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**Meeting:** Executive

**Date:** 14 May 2013

**Subject:** Flitwick Leisure Centre

**Report of:** Cllr Spurr, Executive Member for Sustainable Communities – Services

**Summary:** To procure a consultant in project management and design team services so that the Council can consider the feasibility of delivering a new leisure centre in Flitwick and subsequently proceed with the delivery of a new leisure centre, subject to the scheme being transferred to the Capital Programme from the reserve list as explained in paragraph 9 of the financial implications in this report.

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**Advising Officer:** Jane Moakes, Assistant Director Environmental Services

**Contact Officer:** Jill Dickinson, Head of Leisure Services

**Public/Exempt:** Public

**Wards Affected:** All

**Function of:** Executive

**Key Decision** Yes

**Reason for urgency/  
exemption from call-in  
(if appropriate)** N/A

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

Delivery of a new leisure centre in Flitwick is a priority in the Leisure Facilities Strategy adopted by Executive on 8 January 2013. This is part of the Leisure Strategy which is itself a priority in the Council's medium term plan and supports the following corporate objectives:

- Promote health and wellbeing and protecting the vulnerable.
- Great universal services – leisure.

### **Financial:**

1. The Leisure Facilities Strategy approved at Executive on 8 January 2013 has identified the requirement for a new leisure centre. This is based on an audit and assessment of the quality, quantity and accessibility of sport facilities and modelled a number of scenarios to test meeting the needs of current and future population growth.

2. The age, condition and capacity of Flitwick Leisure Centre inadequately meets the needs of the current population. When considering capacity, running costs, disability access and lifecycle costs, the benefit offered by a new facility far out ways refurbishment. The centre is old, refurbishment has been piecemeal, and the current footprint restricts extension to meet the capacity issues identified in the Leisure Facilities Strategy. National benchmarking demonstrates that running costs, repair and maintenance costs are high.
3. Notably, water space and fitness space is operating beyond reasonable capacity and at uncomfortable levels. Flitwick Leisure Centre has a four lane 25m pool with shared water in its teaching space. The Leisure Facilities Strategy identifies a requirement for an 8 lane 25m pool and separate teaching provision, double the amount of water space and separate heating and filtration systems to aid different pool activities requiring different water temperatures. The current provision of 55 stations for cardio and resistance equipment is inadequate.
4. In order to meet these needs, a new leisure centre is likely to include a number of core facility components including;
  - 8 lane 25 m swimming pool
  - Learner pool
  - 4 court sports hall
  - 3 dance studios
  - Crèche
  - Café
  - Changing facilities for wet and dry activities
  - Health and fitness suite – approximately 100 stations.
5. An estimated cost for a new facility of this scale is £10m including construction costs and professional fees. For Flitwick Leisure Centre, the anticipated budget requirements will be determined by the cost of the facility, less the receipt from the sale of the existing leisure centre land being sold with outline planning permission for residential development. The Leisure Centre scheme will be designed to achieve a return on the capital invested as a result of increased income and reduced running costs. Estimates based on initial business planning suggest significant annual revenue returns could be achieved.
6. In order to test the viability of a new leisure centre a range of options for the layout and facility mix will be required, underpinned by robust business plan modelling. This feasibility work will be undertaken by an external consultant team led by a professional leisure project manager with a proven track record in delivering new leisure centres at a cost of up to £150k.
7. The budget required for the feasibility work can be found from within the 2013/14 – 2015/16 approved Leisure Capital Programme; specifically the use of an estimated £100,000 under spend from 2012/13 Leisure Strategy Implementation and in 2013/14, £50,000 from the £830,000 Leisure Strategy Implementation Invest to Save Project.
8. Once this initial feasibility stage has been completed, the Council will be able to determine whether there is a preferred option for a replacement Flitwick Leisure Centre. It will help the Council to assess the scope to accommodate such a replacement in the Council's capital programme.

9. Flitwick Leisure Centre is currently included in the capital programme reserve list approved by the Council in February 2013. Therefore it may be possible for the Executive to approve this scheme's transfer to the main Capital Programme following the initial feasibility stage provided that the revenue costs of the scheme can be accommodated within the approved programme.
10. If budget is approved then the external consultancy support led by the professional leisure project manager would be authorised to proceed to the next stage of work as set out in the procurement implications of this report at further cost to the initial £150,000.
11. In parallel with this, the Council will establish the likely value of the existing leisure centre site, positioned within the settlement envelope for Flitwick, which will then be marketed with outline planning permission for residential development. It is proposed that the sale of this land will provide a contribution to the cost of the scheme. Further contributions either from Section 106 or external grants will also be explored.

