

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
07 July 2021

Report Title: Jubilee2 – Improvements to the health and fitness offer at Jubilee2

Submitted by: Executive Director - Commercial Development & Economic Growth

Portfolios: Leisure, Culture and Heritage

Ward(s) affected: All

Purpose of the Report

The report seeks Cabinet approval to enter in to a contract to improve the health and fitness offer at Jubilee2.

Recommendation

- 1. That Cabinet delegate the authority for the Executive Director Commercial Development & Economic Growth enter into a contract to enhance the health and fitness offer at Jubilee2 with Alliance Leisure.**
- 2. That the Cabinet delegate the authority for the Executive Director Commercial Development & Economic Growth to agree the preferred supplier for each fitness package in consultation with the Cabinet Member for Leisure Culture and Heritage.**

Reasons

The replacement of the health and fitness equipment will ensure the service takes advantage of opportunities for improving the health and wellbeing of residents whilst maximising commercial the operational recovery rate at Jubilee2.

1. Background

- 1.1 The fitness suite at Jubilee2 currently consists of 100 pieces of fitness equipment which was installed as part of the original fit out of Jubilee2 in 2011. This layout was designed at the time to meet customer expectation following input from leading industry providers.
- 1.2 The existing fitness equipment is now eight years old and reaching the end of its useful life. As a result the equipment breaks down more frequently and sometimes for a sustained period of time which has a negative impact the customer experience.
- 1.3 A key action in the Jubilee2 action plan is to refurbish the fitness suite at Jubilee2 and it is anticipated that the investment will support and exceed pre-Covid membership numbers. It has also become apparent from customer consultation that there are opportunities, to provide a more diverse fitness offer, improve membership satisfaction, utilise the floor space to its maximum potential, and provide a commercial opportunity to increase membership up-take and retention.

1.4 The Sport England Active Lives Survey identifies that the use of gyms still remains one of the most popular leisure activities for Borough residents. The replacement of the fitness equipment will therefore improve the health and wellbeing of residents and support increased participation in physical activity

2. **Issues**

2.1 The existing fitness layout comprises of 100 pieces of equipment which is divided into 60% cardiovascular and 40% resistance equipment. The proposed layout will see the fitness offer split into four key areas, resistance, cardiovascular, functional training (including free weights and stretch) and toning. This will support a more diverse fitness offer including personal training small group exercise classes and an enhanced health referral programme which has not been offered previously and will support the commercial viability of Jubilee2. In addition to replacing the fitness equipment and spin bikes it is now an ideal time to improve the gym set up through:

- Improving the ambience by redecorating, zoning of the equipment and potentially the relocation of the gym desk to allow for better supervision of the gym floor;
- Minor electrical works to accommodate the new fitness equipment layout;
- Installation of toning equipment in the former aqua sauna space;
- Subject to budgetary constraints to enhance the flooring in the studios to accommodate a wider range of activities;
- Installation of digital a solution to enhance the customer's experience and support customer retention.

2.2 Following Consultation with the Council's Business Improvement Manager and a review of procurement options, the UK Leisure Framework Agreement (hosted by Denbighshire County Council) offers a compliant procurement option and approach to procure both the gym refurbishment and gym equipment, with Alliance Leisure under the UK Leisure Framework Agreement.

2.3 Taking into account the scope of works and the limited capacity/resource in the Council it will be prudent to engage a leisure specialist company to oversee the tender process and provide the Council with a turnkey solution for the fitness suite with a targeted date for completion of December 2021. Benefits of using the Alliance Leisure framework include:

- Greater economies of scale for to purchase or lease the fitness equipment;
- The inclusion of a service contract for the equipment at no additional cost the Council excluding wearable items;
- Project management and coordination of all specialists to deliver the project by the designated date;
- The transfer of any risk of the project to ensure the project is completed on time and within the allowable budget;
- Marketing and communications in support of the relaunch of the fitness offer at no additional cost to the Council;
- The establishment of a training package for the health and fitness team at no additional cost to the Council;
- A national insight about what is on trend along with emerging new initiatives within the health and fitness industry.

