

<b>Report of</b>	<b>Head of Operational Service</b>	<b>Author</b>	<b>Brett Gooch ☎</b>
<b>Title</b>	<b>Request for Delegated Authority in connection with the Health and Fitness Refurbishment at Leisure World Colchester</b>		
<b>Wards affected</b>	All		

**This report concerns Cabinet delegating the responsibility for agreeing to proceed with the Health and Fitness Refurbishment building project at Leisure World Colchester to the Portfolio Holder for Business, Leisure and Opportunities**

## **1. Decision(s) Required**

- 1.1 To delegate the responsibility to agree and accept the tender for the Health and Fitness refurbishment project at Leisure World Colchester (LWC) to the Head of Operational Services in consultation with the Portfolio Holder for Business, Leisure and Opportunities.

## **2. Reasons for Decision(s)**

- 2.1 The building project to extend and remodel the Health and Fitness facilities at LWC in accordance with the Sport and Leisure Business Case agreed by Cabinet on 14 October 2015 is currently at the design and planning stage. Tenders are expected to be over £500,000 which would normally require a Cabinet decision to proceed.
- 2.2 In order that the project can be completed in accordance with the programme, the works need to commence in November 2016 and so the decision to award the contract to the successful tenderer will need to be made between the Cabinet Meetings planned for 12 October and 30 November. Delegating authority to the Portfolio Holder will ensure that an order can be placed with the successful contractor in accordance with the project timetable.

## **3. Alternative Options**

- 3.1 The alternative option is to seek Cabinet approval at its November meeting but this will put the project at least 4 weeks behind schedule and will mean that the targets for generating additional income as outlined within the Business Case could not be met.

## **4. Supporting Information**

- 4.1 The agreed Sport and Leisure Business Case includes plans to extend the Activa Gym and to re-configure the first floor office space next to the current Studio, to provide a second, smaller Studio and new office area.
- 4.2 Since 2012, when the Activa gym was last expanded and new Studio created, customer use of the gym and Group Fitness Classes has increased, linked to Lifestyles membership sales rising by nearly 44% and membership income increasing by over

£206k, exceeding £1m p.a. for the first time. Live membership has increased by 19% over the same three year period. With the introduction of Les Mills classes in July 2014 average occupancy of classes increased from 34% to 62% by March 2015.

- 4.3 This excellent performance has been achieved against strong competition from other health and fitness providers in Colchester, including national chains, such as Sports Direct and Top Notch, budget gyms, the University of Essex and Clarice House. Membership levels at Leisure World have been increasing while Fitness First, LA Fitness, Ardleigh Hall and Potentia Gym have all closed in the last three years. However, we are mindful that David Lloyd will be opening a brand new club in the Colchester Northern Gateway area which will offer gym and a group fitness programme alongside pools, indoor and outdoor tennis courts. In addition, Colchester Institute and the University of Essex have plans to expand their sport and leisure facilities which mean the Council needs to respond to ensure it retains its share of the market.
- 4.4 The project will deliver a 288m<sup>2</sup> ground floor extension of Aactiva gym to accommodate the provision of the most popular cardiovascular, resistance and free-weight equipment and include new functional training and personal training areas. New equipment will be purchased for this area and some of the existing older equipment in Aactiva will be replaced.
- 4.5 The project will also deliver a new second smaller Studio created by configuring existing first floor office and staff room space next to the current Studio.
- 4.6 The project will be undertaken such that the normal operation of LWC is disrupted as little as possible and therefore any loss of existing income will be minimal.
- 4.7 This project is being managed by Colchester Borough Homes (CBH) in accordance with the Council's framework agreement with them.

## **5. Proposals**

- 5.1 It is proposed that once the final analysis of tenders is received from CBH, a report will be prepared for the Portfolio Holder for Business, Leisure and Opportunities requesting authorisation to proceed with the building project and place an order with the successful contractor.

## **6. Strategic Plan References**

- 6.1 The proposed refurbishment project directly links to the following objectives in the Strategic Plan for Colchester:
- VIBRANT: Enhance the diverse retail and leisure mix supporting independent businesses valued by residents and visitors
  - VIBRANT: Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life
  - VIBRANT: Create the right environment for people to develop and flourish in all aspects of life both business and pleasure
  - THRIVING: Promote Colchester's heritage and wide ranging tourism attractions to enhance our reputation as a destination
  - WELCOMING: Improve sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing

## **7. Consultation**

- 7.1 Following a thorough consultation exercise in the sport and leisure industry, the Leisure World Colchester Strategy and Business Plan, which includes the proposed health and fitness refurbishment, sets out evidence from national, regional and local sources that demonstrate there is potential to increase Leisure World Colchester's market share even further. This was considered in full at the meeting of the Council's Scrutiny Panel on 14 October 2015.
- 7.2 Since the Cabinet meeting in October 2015, an external study has been undertaken to determine current usage of the equipment in the gym facility and to gain customer feedback on their requirements of future developments. This is being used to inform the design of the new areas and what equipment to provide. Staff have also been consulted on the planned refurbishment and have been actively engaged in the project.

## **8. Publicity Considerations**

- 8.1 Major building projects being undertaken at a prominent building such as LWC is likely to attract press attention and as such, a communications plan is being developed detailing the works, the reasons for doing them and the positive effect that these will have upon the building. The communication will also confirm the programme for the works and any changes to the normal opening of LWC and the facilities offered.

## **9. Financial implications**

- 9.1. At the Cabinet meeting on 14 October 2015 it was agreed to release £1.5 million from the Council's New Homes Bonus provision to fund the estimated capital costs set out in the Sport and Leisure Business case, of which £686,000 had been assigned to building works of this area.
- 9.2. It is not anticipated that tenders will exceed the agreed budget of £686,000 including consultant fees, however, an analysis of the tender returns will be considered as part of the Portfolio Holder's decision to accept the lowest acceptable tender.

## **10. Equality, Diversity and Human Rights implications**

- 10.1 The full Equality Impact Assessment for the Health and Fitness refurbishment project can be found at the following link to the Colchester Borough Council website  
<http://www.colchester.gov.uk/article/12746/Operational-Services>

## **11. Community Safety Implications**

- 11.1 None directly arising from this report

## **12. Health and Safety Implications**

- 12.1 Due to the nature of the works to be delivered, the project falls within the jurisdiction of the Construction Design and Management (CDM) Regulations 2015 and as such, the Council as the "Client" has appointed CBH as the Principal Designer as it is required to do in order to properly fulfil its obligations under the Regulations.

### **13. Risk Management Implications**

- 13.1 There are no major risks associated with this building project. However, the project has its own risk management plan to ensure that potential risks are identified and mitigated wherever possible.

### **Background Papers**

None