

Briefing Note

Update on Salt Ayre Leisure Centre

Chief Officer (Health and Housing) & Chief Officer (Resources)

Date: 09 February 2017

Salt Ayre Leisure Centre

1. Background

The Council took the decision to invest in the refurbishment of existing facilities, provision of an alternative leisure offer and new build of a spa/community hub complex for a cost of £5M. Work commenced in May 2016 with a number of building condition surveys undertaken and refinement of the final design proposals as submitted by the appointed Leisure Development Partner, Alliance Leisure.

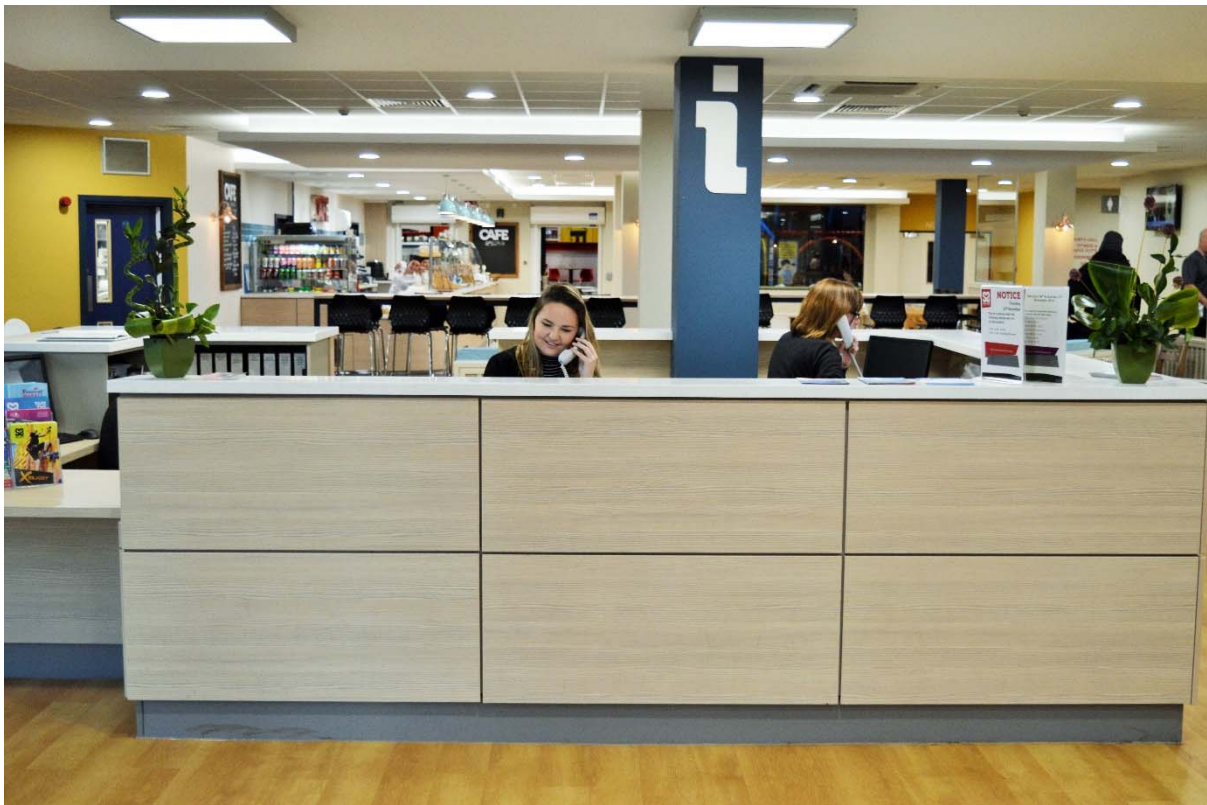
2. Redevelopment - Current Position

To date, the completed work has briefly comprised:

- Redesign of front entrance including new revolving door and L E D sign.



- Redesign and refurbishment of reception.



