
Meeting: Executive
Date: 5 November 2013
Subject: Implementation of the Leisure Facilities Strategy, including findings of the Flitwick Leisure Centre Invest to Save Feasibility Study
Report of: Cllr Spurr, Executive Member for Sustainable Communities – Services
Summary: A report on implementation of the Leisure Facilities Strategy, including the findings of the Flitwick Leisure Centre invest to save feasibility study. The report recommends redevelopment of Flitwick Leisure Centre.

Advising Officer: Marcel Coiffait, Director of Community Services
Contact Officer: Jill Dickinson, Head of Leisure
Public/Exempt: Public (A further report setting out the financial details can be found in the exempt section of the Agenda)
Wards Affected: Implementation of the Leisure Strategy affects all wards. Implementation of the findings of Flitwick Leisure Centre invest to save feasibility study affects Flitwick, Ampthill, Aspley & Woburn, Cranfield & Marston Moretaine, Houghton Conquest & Haynes, Westoning, Flitton & Greenfield
Function of: Executive
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) N/a

CORPORATE IMPLICATIONS
Council Priorities: <p>The development of a Leisure Strategy, including the Leisure Facilities Strategy is a high level target in 'Delivering Your Priorities' the Council's Medium Term Plan.</p> <p>Implementation of the Leisure Facilities Strategy supports the following Council priorities;</p> <ul style="list-style-type: none">• Enhancing Central Bedfordshire – creating jobs, managing growth, and enabling businesses to grow.• Promote health and wellbeing and protecting the vulnerable.• Great universal services –leisure.• Value for money – freezing council tax.

Financial:

1. The Leisure Facilities Strategy guides investment priorities including Central Bedfordshire Council's capital investment. The Council's capital programme 2013/14 – 2015/16 approved at Council on 21 February 2013 includes funds for leisure facilities totalling over £8m.
2. The Leisure Facilities Strategy will be adopted as a Supplementary Planning Document (SPD) to secure Section 106 and Community Infrastructure Levy funds.
3. All six of the Council's leisure centres have been identified as requiring investment with funds approved in the Council's capital programme between 2013/14 and 2016/17 including:
 - 3.1 Tiddenfoot leisure centre: £1.4m refurbishment and expansion for fitness, a reception and café, and building work is underway.
 - 3.2 Saxon pool and leisure centre: £1.6m extension for sports hall and spa provision, currently at tender stage.
 - 3.3 Houghton Regis leisure centre: £150k to reopen the swimming pool. The procurement of a new leisure management contract for this centre is underway and will market test the cost of reopening the pool. Should reopening the pool be considered to be affordable then the capital works will be undertaken in 2014.
 - 3.4 Sandy sport and community centre: £150k to refurbish the athletics track, planned to start in March 2013.
 - 3.5 Flitwick leisure centre Phase 1, football facilities: £1.2m for playing pitches and changing pavilion. A suitable site for a new leisure centre is on land adjacent to the existing leisure centre which is currently used as playing pitches. Planning conditions require for the playing pitches and associated facilities to be re provided before building work on a new leisure centre can begin. Executive on 18 March 2013 approved £300k of these funds to commence Phase 1. It is on track, with preparation of new playing pitches underway.
 - 3.6 This football project will be undertaken in stages with an award of contract for the changing pavilion made once Executive has considered any recommendation to include Flitwick leisure centre in the main capital programme for 2014/15 and it is approved by Council. By delivering this first phase in 2 key stages it enables budget expenditure to be controlled and tied to key Executive decisions relating to stages of development of the overall priority to provide a new leisure centre.
 - 3.7 Dunstable leisure centre: £2.3m refurbishment programme. A brief for an initial options appraisal is being developed.

3.8 At all centres, annual condition surveys identify priorities for stock condition works. In 2013/14 there is a budget of £310k. Dunstable leisure centre has recently benefitted from new boilers; Saxon pool from energy efficient lights in the pool hall.

Legal:

