

Report of:	Meeting	Date
Cllr Lynne Bowen, Leisure, Health and Community Engagement Portfolio and Mark Broadhurst, Service Director Health and Wellbeing	Cabinet	26 June 2019

Exercise Equipment - Garstang Leisure Centre

1. Purpose of report

- 1.1 To agree the purchase of health and fitness equipment and related software for Garstang Leisure Centre.

2. Outcomes

- 2.1 We will maximise opportunities for improving health and wellbeing across our communities.
- 2.2 We will maximise commercial opportunities and improve the return from our assets whether that be buildings or land and deliver efficiencies.
- 2.3 To assist in delivering a reduction in the overall subsidy afforded to the operation of our leisure centres.
- 2.4 We will improve customer experience and satisfaction levels

Recommendations

- 3.1 That the Cabinet agrees to purchase health and fitness equipment and related software for Garstang Leisure Centre to the value of £29,527 excluding VAT and that the scheme is added to the Council's 2019/20 Capital Programme. The investment will be recovered over a four year period via contributions from the YMCA's operational budget at no additional cost to the council.

4. Background

- 4.1** A key action in the Council's business plan is to deliver a programme of work to promote healthy choices and healthier lifestyles to keep people well. As a key facility in rural Wyre, it is important to ensure that Garstang Leisure Centre offers customers a high quality experience with a good standard of health and fitness equipment.
- 4.2** The capital sum will be spent predominantly on new exercise bikes to support the extremely popular Spinning classes at Garstang where users currently experience regular waiting lists as demand exceeds supply. The twenty existing bikes at the leisure centre have been well used and would benefit from being upgraded.

5. Key issues and proposals

- 5.1** It is proposed that following a competitive procurement process, the council will purchase twenty five new Schwinn AC Performance Plus spinning bikes from Core Health and Fitness along with software to create a spinning studio experience. These will replace the existing twenty bikes that are now at the end of their useful life and will help to create a more modern, high quality fitness experience. The additional five exercise bikes will help to meet demand by increasing the number of places open to participants in each class from twenty to twenty five.
- 5.2** It is proposed that the council will purchase the equipment and recover the investment cost, together with a capital financing charge in any years when the subsidy target is not met, from the YMCA over a four year period. The YMCA will meet the annual repayment amount from the agreed operational subsidy at no additional cost. The minimum annual repayment will be £7,381.75 plus VAT.

Financial and legal implications	
Finance	<p>The equipment will cost £29,527 plus VAT. The council will purchase the equipment and recharge the YMCA over a four year period at a minimum annual cost of £7,381.75 (excl VAT). There will be no capital financing payable in any years by the YMCA as long as they meet the subsidy targets agreed with the Head of Finance (s.151 Officer).</p> <p>The capital expenditure will be funded from the Leisure Management Reserve.</p> <p>To incentivise the YMCA to meet the agreed subsidy target each year then should they fail to do so, interest will be charged. An average of four leasing company rates will be applied with the total charge levied in a full year being £10,934.94 (£7,381.75 + £3,553.19 interest).</p>

	<p>Whilst the annual costs payable by the YMCA, if interest is applied, mirror those offered by equipment leasing providers, this arrangement ensures that the council is not incurring capital financing charges unnecessarily and incentivises the YMCA to continue to drive the subsidy down. In years when no interest is applied, the YMCA is benefiting from 0% financing but has to meet the agreed subsidy which is expected to reduce year on year.</p> <p>Any interest payable will fall outside of the normal contractual arrangement whereby the surplus or deficit is shared on a 50/50 basis and instead will be met wholly by the YMCA.</p>
Legal	<p>On termination of the leisure agreement, the equipment will be owned by the Council.</p> <p>A contract variation will be entered into to reflect the rates agreed in this report and that any interest that becomes payable will fall outside of the normal contractual arrangement whereby the surplus or deficit is shared on a 50/50 basis. It will instead be wholly the responsibility of the YMCA to fund.</p>

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	X
equality and diversity	X
sustainability	X
health and safety	X

risks/implications	✓ / x
asset management	X
climate change	X
ICT	X
data protection	X

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed

and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection
none		

List of appendices

None

dems/cab/cr/2606mb1