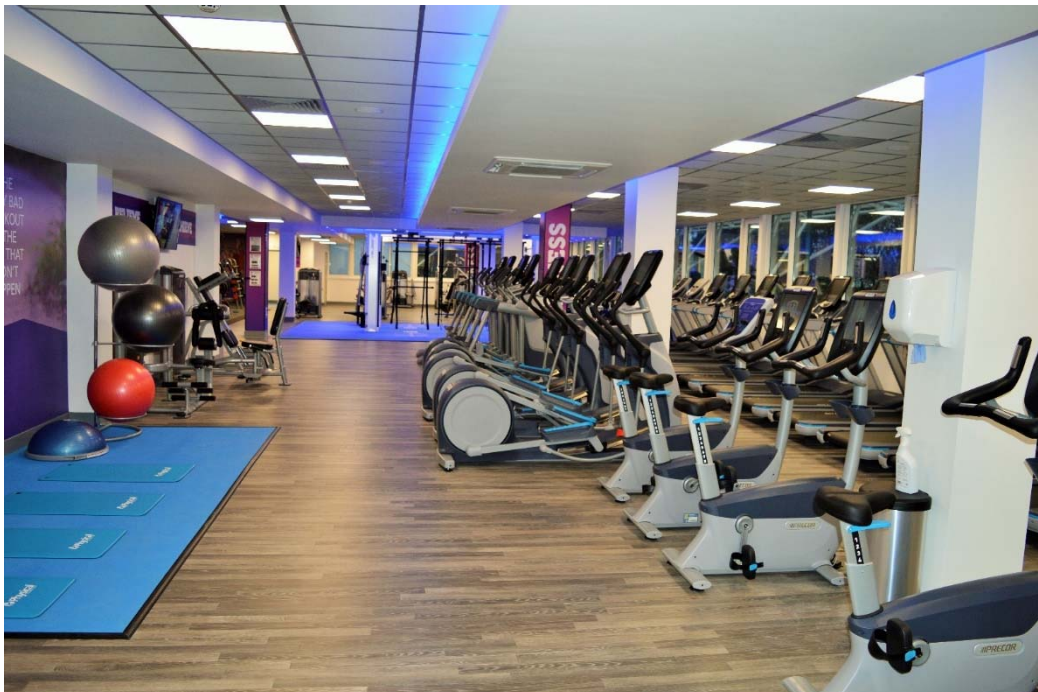
- Redesign and refurbishment of café and kitchen facilities.



- Installation of new XHeight indoor climbing facility.



- Installation of new 'Energy' soft play facility.
- Provision of two birthday party rooms.
- Refurbishment of changing rooms and toilets.
- Replacement of previous lighting systems to LED low energy.
- Replacement / improvement of heating and ventilation systems.
- Resurfacing of car park and introduction of traffic calming measures.
- New state of the art gym.



- New immersive spinning studio – largest in the country operated by a local authority.



- Work commenced to 'Gravity' new flight tower (due to open February 2017).



Preparation of new Customer Relationship management system including fast track access and on line booking capability.

The new facilities, Energy (soft play), XHeight (Indoor climbing) and Refuel (Café) opened in October and the gym and immersive studio in January – all have received numerous positive / glowing comments from customers of all ages (see customer feedback section).

3. Financial Performance

The table below sets out the latest financial projections for the year, compared to the revised budget, for each of the areas operated by the centre.

2016/17 Summary Financial Forecast	EXPENDITURE			INCOME			NET POSITION		
	Full Year Revised Budget	Forecast Outturn	Variance	Full Year Revised Budget	Forecast Outturn	Variance	Full Year Revised Budget	Forecast Outturn	Variance
	£	£	£	£	£	£	£	£	£
Mgmt & Admin	2,348,600	2,348,600	0	(11,700)	(10,966)	734	2,336,900	2,337,634	734
Shop	5,800	4,090	(1,710)	(9,700)	(5,594)	4,106	(3,900)	(1,504)	2,396
Heatwaves	400	834	434	(2,400)	(2,572)	(172)	(2,000)	(1,738)	262
Aquarius Health & Beauty	0	0	0	(300)	(258)	42	(300)	(258)	42
Health & Fitness	154,400	140,040	(14,360)	(410,100)	(394,903)	15,197	(255,700)	(254,863)	837
Outdoor Synthestic Pitch	0	0	0	(2,500)	(2,621)	(121)	(2,500)	(2,621)	(121)
Outdoor Tracks	1,700	1,966	266	(18,500)	(15,282)	3,218	(16,800)	(13,316)	3,484
Main Hall	44,100	33,600	(10,500)	(116,300)	(110,513)	5,787	(72,200)	(76,913)	(4,713)
Projectile Hall	3,100	3,403	303	(4,300)	(5,483)	(1,183)	(1,200)	(2,080)	(880)
Studio	35,600	36,287	687	(54,100)	(46,391)	7,709	(18,500)	(10,104)	8,396
Swimming	57,700	57,340	(360)	(318,000)	(306,722)	11,278	(260,300)	(249,382)	10,918
Café	301,600	297,000	(4,600)	(202,400)	(213,879)	(11,479)	99,200	83,121	(16,079)
XHeight	17,900	17,900	0	(26,700)	(37,776)	(11,076)	(8,800)	(19,876)	(11,076)
Energy	6,400	6,448	48	(38,500)	(51,723)	(13,223)	(32,100)	(45,275)	(13,175)
Gravity	30,100	35,100	5,000	(16,000)	(16,000)	0	14,100	19,100	5,000
	3,007,400	2,982,608	(24,792)	(1,231,500)	(1,220,683)	10,817	1,775,900	1,761,925	(13,975)

