

Wiltshire Council

Cabinet – Capital Assets Committee

Date of meeting **21 January 2014**

Subject: **Fitness Equipment in Leisure Centres owned by
Wiltshire Council (Phase One)**

Cabinet member: **Councillor Jonathon Seed**

Key Decision: **Yes**

Executive Summary

1. Leisure Services, in collaboration with Transformation, is seeking an award of £1,435,700 for a Phase One programme for the replacement of existing fitness equipment for the Leisure Centres and provision of additional equipment required for the new and extended Campus sites that are due to become operational in 2014-15 and 2015-16. (A Phase Two report outlining the requirements for the remaining two years of the Campus Programme will be submitted in 2014-15).
2. Outcome 5 of the council's Business Plan 2013-17, reiterates the council's commitment to public health by the statement that 'people in Wiltshire have healthy, active and high quality lives'.
3. The Phase One programme is planned to coincide with the first two years of the Campus development programme and as well as meeting the requirements of each new Campus, the proposal will also include replacement of old stock where there is most need, in advance of the opening of a new Campus.
4. The council has committed to the development of its leisure services in its 2011-15 Service Development Plan (Leisure). This has been used to inform the proposed facilities at each campus.
5. Some existing equipment at smaller, more rural sites, in particular, is so old that replacement parts are obsolete, leading to a reduction in facilities available for users.
6. 'Active Health' is an exercise referral programme whereby a healthcare professional refers patients to local facilities such as leisure centres, for supervised exercise programmes of a pre-determined length of time. The aim of 'Active Health' is to provide a standardised physical activity on referral scheme across Wiltshire that will enable individuals with specified medical conditions to access and benefit from a range of physical activity opportunities that will improve health and reduce health inequalities. 3,000 people have so far been referred to 'Active Health'. The fitness

suites provide a key area of activity for the 'Active Health' participants, and thus access to the appropriate equipment is essential.

7. The two phased approach will enable Leisure Services to source new equipment through a suitably developed single supplier contract. It will also enable some equipment to be re-distributed to the smaller centres, where the older equipment is located, pending their turn for full replacement.

Proposal(s)

That Cabinet Capital Assets Committee approves the award of £1,435,700 for the Phase One replacement of the current fitness equipment and provision of additional fitness equipment required due to the extended facilities planned for the Campus sites and sports equipment required in each Campus. The bid covers Phase One of two, to include Wiltshire Council owned facilities, where there are, or will be fitness suites.

Reason for Proposal

1. For many years the fitness equipment across the leisure centres has not been replaced leading to facilities and equipment becoming unacceptably dated. Equipment at some of the smaller, more rural sites is in excess of 20 years old. Many replacement parts for this equipment are no longer available leading to faulty equipment being out of service for long periods of time, resulting in loss of service to the public and a loss of revenue to the leisure service.
2. The Campus programme will involve the development of 20 Campuses, which will include the refurbishment, or new build of leisure facilities. All facilities will have a fitness suite that is likely to be between 25% and 50% larger than current facilities. (Projected increases were determined as part of the Leisure Facilities Review 2011 to meet probable demand). An increased number of fitness stations will be required to stock the new facilities, in addition to the replacement requirements of the existing equipment.

Tracy Carter
Associate Director – Environment and Leisure

Wiltshire Council

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Key Decision: **Yes**

1. Purpose of Report

- 1.1 To seek capital funding of £1,435,700 for the refurbishment and replacement of the fitness equipment and the provision of replacement and additional sports equipment for the five re-developed, or new Campuses, (Springfield, Corsham; Five Rivers, Salisbury; Melksham; Westbury; Malmesbury), due to be operational in 2014-15 and 2015-16, and two leisure facilities, where new equipment is required in advance of the Campus programme, (Devizes; Amesbury/Durrington).

