

ITEM NO.	C.17/0822	FILE REF.	
SUBJECT	Activation Stage 1 – The Mezzanine		
PROPONENT	Council		
OFFICER	Manager Recreation & Culture		
DATE OF REPORT	August 2022		

Reason for Urgent Business: This matter was discussed at the Concept Forum held on 11.8.22. Since then work has been done to finalize the cost estimates for provision of fitness classes and activation of the mezzanine level at the recreation centre. If Council was to approve the recommendation provision of the new fitness classes could occur within weeks rather than having to wait for the September Council meeting.

OFFICER RECOMMENDATION

That Item C.17/0822 be accepted as urgent business.

OFFICER RECOMMENDATION

That Council:

1. *Endorse the proposed fees for the new group fitness classes of \$100 for a 10 class pass (\$10.00 per class) and \$12.00 for casual entry for group fitness classes.*
2. *That Council endorse the following associated fees and charges for the hire of "The Mezzanine" for not-for-profit and commercial use including:*
 - *Not-for-Profit Room Hire*
 - *Hourly Rate - \$12.60 (First hour free for user group meetings)*
 - *Half Day Hire - \$41.95*
 - *Full Day Hire - \$73.40*
 - *Sporting fitness Activities per hour - \$12.60*
 - *Private and Commercial Use*
 - *Hourly Rate - \$24.50*
 - *Half Day Hire - \$88.20*
 - *Full Day Hire - \$158.75*
 - *Sporting fitness Activities per hour - \$24.50*

Summary/Purpose

The aim of the Bridgetown Leisure Centre Activation Plan – Stage 1 is to make use of the vacant mezzanine area and increase the community use and participation at the Bridgetown Leisure Centre.

Background

From 2019 to 2022 Health on Hampton, a private business, entered into an agreement with the Shire to lease the mezzanine to provide group fitness classes to the community. The space was also sublet to other private fitness instructors who offered a variety of group fitness classes. Prior to 2019, before the 24hour gymnasium was built, the Shire delivered group fitness classes on Court 3. The Mezzanine was utilized as the gymnasium which was available for use during operating hours. In 2019 the gymnasium was moved to its current location, an expansion of the gymnasium was carried out providing 24 hours 7 days a week access for all gym members and the Mezzanine was leased.

At the August concept forum Councilors requested that officers:

1. Develop and present the Bridgetown Leisure Centre Activation Plan to Council by reviewing the following:
 - Identify the resources and support needed to launch fitness classes in The Mezzanine
 - Provide proposed amendments to fees and charges for the hire of The Mezzanine
 - Present a cost analysis of additional staffing to ensure that the facility is always staffed during use.
 - Expand on current programs to meet community expectation and need.

The officer recommendation in this report set out the fees and charges related to reinstating fitness classes and increasing the use of the Mezzanine

Officer Comment

The Bridgetown Leisure Centre Activation Plan has been in the process of being developed for some time, however, due to Health on Hampton leaving the premises recently, there is a gap in the provision of group fitness classes at the Leisure Centre. As a result, the plans for the Mezzanine have been fast tracked so that the Leisure Centre can begin offering this service, and reduce any loss of patrons due to a lack of classes.

Health on Hampton used to sublet the Mezzanine to private group fitness instructors to increase the variety of classes being offered. Shire staff would like to continue to do this, providing a range of group fitness classes using both Shire and private fitness instructors to increase the diversity of classes, support increased community participation at the centre and provide a purpose built location for local fitness instructors to utilize to hold their classes.

Stage 1 of the Activation Plan will include reintroduction of group fitness classes and hiring of the Mezzanine for private fitness instructors, community groups, not-for-profit operators and private businesses. Having access to fitness classes is a priority for the community with the Health on Hampton classes being well attended at times. There is a need to build on the current community momentum. Informal community consultation has been supportive of a greater range of fitness options. To achieve this the Shire will provide fitness classes and when the space isn't required lease the space to private instructors, thus increasing the number and diversity of classes on offer at the Leisure Centre.

The fee for participants of Shire run group fitness classes is proposed to be \$10.00 per class when purchasing a 10 class pass. A higher entry fee of \$12.00 will apply for casual users. The fee was determined by considering the number of participants that could be expected to participate and cover costs whilst maintaining that is affordable to most community members. A figure of 7 participants per class was used. The fee is competitively priced with other group fitness classes. More than 7 participants in a fitness class would result in an increase in revenue and reduce the amount Council is required to subsidize the operational costs of the leisure centre. It is intended that there will be an ongoing expansion of fitness classes during the activation of the leisure centre, potentially resulting in further increases in revenue.

The cost analysis in Table 1 is based on 7 classes per week and 7 participants per class over a 26 week period. The table also includes the cost of professional cleaning of 2 hours per week which will be required to keep the area sanitary and presentable for participants.

Table 1- The Mezzanine Cost Analysis

The Mezzanine Fitness Programs Costings Analysis (26 week trial)			
	Rate	Total	Comments
Expenditure			
Staffing	\$ 33.46	\$ 50.19	Level 3.1 including overheads - Part-time for 1.5 hours per class for set up and pack down. level 3.1 \$29.5476 plus overheads of 10.5% superannuation, 2.75% workers compensation
Total Staffing cost Per Session		\$ 50.19	
Six Month Trial Period			
Staffing 26 Weeks		\$ 9,135.31	7 session per week for 26 weeks
Additional Cleaning 26 weeks		\$ 2,770.00	Additional cleaning of 2 hours per week for 26 weeks
Total Expenditure		\$ 11,905.31	
Revenue			
Participants	\$ 10.00	\$ 12,740.00	7 participants attending 7 classes per week for 26 weeks
Total Revenue		\$ 12,740.00	
Profit/Loss		\$ 834.69	

As Table 1 shows, cost recovery is achieved with 7 participants. All class fees paid above 7 participants per class will provide revenue for the centre and enable further development of classes, purchases of necessary equipment and increased programs.