4. In 2005 the Council commissioned consultants to undertake an options appraisal to identify preferred sites for a new Flitwick Leisure Centre. A review of the preferred sites in 2012 concluded to continue with the site identified in 2005; for the leisure centre to be built on an adjacent site of the existing centre currently providing playing pitches.
5. In order to facilitate the provision of a new leisure centre a land exchange between Central Bedfordshire Council and Flitwick Town Council is necessary. Head of Terms agreed by both parties is supported by an exchange of contracts. Three parcels of land are involved;
6. Plot A The current Leisure centre and surrounding land of approximately 4.55 acres situated at Steppingly Road, Flitwick, owned by Flitwick Town Council and leased to Central Bedfordshire Council.
7. Plot B Plot B: Approximately 59.3 acres owned by CBC situated at the junction of Maulden Road and the A507 to be transferred to Flitwick Town Council to be used for the purposes of a Country Park.
8. Plot C The land adjacent to the existing Leisure Centre currently used as football pitches comprising approximately 7.8 acres owned by Flitwick Town Council.
9. The agreement is to exchange Plot A and C for Plot B, for Central Bedfordshire Council to build a new leisure centre on Plot C and to sell Plot A for residential development. The estimated capital receipt arising from the sale of Plot A has been identified to reduce the overall prudential borrowing requirement within the business case for the proposed Flitwick Leisure Centre redevelopment.
10. In the report to Executive on 18 March 2013 regarding approval to commence Flitwick leisure centre Phase 1, football facilities for playing pitches and changing pavilion it was highlighted that the project is supported by the Football Association as a strategically significant site for the development of local community football in the area, to be managed in partnership with a local football club, Flitwick Eagles with the aim of delivering a scheme at nil revenue cost for the authority. The report explained that a grant application to the Football Foundation would be submitted and that the grant conditions will stipulate that a long term lease be given to the local football club so that it has security of tenure to operate the facility.

Risk Management:

11. The following risks have been identified, which are considered in more detail below:
 - Failure to deliver the Council's priorities: Implementation of the Council's leisure capital programme which improves and extends the Council's leisure infrastructure directly helps deliver Great Universal Services and Promotes Health and Wellbeing.
 - Reputational risks: Delivery of the approved Leisure Facilities Strategy, supports the Council's Medium Term Plan.
 - Risk to customer satisfaction: Investment in the Council's leisure facilities significantly improves customer satisfaction at those facilities where investment is undertaken. The recent investment at Houghton Regis leisure centre where there has been a significant increase in membership demonstrates this well.
12. The Sport England methodology used in the Leisure Facilities Strategy assessed the quality, quantity and accessibility of a range of specific sports facilities and resulted in clear strategic priorities for investment to add capacity and renew aging stock, including at Flitwick leisure centre where additional water and fitness space is specifically required to address existing and future population requirements. Implementation of the capital programme addresses these key priorities and the recommended facility mix for a new leisure centre at Flitwick directly addresses the shortfalls in these areas by more than doubling the water and fitness space.
13. Other risks, such as failure to discharge statutory responsibilities, failure of partnership working, procurement, environmental and financial risks could also be incurred during the implementation of the strategy. The strategy serves to minimise these risks by setting an agreed framework with our key partners for capital investment.
14. For Flitwick leisure centre, the appointment of external professional leisure consultants to undertake a feasibility study has ensured that the Council has independently tested the optimum facility mix, cost, affordability, programme delivery, procurement strategy, design development and risk management. The appointed consultant's team has a successful track record of undertaking feasibility assessments and delivering capital schemes on time and to budget.
15. The feasibility study methodology undertaken to assess the viability of the facility mix at Flitwick has been robust and comprehensive and used prudent and conservative assumptions about the level of demand, predicted income, capital costs and capital receipt. It assessed the market demand and supply and income projections of a range of facilities within the catchment area, using industry benchmarks, and took account of the revenue performance of the existing facility over the last three years. In order to test the recommended facility mix further, soft market testing with the operators bidding for the new leisure management contract confirms that the facility mix recommended is appropriate.
16. The feasibility study included a risk assessment which identified a number of areas which could limit the deliverability of this scheme, and/or delay it. These include legal, financial, planning and programme issues which are all being actively managed and reviewed.

17. There is a risk that any new development of commercial health and fitness clubs and budget gyms would create competition for some services being offered at a new Flitwick leisure centre. However, commercial health and fitness clubs offer a more focussed facility mix than is being proposed by the Council. They do not tend to offer access to schools, clubs and other community groups and they are inaccessible to members of the public who cannot afford the membership fees. They tend to be located in densely populated catchments and many will work on the need for a catchment population of say 100,000 – 150,000 plus within a 15-minute drive time, targeting higher socio economic segments of the population. Given the relatively small catchment population at Flitwick and the rural surroundings, the risk that Flitwick would be targeted by such an operator is low.
18. There has been growth in budget gym operators in recent years. As with other health and fitness operators these tend to be located within larger catchment populations where there are a relatively high proportion of younger workers who are looking for good value. The offer is very limited, and customer service and staffing is minimal. Flitwick is unlikely to be targeted by such an operator, as the catchment population is relatively small and the consumer profiles are such that customers are likely to be looking for a better leisure experience.
19. The procurement of a new leisure management contract for four leisure centres, including Flitwick Leisure Centre is currently underway with a new contract start date on 1 April 2014. The winning operator will have been assessed on the current facility mix and will be involved in the development of the new centre. The operator will manage and operate the facility on a full repairing lease. In the event of the Council not being able to reach agreement with the operator on the management fee to operate the new centre, then the Council will have the right to terminate the contract for Flitwick Leisure Centre at no additional cost, and retender the contract for that centre.
20. The financial affordability assessment concludes that the recommended option offers a degree of contingency against risk of interest rate rises or any capital cost pressures that cannot be contained within project contingency allowances. However, a risk remains that the centre will not perform as well as predicted and therefore not deliver sufficient income to cover the capital borrowing costs.