2. Relevance to the Council's Business Plan

- 2.1. Outcome 5 of the council's Business Plan 2013 – 17 states that: 'People in Wiltshire have healthy, active and high-quality lives'. To deliver on this the council will ensure that 'public health is integrated into the heart of all services'.
- 2.2 Leisure Services and Public Health already enjoy a particularly close working relationship, alongside links with other council services. We will be able to build on these links and maximise opportunities to promote healthy behaviours, choices and environments to help Wiltshire's population stay healthy. Both services will also be better placed to tackle the health inequalities associated with each community area, with fit for purpose and accessible facilities and equipment.

3. Background

- 3.1. Within the identified leisure centres, there is a wide range of existing provision and income opportunities due to the current size and location of some of the fitness suites. Replacement of equipment would ensure that floor space at each site is utilised to its full potential, increasing equipment availability and choice, and in turn improving member satisfaction, experience and therefore retention and membership uptake.

- 3.2. Existing older equipment is increasingly breaking down and therefore becoming unusable for periods of time. This provides poor customer service and perception, impacting on usage, retention and membership uptake. Equipment replacement at one of the key sites in 2007 showed a 14% increase in footfall and a 20% increase in membership uptake.
- 3.3. The quality of the equipment and the environment is vital to not only continue to retain our existing customers, but to attract new customers and particularly those that would benefit the most from an increase in physical activity levels.
- 3.4. There is a mix of ownership of the current fitness equipment, and a variety of companies supplying different equipment across the centres. This creates disparity across the county and means there are a number of suppliers which the service has to work with.
- 3.5. The equipment included in Phase One is owned as follows:
 - 3.5.1 Wiltshire Council Owned Equipment:
 - Amesbury Sports Centre
 - Durrington Swimming Pool and Fitness Centre
 - Devizes Leisure Centre
 - Five Rivers Leisure Centre, Salisbury
 - Springfield Leisure Centre, Corsham
 - The Activity Zone, Malmesbury (DCL managed)
 - 3.5.2 DC Leisure Owned Equipment
 - Christie Miller, Melksham
 - Melksham Blue Pool
 - Leighton Recreation Centre, Westbury
- 3.6. The Fitness Industry Association (FIA) continue to see an increase in the use of fitness suites across the country, and this is also reflected in our own attendance figures, showing a 4% annual increase, exceeding the national average increase of 2% (*Leisure Database Company 2012*).
- 3.7. In Wiltshire, the fitness gym is one of the top five most popular sports and physical activities. The upgrading of the fitness equipment will enable the council to support this increase in exercise participation amongst the general population.
- 3.8. The facilities we provide along with the equipment and the staff are critical to Wiltshire Council and the Campuses being able to increase participation and contribute to the achievement of outcome 5 of the council's Business Plan 2013 – 17.

4. Main Considerations for the Council

- 4.1. The intention is to provide each Campus with a specified level and quality of fitness and sports equipment in order to ensure effective service

delivery now, and as we progress through the Campus programme. In line with the Leisure Facilities Review and the Campus development proposals, the fitness suites are planned to be extended, therefore there is requirement in line with this to purchase additional equipment for the sites.

- 4.2. This proposal is directly linked to the council's 2011-15 Service Delivery Plan for Leisure, which notes: "The overarching purpose of the Sports and Physical Activity related services is to support Wiltshire's objective to become the healthiest county in the UK by 2014, with the primary objective being to create opportunities for continued increases in the levels of physical activity up to 2020. We want more people, to be more active, more often and to provide sports and recreational facilities and activities that will contribute to this goal."
- 4.3. There is a need to create inclusive facilities using appropriate equipment to meet the Inclusive Fitness Initiative criteria, and enable the council to comply with statutory responsibilities under the Public Sector Equality Duty (Equality Act 2010) in terms of the needs of an ageing population and customers with a range of disabilities. Providing high quality modern equipment should enable the council to retain existing customers and attract new ones.
- 4.4. To tie in with industry standards a rolling programme of capital investment would require that cardio vascular equipment be replaced every five years, however, the strength equipment, due to its more robust nature, only requires replacement every ten years.
- 4.5. Through a procurement process it would be preferable to have one supplier across all sites, creating one service and maintenance contract and ensuring all equipment is kept to a high standard. Working with our partners DC Leisure, we now offer membership packages, which enable members to use all facilities in all leisure centres across Wiltshire. Having one supplier would provide the following benefits.
 - 4.5.1 Development of an effective long term partnership between the council and the provider
 - 4.5.2 Improved access to training through the supplier
 - 4.5.3 Ease of use by the customers with reduced staff time spent inducting customers on new equipment
 - 4.5.4 Staff able to invest time more appropriately, particularly engaging with the ageing population
 - 4.5.5 Supporting the concept of the one membership card for Wiltshire