**Legal:**

12. N/A

**Risk Management:**

13. The following risks have been identified, which are considered in more detail below and within the body of the report:
  - Failure to deliver the Council's priorities
  - Reputational risks
  - Risk to customer satisfaction
  - Financial risks, including: accurate assessment of costs, accurate assessment of demand, and robustness of the business plan; failure to realise capital receipts and other sources of funding; abortive expenditure of £150,000 outlined in this report should the Executive conclude not to proceed with a new facility.
14. The financial risks regarding accurate assessment of costs, demand, robustness of the business plan and failure to realise capital receipts and other sources of funding are mitigated by the proposed approach as set out in paragraphs 5 -11 and in the procurement implications in paragraphs 22-30 of this report.

**Staffing (including Trades Unions):**

15. N/A

**Equalities/Human Rights:**

16. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Improvements to leisure facilities aim to enhance customer experience and promote equality of opportunity, and make sport and physical activity a regular part of life for all.

17. The design of the new centre will meet and exceed the minimum requirements set out by the Disability Discrimination Act 1996, BS:8300 and Sport England's guidance note Access for Disabled People. Consideration must also be given for the safe and unassisted evacuation of users with disabilities.

**Public Health:**

18. Leisure services are a key community health resource. Capital investment in leisure facilities ensures there is a sustainable and high quality sport and physical activity infrastructure for local communities to engage in regular physical activity. This includes increases in physical activity in targeted groups which aim to reduce health inequalities, to help generate long term improvements in overall levels of health and wellbeing and thereby reducing the costs to society for the NHS and social care.

**Community Safety:**

19. Under section 17 of the Crime and Disorder Act the Council has a statutory duty to do all that is reasonable to prevent crime and disorder within its areas. Leisure facilities and the activities that they offer provide positive opportunities, particularly to young people, who may otherwise engage in activities that may be criminal or anti-social.

**Sustainability:**

20. Extending and improving facilities increases the number of people in Central Bedfordshire that can access and participate in sport and physical activity through a network of good quality accessible and readily available public sport and recreation facilities, reducing the need for customers to travel to other local authority areas to participate in these activities.
21. The feasibility stage will include consideration for incorporating the best and most recent standards of environmental design and practice to minimise future maintenance, running costs and carbon footprint.

**Procurement:**

22. The procurement strategy is in two parts, one for consultancy support and one for any subsequent construction contract.
23. The consultancy support will be procured via a Council approved framework on a fixed fee basis. A mini competition will be undertaken using the framework's 'off the shelf' pre approved contract for services described on the framework as 'Project Management and Design Team Services', and is a single appointment. A mini competition is less time consuming than undertaking an OJEU procurement process.
24. The award of contract for the appointment of the consultancy support will be for the entire scheme from feasibility to completion as set out in paragraphs 26-29, estimated at a value of 10% of the total build costs. The benefit of appointing the consultancy support for the entire scheme is continuity of support as the same team go on to develop the preferred option through to completion. It also avoids the additional time and cost associated with a second procurement of further consultancy support for the subsequent stages of work.

25. The consultancy support contract will be progressed in stages, initially limited to the completion of stage 1, described in paragraph 26 at a cost of up to £150,000. On completion of stage 1 the Council will be able to assess options and decide whether a new Leisure Centre is viable and affordable. Should capital budget/funding be approved for Flitwick Leisure Centre then the consultancy support contract will be authorised to progress the preferred scheme to stage 2. This enables budget expenditure to be controlled, tied to key Executive decisions, and subject to availability of funding, statutory approvals, project viability and satisfactory performance of the consultant and their team.
26. Stage 1: Feasibility study for the optimum size and facility mix of the centre, prepared in accordance with an assessment of market demand and the Council's requirements. It includes spatial requirements, schedules of accommodation, preliminary site investigations, estimated costs, consultation and presentation of options for deliverability within an agreed timetable. This stage completes approximately 15% of the overall project.
27. Stage 2: Design development of the preferred option to achieve detailed scheme design including drainage, civils, structural and services. Full detailed planning application submitted. This stage completes a further 35% of the overall project.
28. Stage 3: Preparation of tender documentation for procurement of a building contractor. Detailed design of performance specification. Tender and evaluation of bids. Evaluation of bids and recommendation for award of contract. This stage completes a further 25% of the overall project.
29. Stage 4: Mobilisation of the contractor and construction to completion. This stage is the final 25% of the overall project.
30. The procurement approach for the construction contract is anticipated to be a single stage Design and Build route with the design being developed to include RIBA stage D prior to tendering construction works. This means that much of the detailed design is set within the planning permission, controlling the elements of quality and finish.
31. The procurement of a leisure management operator for FLC was approved by Executive on 8 January 2013 with award of contract being made in December 2013 for start date of 1 April 2014. The procurement process will inform the feasibility study enabling market opinion to help shape design elements for efficient operation and management.