Staffing (including Trades Unions):

21. Not applicable.

Equalities/Human Rights:

22. 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.
23. The improvements to the 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.

24. The design of a new leisure 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:

25. Leisure facilities are a key community health resource. The evidence for increasing physical activity is compelling and there is a wealth of information and research that supports this. The Leisure Facilities Strategy ensures there is a sustainable and high quality sport and physical activity infrastructure for local communities to engage in regular physical activity to help prevent ill health, 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:

26. 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:

27. Extending and improving opportunities that increase the number of people accessing and participating in sport and physical activity through a network of good quality, accessible and readily available public sport and recreation facilities reduces the need for customers to travel to other local authority areas to participate in these activities.
28. Leisure Centres are significant contributors to the Council's carbon footprint (12%) and improving energy consumption/efficiency (which also has benefits in terms of running costs) through refurbishment and redevelopment is a key objective.

Procurement:

29. In order to implement the capital programme, appropriate consultants have been procured to undertake project management, detailed design, engineering and quantity surveying services. The procurement of these services is carried out in consultation with the Council's procurement team via existing local authority purchasing framework agreements approved by CBC.
30. For Flitwick leisure centre, the feasibility study recommends an approach to procurement of a building contractor which strikes the best balance between cost, risk transfer and programme delivery. A single stage develop and construct procurement route with the design being progressed to RIBA Stage 3+ (previously D+) is recommended. This combines some of the benefits associated with design and build and traditional procurement routes. The contractor would be procured via OJEU Restricted Procedures. Whilst there are available contractor frameworks the Council could access, these are not suited to a single stage procurement route and will cost more than the OJEU route. Any award of contract would be made in accordance with the Code of Procurement Governance.

Overview and Scrutiny:

31. The Sustainable Communities Overview and Scrutiny Committee considered a report on the Leisure Facilities Strategy and the Flitwick Leisure Centre Feasibility Study on 10 October 2013. In light of their discussion the Committee agreed the following comments:-
1. that the Committee felt the focus of the Council should be on developing new leisure facilities in the growth areas; and
 2. that the Committee were unable to reach a conclusion on whether they felt the increase in membership numbers and the associated improvement in annual revenue performance was such that it would support the capital cost of prudential borrowing outlined.

RECOMMENDATIONS:

The Executive is asked to:

1. **support the redevelopment of Flitwick Leisure Centre as outlined in the report;**
2. **in accordance with the Council's Code of Procurement Governance approve the procurement of a building contractor to redevelop Flitwick Leisure Centre; and**
3. **approve a land exchange between Central Bedfordshire Council and Flitwick Town Council as set out in paragraphs 5-9 to facilitate the redevelopment of Flitwick Leisure Centre.**

Reason for Recommendations: So that the redevelopment of Flitwick Leisure Centre, a priority in the Leisure Facilities Strategy, can be delivered.

Executive Summary

32. Leisure services are key universal services which help make Central Bedfordshire a great place to live and work. The report sets out the significant progress to date in developing the Leisure Strategy, and delivering the associated investment required to modernise the existing leisure facilities and ensure it is fit for the future.
33. Delivery of a new leisure centre in Flitwick is a priority in the Leisure Facilities Strategy adopted by Executive on 8 January 2013. The Executive considered the rationale for redevelopment and approved the approach to assessing the feasibility of redeveloping the leisure centre on 14 May 2013. Prior to that the Executive on 18 March 2013 also considered and approved commencement of the re provision of playing pitches which make the proposed new leisure centre site available to build on.

34. The independent feasibility study on the redevelopment of Flitwick Leisure centre has been concluded, with a recommendation for a facility mix which is affordable whilst meeting public expectations of new and modern public sector leisure provision.