5. Safeguarding Considerations

- 5.1. There are no specific safeguarding considerations.

6. Public Health Implications

- 6.1. It has become increasingly clear in recent years that physical activity should be encouraged across the population. The risks of engaging in physical activity are low for most of the population, but the risks of poor health resulting from inactivity are high. There is a clear link between physical inactivity and chronic disease.
- 6.2. Increasing physical activity has the potential to improve the health of the population, reduce all-cause mortality and improve life expectancy. As a result, it can save money and significantly ease the burden of chronic disease on public services.
- 6.3. Inactive lifestyles in England are twice as prevalent as smoking, hypertension, or high cholesterol. Evidence illustrates that the health impact of inactivity in terms of coronary heart disease, for example, is comparable to that of smoking, and almost as great as that of high cholesterol levels. Measures to reduce inactive lifestyles are therefore required.
- 6.4. The benefits of regular physical activity are clear. For adults, achieving 150 minutes of moderate intensity physical activity a week helps prevent and manage over 20 chronic conditions including coronary heart disease, stroke, type 2 diabetes, cancer, obesity, mental health problems and musculoskeletal conditions. (UK Chief Medical Officer recommended guidelines on physical activity).
- 6.5. The provision of a range of high quality, accessible leisure facilities is an important strand of work being undertaken in Wiltshire to increase the number of people meeting physical activity guidelines and to reduce the proportion of 'inactive' adults.
- 6.6. Consultation on future leisure provision carried out as part of the leisure review showed that 85% agreed that providing high quality, modern facilities with a variety of activities will encourage more people to become more active. Of all the activities and facilities provided in the indoor facilities use of the gym was second to the use of pool.
- 6.7. Two key projects already exist in Wiltshire that would benefit from improved facilities within leisure suites.
- 6.8. 'Active Health' is an exercise referral programme whereby a healthcare professional refers patients to local facilities such as leisure centres, for supervised exercise programmes of a pre-determined length of time. The aim of 'Active Health' is to provide a standardised physical activity on referral scheme across Wiltshire that will enable individuals with specified medical conditions to access and benefit from a range of physical activity opportunities that will improve health and reduce health inequalities. As well as targeting people with general health conditions or risks that will benefit from increased physical activity, the programme also provides a specific service for people needing cardiac rehabilitation, exercise stroke and strength and balance (falls) classes.

- 6.9. In year one of the 'Active Health' programme, 43% of participants completed their 12 week referral. This is significantly higher than the national average of 12 – 28%.
- 6.10. 3,000 people have so far been referred to 'Active Health'. The fitness suites provide a key area of activity for the 'Active Health' participants, and thus access to the appropriate equipment is essential. The smaller sites currently have poor access and in some cases where the equipment is so old there is no Inclusive Fitness Initiative (IFI) approved equipment.
- 6.11. The council works in partnership with the FIA (Fitness Industry Association) and the Change4Life campaign, which is supported by Public Health in Wiltshire and also the Department of Health. The campaign puts health clubs and leisure centres at the heart of local communities to encourage families to eat well and move more. To continue to support and provide leisure and recreational opportunities to meet the needs of the local community high quality, well maintained, IFI compliant and current equipment is necessary.