The table above shows that overall budget projections are broadly in line with the current forecast, showing a net underspending of just under £14K by the end of the year. The new / refurbished features such as the Café, Xheight and Energy are all expected to outperform the revised income targets – see following comments.

Swimming in contrast has seen a downturn in income, which seems to be in line with national trends. To help counter this, a relaunch of the direct debit scheme for lessons is planned. The studio is the other area that has seen income fall below expectations, which is because more people are switching to memberships and as a result pay as you go income has reduced – overall participation levels are up though.

Café: The refurbishment of the café (Refuel) has seen one of the greater transformational impacts of the project with customers commenting on how the place is unrecognisable. During the period of refurbishment officers took the decision to install a temporary café in order to maintain a level of service to existing customers and continue with the social and wellbeing benefits many people derive from meeting in such surroundings. It was always recognised that this would not be particularly commercially successful and would rather ensure some

people remained in the habit of visiting Salt Ayre. This has proved successful in the longer term as customers seem to have stayed and are now enjoying the benefits of a hugely improved setting.

Xheight: Similarly with XHeight, officers took into consideration feasibility studies and soft market testing when estimating future performance. A further note of caution with XHeight was added for this financial year which reduced projected demand by 50% as feedback from other Councils / operators was that this activity can be slower to meet expectations. However, the latest projections are again positive and it is expected the revised income estimate will be exceeded.

Energy: The basis of the estimates for Energy were formed from a combination of independent feasibility reports and the soft market testing by officers which set out actual performance by other facilities who had introduced similar facilities. Whilst it is sensible to be cautious when setting targets pre-opening, officers are now confident that the actual financial performance will result in an increase on the revised budget as shown above.

Gravity: This feature is due to open in February, however additional fencing has been required at an extra cost of £5K.

Gym: Since opening in early January, the new memberships target is on track.

4. Customer feedback

The new facilities have been very successful and there has been a great deal of positive customer feedback following the opening:

'Money well spent, All the guys are great on XHeight, thanks so much'

'We have had a cappuccino with a breakfast sandwich, it is a lovely treat after an early swim, friendly and courteous staff too'

'The Café environment is much nicer, light, airy and open'

'Such a pleasant experience, lovely staff, great seating area, I could not suggest anything else to improve'

'we think the climbing wall and play area are fab'

'Salt Ayre must now be one of the best sport and leisure places in the area, its brilliant and all the staff are so helpful and warm'

5. Next Phases

Work is well under way with 'Gravity', the new Flight Tower and will be ready to open in February, with a stronger promotional push when the weather improves and daylight hours increase (although there is a flood light option!).

The functional training facility will open in March with plans for the outdoor gym scheduled for July opening.

Work has commenced on the new build of spa and community hub with opening planned for September next year.

Officers are still working on refinement of other aspects of the proposals such as BMX circuit, outdoor catering offer, outdoor family play offer and the possibility of a new phase (subject to formal Council approval) which would generate additional net revenue for the Council. Officers are currently working on these details with Alliance Leisure.

6. Summary

The new facilities have made a hugely positive impact introducing a completely new customer demographic and has clearly been a significant addition to the districts leisure portfolio. Initial indications from data capture are showing a number of people are traveling from outside the district to make use of the facilities and one would imagine the new link road has helped with this position. It is expected that the introduction of the spa will further add to the appeal for both residents and people visiting from outside the district to visit Salt Ayre Leisure Centre and will provide greater 'leisure' appeal for people considering moving to the area to live/work.