - this offer also holds a premium price for membership and exclusivity of use.

- 3.2.2** The Local Authority offer needs to reflect the broad range of users from many different areas of the District who fit within these two categories. For this reason a variety of equipment, programming, and services is important as well as ensuring that wherever possible flexibility and multi-functionality are considered. All potential user groups need to be considered at the design and planning stage to ensure that a maximum number of residents are able to access the leisure centre.

### **3.3 Innovation**

- 3.3.1** The latest trends in the Fitness market are also a key consideration as user requirements and wishes are reflected in the constantly innovating equipment market.
- 3.3.2** Some of these trends, as well as meeting the demands of conventional Gym usage require thought to be given to the equipment, location, layout, and function of the Gym spaces.

### **3.4 Inclusion and Accessibility**

- 3.4.1** Consideration also needs to be given to the current challenges which Residents face in accessing facilities in the Leisure Facilities. The results from a recent online survey, which was completed by over 1000 residents as part of the Leisure Strategy, highlighted the following:-

#### Barriers to Participation (Why can't you exercise/use facilities?)

- Not enough time due to work/home/childcare schedules
- Cost
- Lack of convenient and accessible facilities
- No motivation

#### Encouragement Factors (What Improvements should be made?)

- Improved Facilities
- Improved Cleanliness of Facilities
- Lower Costs
- Ability to Maintain Social Distancing (note. The survey took place during 2020)
- Better Range of Facilities or Equipment
- Better Programming e.g. Classes

## **4. CONCLUSIONS**

- 4.1** It is important that all of the factors included in this report and supporting documentation are considered in the design, planning, and implementation of the Capital Investment Project. This approach will ensure that the project solution proposed, and ultimately delivered by SLM uses both the Council and SLM's agreed Capital Investments to gain the maximum effect. SLM are well placed as a National Operator with numerous accolades, recent successful refurbishment projects, and new developments to shape, design, and deliver a successful project outcome. The proposal for this solution is provided in the 'Health & Wellbeing Strategy and Facility Improvements Proposal' document provided in Annex A



## **5. FINANCIAL IMPLICATIONS**

- 5.1** Funding of up to £380k for the replacement of the fitness equipment is allocated in the Capital Programme. Option 1, estimated at £363,980 falls within this budget allocation and therefore has no impact on the Council's approved capital budget.

## **6. LEGAL IMPLICATIONS**

- 6.1** There are no legal implications arising directly from this Report.

## **7. RISK ASSESSMENT**

- 7.1** There is a risk that the project costs could come in over/under budget. This risk is mitigated as CDC will only accept a recharge of the actual project cost up to the project cost summary.
- 7.2** Should the Capital Project not be supported there is a risk that CDC will suffer reputational damage and that SLM will suffer reputational and business damage as existing equipment continues to age and become less relevant, which will impact on customer usage of the facilities.

## **8. EQUALITIES IMPACT**

- 8.1** This investment will secure a much-needed improvement, enhancing accessibility, flexibility and inclusive services at the facilities through improved programming opportunities due to the new equipment and the implementation of SLM's Health & Wellbeing framework.
- 8.2** The design proposal will meet the 'Inclusive Fitness Initiative' requirements as specified in the Leisure Contract, meaning that customers with mobility and accessibility needs will be catered for.
- 8.3** SLM also have a focus in their 2022/23 promotion strategy to encourage more under 16s to become active by giving each child/young person the opportunity to experience the enjoyment of activity in a safe and inclusive environment.
- 8.4** SLM are also committed under their new company wide Health & Wellbeing Strategy to deliver the following as part of this project:-

'To work collaboratively with Cotswold DC and healthcare partners ensuring that we meet the needs of the local communities and the challenges that they are facing, which have become more prominent since the pandemic. We will be responsive to the changing needs of our communities by providing solutions to tackle health inequalities and lead a movement to support the NHS by increasing physical activity and reducing social isolation.'

## **9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**



9.1 New fitness equipment is more energy efficient and design and technological improvements are always being made to help to reduce the power demand for equipment. The new design of the Gym spaces is also focussed on the provision of more Functional Fitness spaces and less reliance on Cardio Machines, which will further reduce power consumption.

## 10. ALTERNATIVE OPTIONS

10.1 Cabinet could choose to support Option (2) in the Health & Wellbeing report, although this proposal exceeds the Capital Budget for this project.

## 11. BACKGROUND PAPERS

11.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Annex A – SLM Health & Wellbeing Strategy and Facility Improvement Proposal
- Annex B – Technogym Equipment update 2022
- Annex C – Technogym Update / Sector Information

These documents will be available for inspection at the Council Offices at Trinity Road, Cirencester, GL7 1PX during normal office hours for a period of up to 4 years from the date of the meeting. Please contact democratic services via [democratic@cotswold.gov.uk](mailto:democratic@cotswold.gov.uk)

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