7. Environmental and Climate Change Considerations

- 7.1. Consideration should be given to the energy efficiency and associated operating costs of any equipment requiring a power supply. Part of the procurement process should consider:
 - 7.1.1 purchasing or leasing equipment that automatically powers down over night so that energy is not used when the leisure centre is closed.
 - 7.1.2 the energy ratings of individual pieces of equipment.
 - 7.1.3 a balance between the potential additional cost to purchase or lease more energy efficient machines, with a reduction in energy consumption costs.
- 7.2. It may be that carbon emissions at leisure centres will increase in the event of a refurbishment, as new customers attend to use the improved facilities, and the appropriate ventilation and air conditioning systems required to complement the facilities are introduced. However, the campus programme, which includes the disposal of surplus, poorer quality buildings, is working towards an overall reduction in carbon emissions.

8. Equalities Impact of the Proposal

- 8.1. Some of the current equipment does not meet either the Inclusive Fitness Initiative (IFI) requirements, or comply with the Public Sector Equality Duty (Equality Act 2010) due to access issues at some of the smaller sites.
- 8.2. Provision of new equipment and development of purpose built spaces, will ensure that this issue is resolved. This will enable customers with a wider range of needs to access the facilities and improve their health and well-

being.

- 8.3. The proposal will enable more older people and vulnerable adults, in particular, those with learning, mobility or sensory disabilities, to have improved access to facilities and equipment as the environment and fixtures will be more accessible for people with differing abilities. Staff will require training to ensure they promote that the equipment is accessible and provide effective support to customers where required.

9. Risk Assessment

- 9.1. Risks that may arise if the proposed decision and related work is not taken:

1. The public would receive a reduced level of service if we fail to replace equipment, resulting in a reduction in the number of customers enjoying this activity and an inability to attract new customers
2. Old and poorly maintained equipment is more likely to be inaccessible for those with a range of physical, learning and mobility impairments creating barriers to access

- 9.2. Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks.

There is a risk that the uptake of the improved leisure provision is not as great as expected. The leisure centres and campuses would promote the benefits of exercise and the updated equipment and facilities

10. Financial Implications

- 10.1. The total estimated capital funding required for the gym equipment is £1,435,700 for the Phase One programme, starting in the 2014/15 financial year. This is based on expenditure of £706,500 in 2014-15 and £729,200 in 2015-16. The breakdown for the Phase One programme (Appendix 1) shows the requirement for each Leisure Centre per year. The proposals for these campuses are sufficiently developed to enable the council to acquire the necessary equipment. (Phase 2 is also shown for reference and these sums would need to be bid for at a later date). The costs for Phase One are set out in the table below.

Campus/ Leisure Centre	Current No. Items	Recommended No. Items	Fitness Equip't 2014/15	Fitness Equip't 2015/16	Sports Equip't	Total
Springfield, Corsham	44	65	188,000		75,000	263,000
Five Rivers, Salisbury	49	75	216,500		75,000	291,500
Devizes	33	50	142,000			142,000

Campus/ Leisure Centre	Current No. Items	Recommended No. Items	Fitness Equip't 2014/15	Fitness Equip't 2015/16	Sports Equip't	Total
Amesbury/ Durrington	37	50	10,000			10,000
Melksham	64	75		205,000	75,000	280,000
Westbury	16	30		166,700	50,000	216,700
Activity Zone, Malmesbury	30	50		157,500	75,000	232,500
Totals			556,500	529,200	350,000	1,435,700

