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<b>REPORT TO:</b>	<b>ETWALL JMC</b>	<b>AGENDA ITEM: 6</b>
<b>DATE OF MEETING:</b>	<b>23<sup>RD</sup> MARCH 2009</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF COMMUNITY SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>CHRIS MASON 5794</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>HEALTH &amp; FITNESS PROVISION – NEW LEISURE FACILITIES</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ETWALL, HATTON, NORTH WEST PARISHES, WILLINGTON &amp; HILTON</b>	<b>TERMS OF REFERENCE:HCS08</b>

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## **1.0 Recommendations**

- 1.1 That the JMC approve the recruitment of a Health & Fitness Manager & Health & Fitness Supervisor on the salary grades identified in the report
- 1.2 That Members note the appointment of Technogym to provide health & fitness equipment at the new facility

## **2.0 Purpose of Report**

- 2.1 To provide background information & evidence to support the above recommendations.

## **3.0 Executive Summary**

- 3.1 The recently completed consultant's business plan for the new health & fitness facilities allows us to firm up more accurately the estimates made for this area in the budget presented at the last meeting of this Committee. The report sets out the net impact of these in terms of projected salary costs for the management & supervision of the Health & Fitness element of the new provision and the income we could anticipate generating from the provision. The intention now is to fill the new posts by early June 2009 so that we make a positive start in both launching the facility and achieving the projected income targets.

## **4.0 Detail**

- 4.1 At the meeting of the JMC on 26<sup>th</sup> January 2009 Members considered & approved the recommendations in two important reports on staffing the new leisure facilities and establishing revenue budgets for the Centre.
- 4.2 Built into the staffing cost element of the draft revenue budget were salaries for the employment of a Health & Fitness Manager, a Health & Fitness Supervisor and a number of part time hours to ensure the fitness suite were adequately staffed. As part of both reports it was explained that the District Council had engaged a specialist

consultant to advise on a number of issues including realistic income generation targets for the facility and market related salaries for staff employed in the facility. This information, which wasn't available for the meeting on 26<sup>th</sup> January 2009 has now been provided. The consultant was also engaged to assist in the procurement of health & fitness equipment at the site.

- 4.3 There were a number of options available for equipping and staffing the fitness element of the health & fitness suite including franchising out this element of provision. However, because the Council made capital available to purchase the equipment directly the obvious option to maximise the return from the facility was to directly employ staff ourselves.
- 4.4 The original budget estimate for staffing the fitness suite was based on the Health & Fitness Manager being employed on Scale 5 and the Supervisor on Scale 1 scp.11. The consultant's recommendation, based on current industry norms was a range of salaries that equate at the top end to Scale 4 (£16,941 - £18,882) for the manager and Scale 1 Scp.10 (£13,662) for the supervisor. As previously mentioned it is intended to have staff in these positions by early June 2009 to support the essential marketing of the new facility.
- 4.5 In terms of income projections for the Health & Fitness suite the business plan produced by the consultant identifies that likely income from the facility in the first year of operation will be slightly less than identified in the composite budget considered by Members on the 26<sup>th</sup> January 2009 but significantly more than estimated in years two & three of operation. Financial impact of revised staff costs & amended revenue projections is summarised under the 'financial implications'
- 4.6 After a competitive procurement process the contract to supply health & fitness equipment to the new health & fitness provision was awarded to Technogym. Included within the successful tender are commitments to support the marketing of the new facility, staff training for both instructors & teachers and responsive maintenance agreements.

## **5.0 Financial Implications**

- 5.1 The funding for the capital costs of the health & fitness equipment and payment for the specialist consultant will be met by the District Council. The net impact on budget estimates of revisions made following the consultant's report are summarised as follows:

	<b>Initial Estimate £s</b>	<b>Revised estimate based on consultant's advice £</b>
Staffing Health & Fitness Suite (incl. NI & oncosts) (full yr.)	83,745	76,870
H&F income projection yr1 (part yr)	120,000	98,936
H&F income projection yr2 (full yr.)	180,000	215,388
H&F income projection yr3 (full yr.)	180,000	261,779

## **6.0 Corporate Implications**

- 6.1 From a Council perspective delivering new leisure facilities in the northwest parishes of the District is a key Corporate Objective

## **7.0 Community Implications**

- 7.1 The new leisure centre will be an important and strategic facility in a fast growing area of the District.

## **8.0 Conclusions**

- 8.1 The report firms up some of the initial estimates made in the draft budget approved by this Committee in relation to the new health & fitness provision. If they are achieved the revisions would have a positive impact in reducing overall revenue costs at the facility.

## **9.0 Background Papers**

- 9.1 Marketing & Business Plans for new build health & fitness provision at John Port School site, Etwall dated 29/01/09