

Culture and Leisure Overview and Scrutiny Committee (Extraordinary)



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Thursday, 28 August 2025 at 10.00 am
Council Chamber – South Kesteven House,
St. Peter's Hill, Grantham, NG31 6PZ

Committee Members: Councillor Murray Turner (Chairman)
Councillor Barry Dobson (Vice-Chairman)

Councillor Matthew Bailey, Councillor Emma Baker, Councillor James Denniston,
Councillor Gareth Knight, Councillor Robert Leadenhurst, Councillor Chris Noon and
Councillor Rhea Raysia

Agenda

This meeting can be watched as a live stream, or at a later date, via the [SKDC Public-I Channel](#)

1. **Apologies for Absence**
2. **Disclosure of Interests**
Members are asked to disclose any interests in matters for consideration at the meeting
3. **Grantham Meres Leisure Centre Gym Refurbishment** (Pages 3 - 12)
To consider the business plan to support a refurbishment of Grantham Meres Leisure Centre gym.

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Cultural and Leisure Overview and Scrutiny Committee

Thursday 28 August 2025

Report of David Rushton, Chairman of LeisureSK Ltd

Grantham Meres Leisure Centre Gym Refurbishment

Report Author

David Rushton, Chairman of LeisureSK

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Purpose of Report

To consider the business plan to support a refurbishment of Grantham Meres Leisure Centre gym.

Recommendations

The Committee is asked to review the business plan and endorse the commencement of a procurement exercise to provide the refurbishment of Grantham Meres Leisure Centre gym.

Decision Information

Does the report contain any exempt or confidential information not for publication?

Yes - **Exempt Appendix One** is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act.

1. Background to the Report

- 1.1 On Tuesday 11 February Cabinet considered a request from LeisureSK Ltd to refurbish the gym at Grantham Meres Leisure Centre. Subsequently it was agreed to include a budget allocation of £240,000 in the Council's capital budget for financial year 2025/26, and that the investment would be paid back via a loan agreement between LeisureSK Ltd and the Council.
- 1.2 In making this decision Cabinet provided delegated authority to the Council's Deputy Chief Executive and s151 Officer, in consultation with the Deputy Leader and Portfolio Holder for Leisure and Culture, to agree the final terms and conditions of the loan.
- 1.3 It was further agreed that prior to any investment being made members of the Culture and Leisure Overview and Scrutiny Committee would be provided with an opportunity to scrutinise the business case.
- 1.4 LeisureSK Ltd entered a new 10-year contract with the Council on 1st April 2025. The contract is based on agency principles, and the current forecast is for the company to deliver an operating surplus of £83k for 2025-26.

2. Grantham Meres Proposal

- 2.1 Within the leisure industry it is generally accepted that the lifespan for gym equipment is around eight years. The gym equipment currently in use at Grantham Meres Leisure Centre was provided in 2016 by the Council's then provider, 1Life Management Solutions Ltd.
- 2.2 Currently the gym facility at Grantham Meres has a total of 59 stations containing a mix of cardio and weight training equipment. The equipment has been regularly maintained and repaired, however at over nine years old it is reaching the end of its useful life. As a result, an increased number of breakdowns are being experienced, resulting in pieces of equipment being out of use whilst awaiting repair.
- 2.3 Compounding this is the increased competition from other facilities within the locality of Grantham, all of which have new and increased levels of equipment.
- 2.4 In consideration of the age of equipment and the increased competition, doing nothing is not considered to be an option, both in terms of retaining the existing customer base and growing the membership numbers and resulting income.
- 2.4 The business case to support the proposed refurbishment is attached at **Exempt Appendix One**.

- 2.5 Should the business plan be endorsed, LeisureSK Ltd will begin a procurement exercise in line with the Council adopted Contract Procedure Rules. The procurement will be supported by Welland Procurement to ensure that a fully compliant tender is undertaken.
- 2.6 It is standard industry practice to secure a contractor to fully manage a refurbishment within a gym area. Therefore, the tender opportunity will include the replacement of the gym equipment, changes to lighting, ceiling and flooring, and any redecoration required.
- 2.7 To ensure value for money, the tender opportunity will invite proposals for an outright purchase of the gym equipment as well as leasing options.
- 2.8 It is hoped that a procurement exercise can commence by mid-September and be concluded so that the refurbishment can be undertaken during December. This will ensure that the company can capitalise on the industry wide uptake on memberships that is typically experienced in January and that the works can take place during December when the centre is historically quiet.

3. Key considerations

- 3.1 The contract with LeisureSK Ltd provides that the Council is responsible for funding any deficit between the income the company generates and the expenditure it has incurred via a management fee payment. The business case demonstrates that even without any growth in the membership base the cost of the refurbishment, if an outright purchase is made, will be paid back well within the lifetime of the contract.
- 3.2 In addition to impacting the ability to attract new customers, the age and condition of the current gym equipment at Grantham Meres Leisure Centre may result in the company being unable to retain the existing customer database.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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