#### **Overview and Scrutiny:**

32. The Leisure Facilities Strategy and the Leisure Capital Programme to support the implementation of the strategy was considered by the Sustainable Communities Overview and Scrutiny Committee on 13 December 2012 and 17 January 2013 respectively.

## **RECOMMENDATIONS:**

**The Executive is asked to:**

- 1. in accordance with the Council's Code of Procurement Governance and the procurement strategy set out in paragraphs 22 – 30, approve procurement of consultancy support for project management and design team services; and**
- 2. approve the use of funding from existing schemes within the Capital Programme, as set out in paragraph 7 above.**

<i>Reason for Recommendations:</i>	<i>To procure a consultant in project management and design team services so that the Council can consider the feasibility of delivering a new leisure centre in Flitwick and subsequently proceed with the delivery of a new leisure centre, subject to the scheme being transferred to the Capital Programme from the reserve list as explained in paragraph 9 of the financial implications in this report.</i>
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## **Executive Summary**

33. As set out in the Corporate Implications of this report, the project supports the delivery of the Leisure Facility Strategy adopted by Executive on 8 January 2013.
34. In 2005 the legacy council commissioned a report to consider an options appraisal to identify preferred sites. A review of the preferred sites in 2012 concluded to continue with those sites identified in 2005 and for a new leisure centre to be built on an adjacent site to the existing centre on which playing pitches are currently sited and for replacement pitches to be sited on vacant land off Ampthill Road owned by this Council.
35. The preferred site for the leisure centre is owned by Flitwick Town Council (FTC) subject to a 125 year lease with this Council. The scheme involves negotiation and agreement between the two councils to mutually exchange the freehold interest of respective parcels of land which enable the development of the new leisure centre and for FTC to develop an area of land situated at the junction of Maulden Road and the A507 for the purposes of a country park. No financial gain is being pursued by either party and Heads of Terms are currently being considered by both parties.
36. The development of the preferred site requires a two phased approach. Phase 1 - Flitwick Football Facility involves the re-provision of the football facilities (pitches and changing facilities) to make the proposed site for the new leisure centre available to start building, (should a budget be approved) by autumn 2014 and be completed within financial year 2015/16. Executive on 18 March 2013 agreed to move forward with Phase 1 and approved expenditure of £300,000 from the £1.2m allocated budget to do this.

37. This first phase is staged so that the main cost for the changing pavilion and car park will only be made once the Executive feels able to recommend to Council the inclusion of Flitwick Leisure Centre in the main Capital Programme for 2014/15. It is anticipated that this will be considered by Executive during the autumn. Delivering the project in 2 phases enables budget expenditure to be controlled and tied to key Executive decisions relating to stages of development.
38. The procurement strategy for Flitwick Leisure Centre is set out in paragraphs 22-30 of this report. In order to support a timetable in accordance with the Leisure Facilities Strategy the next key dates include;
39. By July 2013, appointment of consultancy support for project management and design team services to undertake a feasibility study and move the Council closer to understanding the business case for a new leisure centre.
40. By October 2013, consider the results of the feasibility study and conclude whether there is a preferred option to be progressed to implementation so that as part of the Medium Term Financial Plan and Capital Programme review for 2014/15 Flitwick leisure centre can be considered for inclusion in the main Capital Programme.
41. By March 2013/14, should development of a new Flitwick leisure centre be approved in the main Capital Programme :
  - i) approve budget expenditure for building the pavilion and car park to complete Phase 1, Football Facility;
  - ii) submit a planning application for Flitwick leisure centre; and
  - iii) commence procurement of a building contractor for the leisure centre.
42. By September 2014, award the building contract for the leisure centre with the aim of opening the new centre by November 2015.

**Appendices:** None

**Background Papers:** None.