2.4 It is therefore proposed to commission Alliance Leisure to undertake a detailed feasibility study to improve the health and fitness offer at Jubilee 2, which will include the following:

- Finalise the gym lay out ensuring best commercial use of the available space;
- Delivery of mechanical and electrical design;
- Professional fees e.g. mechanical and electrical design and architectural fees etc.;
- Cost Certainty for the project including any value engineering of the project should the need arise;
- Demonstration of best value for the Council through obtaining comparable competitive quotes against and agreed specification for the works;
- Production of a detailed project plan with estimated works to be phased over a 2-3 week period minimising customer disruption.

3. **Proposal**

3.1 That Cabinet delegate the authority to the Executive Director Commercial Development & Economic Growth to enter into a contract for the refurbishment of the fitness suite and activity space with Alliance Leisure.

3.2 That the Cabinet delegate the authority to the Executive Director Commercial Development & Economic Growth to agree the preferred supplier for each health fitness package in consultation with the Cabinet Member for Leisure Culture and Heritage.

4. **Reasons for Proposed Solution**

4.1 The replacement/improvements of the health and fitness equipment will ensure the service takes advantage of opportunities for improving the health and wellbeing of residents whilst maximising commercial opportunities to improve the operational recovery rate at Jubilee2.

5. **Options Considered**

5.1 Do nothing and decommission the equipment as it becomes unserviceable, this will have an adverse impact on residents/customers experience and possible loss of membership.

5.2 Replace the fitness equipment to meet the needs members at Jubilee2 and to support the Commercial viability of Jubilee2.

6. **Legal and Statutory Implications**

6.1 The use of the UK Leisure Framework offers a compliant procurement option in line with current legislation (Public Contract Regulations 2015 (PCR2015) and the Council's Constitution and as such will minimise the risk to the Council of a procurement challenge.

7. **Equality Impact Assessment**

7.1 The replacement of the fitness equipment will appeal to a broader range of the borough's residents. In addition the new fitness layout will enable the delivery of smaller group exercise classes and personal training ensure that Jubilee2 continues to attract a wider range of users include those with protected characteristics.

8. **Financial and Resource Implications**

8.1 Initial estimates provided by Alliance Leisure have indicated the project can be delivered within the £360,000 allocated in the 2021 capital programme for Jubilee2 plus an estimated

£10,000 buy back fee for the existing fitness equipment. The indicative break down of costs are shown below:

Element of Work	Indicative Capital Cost
Fitness Equipment	£210,000
Spin Bikes	£30,000
Motorised exercise equipment	£54,000
Construction Costs (inclusive all design fees to get the project to cost certainty)	£34,750
Wearable tech solution in the studios to support customer retention	£10,000
Fees Payable to Alliance Leisure inclusive of Project Management Costs	£17,500
Framework Fees	£3,750
Project contingency	£10,000
Total Cost	£370,000
Existing equipment buy back fee	-£10,000
Total Project Cost (subject to cost certainty)	£360,000

8.2 Given that the initial timeframe to deliver the project is likely to take two to three weeks it is proposed to reduce membership fees in December 2021 by up to fifty percent to reflect the reduction in services available to members which is estimated to be to £20,000-£30,000.

Major Risks

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9.1 It is proposed that all risks will be proactively managed through a small working group of officers from Sport and Active Lifestyles, ICT, and Facilities Management to ensure that the project is delivered on time and within budget.

10. UN Sustainable Development Goals (UNSDG)

10.1 The improvements to the health and fitness offer at Jubilee2 contribute to the UNSG and Climate Change objectives in a number of ways. Principally, through partnership working, improving health and wellbeing and supporting, infrastructure and skills, the following UNSGs are supported.



11. **Key Decision Information**

11.1 This is a key decision and appears on the Council's forward plan.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 None