Background

35. The Leisure Facilities Strategy is the first chapter of the Leisure Strategy, itself part of the Medium Term Plan which will provide;
- A comprehensive picture of leisure facilities and opportunities within Central Bedfordshire up to 2031.
 - Supplementary Planning Documents (SPD) strategies in compliance with Local Development Framework (LDF) requirements for securing new and improved leisure facilities in association with new development, and for securing and spending Section 106 and Community Infrastructure Levy funds.
 - Strategic direction for the delivery of leisure facilities and opportunities for all potential stakeholders across the area.
 - Direction for CBC capital investment proposals to meet customers needs.
36. The Leisure Strategy is broad in scope and the timetable for its development is phased as set out below:
- Chapter 1: Leisure Facilities, considered by Sustainable Communities Overview and Scrutiny Committee on 13 December 2012, adopted by the Executive on 8 January 2013.
 - Chapter 2: Recreation and Open Space (a defined range of green spaces, providing formal and informal recreational activity facilities and opportunities). To be considered by Sustainable Communities Overview and Scrutiny Committee on 23 January 2014 and the Executive on 18 March 2014.
 - Chapter 3: Playing Pitches (outdoor formal, grass and artificially-surfaced sports playing pitches). To be considered by Sustainable Communities Overview and Scrutiny Committee on 23 January 2014 and the Executive on 18 March 2014.
 - Chapter 4: Physical Activity (a defined range of physical activity classes, sports, exercises etc. undertaken indoors and outdoor). Considered by Sustainable Communities Overview and Scrutiny Committee on 25 July 2013 and adopted by the Executive on 24 September 2013.

Progress to date

37. The development of a comprehensive Leisure Strategy is well underway and is set out above. Implementation of the Leisure Facilities Strategy is progressing well and our customers can see evidence of our investment plans coming to fruition.
38. Described in the financial section of this report is how the Council's capital programme supports investment at all 6 of the Council leisure centres addressing the key Leisure Facilities Strategy issues of capacity and aging stock. It ensures our customers from across Central Bedfordshire benefit from refurbished and extended facilities.
39. The investment also helps us secure the long term prospects of our sport and physical activity infrastructure, as the investment modernises and improves the efficiency of our facilities thereby meeting the needs of our current and future communities.
40. The procurement of a new leisure management contractor for our leisure centres will deliver broad public health outcomes and provide services for more of our residents. The tendering process is well underway and on track for a new contract to start on 1 April 2014.

Flitwick Leisure Centre Redevelopment Invest to Save Feasibility Study - Key Findings

41. The feasibility study has considered the business case for a new centre and what facilities should be included. A range of critical areas have been assessed, including;
 - supply and demand analysis of a range of facilities;
 - improvement in revenue performance - how much income the facility will generate compared to the current facility;
 - outline cost estimates of the facilities;
 - initial design proposals;
 - project delivery strategy, including governance, procurement strategy, design development, consultation, cost management, risk management and delivery programme; and
 - account of the requirement to realise a capital receipt from the sale of the existing leisure centre site for a residential development to reduce the overall prudential borrowing requirement associated with the redevelopment of the new leisure centre.
42. The supply and demand analysis tested the potential impact of adding optional facilities to a core facility mix. From this a core, medium and maximum facility mix was identified and an affordability assessment was carried out for these options. Overall, the aim was to test a number of combinations of options to determine which, if any, option(s) would provide the best balance for the Council in terms of meeting identified needs and being viable and affordable.

43. The study concludes by recommending the medium option. This supports the requirements set out in the Leisure Facilities Strategy in providing the additional capacity in the pool and fitness space, and includes a number of other additional facilities. Those recommended facilities in the medium option include core and additional facilities set out in paragraphs 44 and 45 below.

44. Core facilities

- 8 lane 25 m pool
- Learner pool 15m x 7m
- 4 court sports hall
- 2 squash courts
- 3 dance studios
- 120 station gym
- Wet and dry changing facilities including disabled provision
- Car parking
- Crèche
- Health consulting room
- Café and reception area
- Storage, plant, office and circulation space.

45. Additional facilities

- Variable height base in the learner pool (0.6m – 2m depth)
- Confidence water (pre school age splash area)
- Soft play area
- Internal Climbing wall
- Meeting room/party room/expanding gym space for 30 stations
- 2x external five aside football pitches
- Meeting room space.

46. Other facilities that were considered using the same methodology and not recommended include;

- Spectator seating in the pool hall for 100 or 250 people
- A third squash court
- Movable wall in the squash court
- Tenpin bowling – 8 lanes of tenpin bowling
- 2 floodlit tennis courts
- External high ropes course
- Spa.

Conclusion and Next Steps

47. The report provides an overview of progress to date on the developing leisure strategy, implementation of the first chapter of the leisure strategy, and the recommendations from the feasibility study for the redevelopment of Flitwick leisure centre.

48. For Flitwick Leisure Centre, the conclusion of the feasibility study marks the completion of the first stage in the project implementation. Should budget approval be given then the following stages will be implemented;
49. Stage 2: Design development of the preferred option to achieve detailed scheme design including drainage, civils, structural and services. Full detailed planning application submitted for the leisure centre and outline planning application for residential development of the existing leisure centre site.
50. Stage 3: Preparation of tender documentation for procurement of a building contractor. Detailed design of performance specification. Tender, evaluation and recommendation for award of contract.
51. Stage 4: Mobilisation of the contractor in the summer of 2014 and construction to completion by winter 2015.

Appendix – None

Background Papers - None