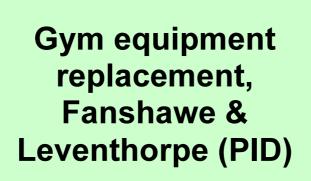
# Project Champion: Head of Customer and Community Services Version: 4

Date: 23<sup>rd</sup> September 2011



East Herts District Council Council Offices, The Causeway Bishop's Stortford Hertfordshire

Tel: 01279 501508 Fax: 01279 502015

## **1. Document Control**

### Document

Client	Capital Strategy Group	
Project	Gym equipment replacement, Fanshawe & Leventhorpe	
Document	Project Initiation Document	
Author	Mark Kingsland	
Published Date	23.9.2011	
Version	4	

#### Change History

This document is to be submitted to the project team for approval and signoff. Thereafter amendments are to be approved by the appropriate Change Control processes.

Issue	Date of Issue	Comments / Reason for change	
1.00	20.7.2011	Initial Draft	
2.00	1.8.11	1 <sup>st</sup> revision, responded to GAR comments	
3.00	3.8.11	2 <sup>nd</sup> revision, revised value of capital requested, updated timescale.	
4.00	23.9.11	3 <sup>rd</sup> revision, CapEx details revised after discussions with SLM	

### Distribution

Name	Position	Organisation
Will O'Neill	Head of Customer and Community Services	East Herts Council
Alan Madin	Director of Internal Services	East Herts Council
George Robertson	Director of Customer and Community Services	East Herts Council

### Abbreviations

Corporate Management Team – CMT	
Sport & Leisure Management Ltd - SLM	

### 2. Introduction

Both Fanshawe Pool & Gym and Leventhorpe Pool & Gym are joint provision sites, facilities owned by Herts County Council and managed by SLM as East Herts Council's leisure provider.

Originally, the funding for the replacement of the gym/fitness equipment for both the facilities was included in SLM's Fee Schedule within the Leisure Management Contract. Their business model upon which their bid was based included £27,552, plus depreciation for Leventhorpe and £52,395, plus depreciation, for Fanshawe, spread over the final six years of the contract period.

If the Council is able to fund equipment replacement up to the value of  $\pounds$ 113,000 the leisure revenue medium term financial plan (MTFP) has the opportunity to show an engineered reduction in the contract payment of  $\pounds$ 22,100 annually, against the agreed contract fee to SLM from January 2012, generating a gross revenue saving of £154,700 over the remaining seven years of the contract.

The purchase of the required gym equipment will be in the region of  $\pounds 113,000$  split between the two sites. Replacement gym equipment at Fanshawe cost;  $\pounds 84,000$  from January 2012 and replacement gym equipment at Leventhorpe cost;  $\pounds 29,000$  at an agreed date between April 2012 and March 2013.

There is also a trade in value of around £16,500.00 for the existing gym equipment at Fanshawe Pool & Gym.

### 3. Objective

£22,100 annual reduction in contract payments against agreed contract fee to SLM from January 2012, generating a gross revenue saving of  $\pounds$ 154,700 over the remaining seven years of the contract.

To replace aged gym equipment at Fanshawe Pool and Gym in January 2012 and Leventhorpe Pool and Gym at an agreed date between April 2012 and March 2013.

To allow these facilities to compete, to maintain and develop the service offered to users from the surrounding areas and to encourage residents to lead a healthy lifestyle.

### 4. Scope

#### Inclusions –

Specification for new equipment Purchase of new equipment, including warranties' etc. Removal of the old gym equipment Delivery of the new equipment Installation and commissioning of the new equipment

## 5. Description of Work

#### Inputs/Outputs

Client side time resource Equipment Specification Tendering process Quotation analysis Coordination of delivery and gym closure to minimise disruption.

#### Deliverables

Appropriate affordable equipment at both sites

### Interfaces

Project Manager/Agent

#### Dependencies

Confirmation of timetable Confirmation of appropriate funding Appropriate lead time from order to delivery

### 6. Roles and Responsibilities

The project team will be led by the Project Manager. The full project team consists of:

Name	Title and Location	Responsibility
Will O'Neill	Head of Customer and Community Services	Project Champion
Mark Kingsland	Leisure Services Manager – East Herts Council	Project Manager, obtain Capital funding.
Mathew Nicholson	Area Contract Manager, Watford & East Herts - Sports & Leisure Management Ltd	Agent; develop gym equipment specification for both sites; source suitable gym equipment & purchase, arrange removal and installation of new equipment.

### 7. Timescale

Research market August 2011/September 2011 Sign off Project Initiation Document by CMT 15 November 2011 Report to Council / Executive 4 December 2011

Funding approval December 2011 Quotation analysis October 2011 Appoint supplier October 2011 Installation of equipment, Fanshawe, December 2011

### 8. Conditions/Constraints/Risks

Key factors that will impact on the success of the project are: Approval of funding Approval of process of procurement Lead time between placing of order and delivery of equipment

### 9. Financial Implications

£113,000 Capital required to undertake purchase of suitable equipment, although there is the potential to recoup around £16,500 through the trade in of the existing gym equipment at Fanshawe Pool & Gym.

It is envisaged that additional revenue will be generated at both centres through a mixture of publicity, aesthetic appeal of the new equipment improving the appearance of the gyms in general and the improvement of service offered to new and existing users.

SLM offer a £22,100 annual reduction in contract payments against the agreed contract fee to SLM from January 2012, generating a gross revenue saving of £154,700 over the remaining seven years of the contract.