The Mezzanine is to be used as a multi-purpose facility and will also be available to hire for not for profit, community and commercial groups. A review of the fees and charges associated with hiring the Mezzanine has been conducted. The proposed fee to hire is based on comparison with surrounding Shires, the cost to hire other local community run facilities and direction taken from councillors at the August Concept Forum.

Hire fees for the Mezzanine are outlined in Table 2. The proposed fees have been set to ensure that the hire of the Mezzanine is affordable for user groups whilst also not undercutting other local community hall hire. The Mezzanine's facilities are of a high standard with air conditioning, sprung floors, wheelchair access and a large open space with good air ventilation. The Mezzanine provides a unique opportunity for private instructors to offer their customers a comfortable environment to workout, with the area to accommodate a number of fitness class options.

Table 2 –The Mezzanine Fees and Charges

Fees and Charges	
Not for Profit Room Hire (Functions/Meeting/Workshops)	
Meeting Room Hourly (First hour free for not for profit meetings)	\$ 12.60
Half Day Hire:	\$ 41.95
Meeting Room: Daily	\$ 73.40
Private and Commercial Use	
Meeting Room Hourly	\$ 24.50
Half Day Hire:	\$ 88.20
Meeting Room: Daily	\$158.75
Sporting/Fitness Activities (Not for Profit):	
	\$ 12.60
Sporting/Fitness Activities (Commercial)	
	\$ 24.50
Cleaning Fee Hirer will be invoiced actual hours (min 3 hrs.) 75.00 per hour (if required)	
Bond:	
Season, Carnival / Tournament, Private and Commercial Functions	
•	\$200.00

If Council endorse the recommendations, stage 1 of the BLC Activation Plan will be rolled out within a month. This will include a promotional campaign of Shire facilitated fitness classes, purchase of equipment, approaching previous private businesses that sublet the space under Health on Hampton to offer continued hire opportunities and requests for expressions of interest from other fitness class providers that may be interested in hiring the space. There will be other potential costs associated with the proposed increased use of the facility including electricity, water, staffing levels and cleaning. These costs will be monitored over the trial period of 26 months and included in the evaluation process to be brought back to Council for consideration.

Statutory Environment

Local Government Act 1995

6.16. Imposition of fees and charges

- (1) A local government may impose and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.
- (2) A fee or charge may be imposed for the following —
 - (a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;
 - (b) supplying a service or carrying out work at the request of a person;
 - (c) subject to section 5.94, providing information from local government records;
 - (d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;
 - (e) supplying goods;
 - (f) such other service as may be prescribed.

6.17. Setting level of fees and charges

In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors —

- (a) the cost to the local government of providing the service or goods;
- (b) the importance of the service or goods to the community; and
- (c) the price at which the service or goods could be provided by an alternative provider.

6.19 Local government to give notice of fees and charges

If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —

- (a) its intention to do so; and
- (b) the date from which it is proposed the fees or charges will be imposed.

Integrated Planning

➤ Strategic Community Plan

- Outcome 1 A growing community that is diverse, welcoming and inclusive
- Objective 1.1 Improve family and youth services and facilities to attract and retain families
- Objective 1.2 Understand and meet the needs of an ageing population
- Outcome 2 Good health and community wellbeing
- Objective 2.2 Provide quality sport, leisure and recreation services
- Outcome 11 Access to quality education and work opportunities.
- Objective 11.1 Facilitate improved access to education and job opportunities for everyone
- Outcome 16 An engaged and effective workforce
- Objective 16.1 Attract, train, develop and retain an effective workforce

➤ Corporate Business Plan

- Action 2.1.5 Facilitate the promotion of community health and wellbeing programs that are provided by the government and local service providers
- Action 2.1.10 Provide an expanded range of activities at Bridgetown Leisure Centre
- Action 2.2.16 Advocate for an indoor play or activity centre to open in Bridgetown

➤ Long Term Financial Plan

After 6 months the results of the trial can be fed into the new review of the LTFP.

➤ Asset Management Plans

Increased usage of the facility will result in increased wear and tear and maintenance requirements. This will be reflected in the asset management plan for the facility.

➤ Workforce Plan

Increased staffing requirements will be reflected in the workforce plan if the trial period is successful.

➤ Other Integrated Planning - Nil

Policy Implications - Nil

Budget Implications

The 2022-2023 Fees and Charges will need to be amended to reflect the proposed inclusion of the group fitness classes fees and the Mezzanine hire fees.

Whole of Life Accounting

Whole of life cycle principles are met by ensuring shire owned facilities are fulfilling their intended purpose and potential value to community and meeting community need and expectation.

Risk Management

The principles of risk management are met by ensuring that the services provided by the Shire facilities meets the needs of the community and that the facilities are staffed when being used to support community and manage the centre appropriately.

Voting Requirements – Absolute Majority