

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No. 8

meeting date: 18 JANUARY 2011
title: MANAGEMENT ARRANGEMENTS FOR LONGRIDGE GYM
submitted by: JOHN HEAP, DIRECTOR OF COMMUNITY SERVICES
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1 PURPOSE

- 1.1 To consider the current viability of the gym operation at Longridge and consider the proposal of a transfer in management to Longridge Social Enterprise Company (LSEC).
- 1.2 Relevance to the Council's ambitions and priorities:
 - **Council Ambitions** – The contents of this report contribute to the Council's ambitions for making peoples' lives safer and healthier.
 - **Community Objectives** – Access for all, community cohesion, community safety and improving the health and well-being of local people.
 - **Corporate Priorities** – Ensuring services are accessible to all.
 - **Other Considerations** – None

2 BACKGROUND

- 2.1 A report was considered by this Committee back in September 2010 in which a request by Longridge Social Enterprise (LSEC) to operate the gym as part of their expansion plans for service provision in Longridge was outlined.
- 2.2 Since that time a small working group; comprising of Ribble Valley Borough Council Officers, the Chairman of Community Committee and Rupert Swarbrick of LSEC, have met on two occasions to consider a unification of service provision from the Civic Hall.
- 2.3 Whilst usage and income generation has increased slightly since it was located at Longridge High School, and a facility experience has been enhanced by the additional provision of designated changing rooms, there are managerial factors inhibiting the cost effectiveness of the operation which LSEC may potentially be able to overcome if they were to control overall staffing and programming. (There is currently a 3-way partnership between LSEC, RVBC and Longridge Children's Centre).

3 ISSUES

- 3.1 The net operation budget for the gym facility (original for 2011/12) is approximately £92,850. Of the gross expenditure of £127,790, approximately 45% is attributable to staffing costs, and this is based upon one member of staff being in attendance during facility opening times. There are two members of staff engaged with direct service provision; Community Activity Officer (full-time) and the Community Activity Attendant (part-time), and in addition there is casual staff cover for approximately 20 hours per week.

The breakdown of the proposed budget for 2011/12 is shown below;

Expenditure	
Employee costs	56,890
Premises	8,820
Transport	320
Supplies and Services	7,380
Support Services	46,550
Capital Charges	<u>7,830</u>
Proposed Expenditure Budget	<u>127,790</u>
Income	
Fees & charges	- 22,080
Grants	<u>-12,860</u>
Proposed Income Budget	<u>-34,940</u>
Net Prepared Budget	<u>£92,850</u>

For any handover to LSEC or any other organisation to be advantageous to the Council, the funding support to any partner should not be to the financial detriment of the Council, and will need to be subject to further discussions.

- 3.2 A handover to LSEC would be subject to staff being transferred under TUPE regulations.
- 3.3 LSEC believe that they can both build up usage and double gym membership over the next 4 years whilst increasing income generation from the bar facility. They also expect to reduce overall premises and staffing costs over the same period.

The advantages presented by single management control are represented by:-

- (i) A combination of staff presence to oversee hire of the Main Hall and use of the Fitness Room. The same staffing presence currently required for the Gym would be able to oversee all use of the building and therefore enabling combined facility income generation for the same expenditure on staffing.
- (ii) The Civic Hall Co-ordinator role has contributed significantly to building up activity provision in the Main Hall over the 3-year term that support funding has been available from Sport England. This will come to an end in October this year and the opportunity for sustaining such a position is now through funding sources that apply to non-local authority bodies. Social Enterprises are ideally placed to obtain funding through the 'Reaching Communities' funding programme which may if successful sustain this post for a further period of up to 5 years.

A single operator arrangement would also be able to take advantage of the combined activity packaging potential presented by Fitness Room and various other programmed sessions including; aerobics, circuit training, Thai-Chi, Yoga and different forms of dance classes, and offer a more attractive membership package than is currently available to gym users.

3.4 The fitness room is utilized by the Council's GP referral scheme and it would be important to retain client access to the gym as part of service level agreement with LSEC. There are also special user groups who are currently allocated concessional use of the gym (disabled/autistic children and young people encountering the risk of anti-social behaviour. It is also important to safeguard these user groups in future programming.

4 **RISK ASSESSMENT**

The approval of this report may have the following implications:

- **Resources** – The possibility of a financial commitment is identified in Section 3, and will need to be subject to further discussions.
- **Technical, Environmental and Legal** – There are specific procedures to be implemented in line with the employment rights and the transfer of an undertaking (TUPE). Changes to the existing lease will also need to be implemented.
- **Political** – There are financial and cost efficiency measures which may impact upon service provision.
- **Reputation** – There is a risk that the continued delivery of service provision and the standard of fitness room experience available to members of the public. As stipulated in Section 3.5 a service level agreement may serve towards ensuring that the provision relating to fitness for life clients is maintained.

5 **RECOMMENDED THAT COMMITTEE**

- 5.1 Considers the proposal to transfer the Gym operation to LSEC and if you agree to this in principle;
- 5.2 Acknowledges the financial parameters for basing a handover of the facility to ensure that it is beneficial to the council, and
- 5.3 Delegates financial negotiations to the Director of Community Services, in consultation with the Budget Working Group.

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