

CABINET
25 OCTOBER 2018

Refurbishment of Lords Meadow Leisure Centre Fitness Studio

Cabinet Member: Cllr Colin Slade
Responsible Officer: Corinne Parnall (Leisure Manager – Health and Fitness)

Reason for Report: To seek approval from Cabinet to bring forward the refurbishment of Lords Meadow Leisure Centre Fitness Studio and undertake that work in the current financial year (FY18/19); the funding for this work having been programmed in the next financial year (FY19/20).

RECOMMENDATION: That Cabinet approve an in-year virement of £185,000 to fund the refurbishment of the fitness suite at Lords Meadow Leisure Centre.

Relationship to Corporate Plan: Priority 1 Economy (Other); Be more entrepreneurial and commercial as a council. **Priority 3 Aim 3** Ensure the financial sustainability of our leisure centres.

Financial Implications: This is a new in-year capital cost pressure of £185,000. This cost pressure can be met through in-year management of the agreed capital programme. The detail is shown at paragraph 4.

Legal Implications: As part of the procurement process the contract with Matrix sent out an equipment purchasing programme within a 5 + 5 year agreement. The refurbishment of Lords Meadow Leisure Centre fitness suite was included in that overarching procurement process.

Risk Assessment of carrying out the project (summary): The main risk would be an overrun on delivering the refurbished facility into January as the period January to March is traditionally a period of high demand, and high competition, in the leisure industry.

Risk Assessment of not carrying out the project (summary): If Mid Devon Leisure is seen to fall behind its competition customers may move to more modern gym facilities and so impact the income derived from the Lords Meadow site. The cardio vascular equipment is reaching end-of-life. Should the project not take place the service will need to invest in the maintenance of equipment scheduled for disposal in the first quarter of FY19/20.

Equality Impact Assessment: None applicable. This would be a like-for-like offer.

1.0 Introduction

1.1 The membership at Lords Meadow Leisure Centre currently comprises customers on monthly memberships, annual memberships by Direct Debit and annual subscriptions.

1.2 Lords Meadow Leisure Centre is a legacy site with a constrained layout. The fitness studio is situated on the first floor. When the work was completed five years ago there was an increase in floor space by 120m². This allowed

membership to grow to its current level and achieve the growth anticipated when the works were approved.

- 1.3 The equipment has been popular and well used but is now looking “tired and out dated”. It is scheduled for refurbishment next financial year and features in the draft 2019/20 capital programme.
- 1.4 The space is still not appropriate for a modern gym layout; an old corridor is being used as the stretch room and a long narrow room being used for the resistance and free weight area. However, even with these constraints the change of layout proposed by Matrix will enhance the resistance and free weights area while adding new and modern CV equipment. The strength and toning sector of fitness has expanded over the last few years with both men and women wanting a toned/fit look.

2.0 Understanding the need for change

- 2.1 The new branding with Mid Devon Leisure’s strategic partner Matrix can be seen at Exe Valley Leisure Centre and sets a high standard for equipment. It sets the tone for the look and feel of the fitness offering we will be rolling out to the other facilities as part of the Leisure Strategic Partnership.
- 2.2 The CV fitness equipment at the centres have a rolling five year renewal programme; 7 to 10 years for resistance equipment.
- 2.3 With the success of the Exe Valley Leisure Centre extension, there is an opportunity to bring the Lords Meadow Leisure Centre development forward and complete Lords Meadow Leisure Centre Fitness product branding this year. This would optimise income during the peak fitness sales period. In a highly competitive market it is essential to maintain a product that meets customer expectations.
- 2.4 Since the install at Exe Valley Leisure Centre the positive feedback continues. The ‘climbmills’ and ‘S’ drive offer variation to the equipment.
- 2.5 A Fitness studio survey carried out in July 2018 showed how users at Exe Valley Leisure Centre had followed the national trend of increased use of the resistance/free weight and functional areas.
- 2.6 Since the launch of the new facilities at Exe Valley Leisure Centre there has been a 25% increase in monthly participation. This uplift has been maintained throughout the period of price changes and the early summer period.
- 2.7 The Mid Devon Leisure business model is to attract and retain members. The change of layout will allow for more interactions between staff and customers.
- 2.8 A large part of retaining members is to help them to achieve their personal fitness goals whatever they may be. As part of the fitness studio improvements a Boditrax machine will be installed. The machine is an added value fitness item that provides a customer friendly precision body composition tool. It measures body composition by body area. It is the only item of equipment specified as medical equipment used within the industry, and by measuring key

criteria, such as resting metabolic rate, can help each individual identify the most effective pathway to improved fitness levels. The introduction of this equipment has been a huge success at Exe Valley with over 65% of members using it as part of their fitness experience.

3.0 Timeline

3.1 The lead time for equipment is 6-8 weeks. The optimum time to roll out a refurbished gym is the Christmas period. Onsite works would need to start mid-December to be completed no later than the 1 January 2019.

3.2 The existing CV equipment is in need of investment (commercially confidential information available on request and disclosed under Part 2).

4.0 Finance

4.1 The refurbishment cost associated with the Lords Meadow Leisure Centre fitness suite is identified in the draft 2019/20 capital programme. The work would likely be commissioned in April 2019 due to the end-of-life maintenance liability with the CV equipment.

4.2 The success of the Exe Valley Leisure Centre extension and legacy works at Lords Meadow Leisure Centre show the market for fitness. In a fast moving industry the customer has significant choice; to retain customers the 'offer' needs to be competitive. A combination of end-of-life equipment, increased local competition and an in-year review of the 2018/19 capital programme means there is an opportunity to refurbish the Lords Meadow fitness suite this year to take advantage of the January to March peak period.

4.3 The £185,000 refurbishment cost would be funded as follows: We have identified 4 schemes in the 2018/19 programme (Crediton office works £20k, St Lawrence Green toilet £30k, replacement grounds maintenance system £100k and secure WiFi replacement £50k) that due to prevailing business circumstances will not be delivered in 2018/19. This budget can be transferred to support the bringing forward of the LMLC gym project.

5.0 Summary

5.1 In a competitive market maintaining a saleable offer is key to success. The business model for Mid Devon Leisure focusses on attracting and retaining customers. This report highlights an opportunity to bring forward works into this year to maximise the 'offer' during peak period and avoid maintenance costs for end-of-life equipment.

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Circulation of the Paper: Cllr Colin Slade, Leadership Team

List of Background Papers: Available on request