- 10.2. It is envisaged that the number of items of equipment provided in the fitness suite at each of the sites will be increased as outlined, in line with Sport England recommendations identified through the Leisure Facilities Review 2011 and predicted campus requirements. It is assumed that all other costs such as those associated with the building, ventilation, water supply and access will be provided as part of the building or campus.
- 10.3. The centres also provide equipment for various sports and activities. This will include items such as goal posts, badminton posts and nets, trampolines, gymnastics equipment, equipment for hire, balls, inflatable equipment and floats for swimmers and pool lane ropes. The proposal includes new and replacement items at each Campus.
- 10.4. Equipment for DC Leisure Centres which are owned but not operated by the council has also been included in the estimated costs, as the Council owns a significant amount of the existing equipment across these sites. The current contractor is unlikely to replace the existing equipment whilst they do not have a long-term contract in place. It is possible that external sites may be brought in-house where they are part of the Campus and Operational Delivery Programme. In any event the council would own or lease the equipment and it would return to the council on termination of the contract.
- 10.5. The cost of borrowing is estimated at approximately 10% per year of the capital sum required until the loan is re-paid, starting the year following purchase. This is shown in Appendix 1, at 'cumulative revenue impact' leading to a maximum of £354k in year five. These costs would be covered by an increase in income generated by provision of improved facilities. The life of some of the equipment is five years but the council aggregates its borrowing requirements for all capital investment. Therefore paying back over ten years is acceptable, on average, for all assets.
- 10.6. The option of leasing the equipment has been considered, but further work would be carried out on this in advance of a final decision on whether to purchase or lease the equipment.
- 10.7. Expected income for the current financial year from the in-house fitness suites is approximately £1m. There is an anticipated loss of income associated with providing outdated gym equipment, as members are likely

to leave. By improving the quality and quantity of gym equipment across the County, income levels could be significantly increased. The current proposal would increase the number of gym equipment items by approximately 25 - 50%, and would also increase the standard and reduce equipment down-time. A 10% increase in membership and footfall would equate to an increase in income of £115,000

- 10.8. It is envisaged that maintenance costs would decrease for newer equipment and these costs would still be met by the Leisure revenue budget.
- 10.9 The equipment to be acquired under Phase Two would be the subject of a separate report to Cabinet Capital Assets Committee in late 2014 – 2015. This allows further time for the proposals for remaining campuses to be agreed. There will be more information about the management of campuses and on the increase in the number of residents using the fitness suites which would inform the detail of the Phase Two proposal.

11. Legal Implications

- 11.1. Wiltshire Council is a contracting authority and will need to ensure that it considers and complies with the Public Contract Regulations 2006 as well as the Council's Procurement Rules set out in its Constitution.
- 11.2. If the required contracts for Supplies and Services equal or exceed the threshold of £172,514, the procurement procedures set out in the Regulations shall apply. Given the value of the contract to be awarded the council would advertise the contract in the Official Journal of the European Union.
- 11.3. The Council should also consider whether any of the contracts under this proposal would be suitable for a framework agreement, for example it may be appropriate to have a framework agreement for the supply of the fitness equipment as the requirements are spread over two phases. A framework agreement may provide the Council with more flexibility. However it should be noted that a framework agreement cannot exceed a term of four years.
- 11.4. Support with regard to the procurement of the equipment will be required. The programme will be split into two phases comprising two years each to align with the Campus programme. Two procurement processes may be required, which would have some impact on the legal team and corporate procurement unit.

12. Options Considered

- 12.1. Do nothing and decommission equipment as it becomes unserviceable
- 12.2. Replace existing equipment only with no provision of additional fitness equipment to meet the needs of the Campus Programme

12.3. Replace existing equipment and provide additional fitness and sports equipment to meet the requirements of the Campus Programme

13. Conclusions

13.1 Planned replacement and purchase of extended equipment for the fitness suites would enable the council to work towards achievement of outcome 5 of the Business Plan 2013-17, as well as the objectives of the Service Delivery Plan for Leisure 2011 – 2015.

13.2 The recommendation is that the fitness suite equipment should be replaced and additional fitness equipment and wider sports equipment provided to meet the requirements of the Campus Programme

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Background Papers - None

Appendices:

Appendix 1: Fitness Equipment and Sports Equipment Investment Programme