

## Central Bedfordshire Council

EXECUTIVE

Tuesday, 10 October 2017

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### **Dunstable Leisure Centre Redevelopment – Approval to Enter into a Lottery Funding Agreement with Sport England**

Report of: Cllr Ian Dalgarno, Executive Member for Community Services  
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**This report relates to a decision that is Key**

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#### **Purpose of this report**

1. The report sets out the actions required for Executive to accept a capital grant in respect of Dunstable Leisure Centre.

#### **RECOMMENDATIONS**

**The Executive is asked to:**

1. **accept the terms of the Lottery Funding Agreement to secure the Sport England capital grant award of £1,000,000 as set out in Appendix A to this report.**

#### **Overview and Scrutiny Comments/Recommendations**

2. Overview and Scrutiny considered the options for the redevelopment of Dunstable Leisure Centre and Dunstable Library in January 2015 and recommended to Executive on 10 February 2015 the inclusion of a budget to undertake the redevelopment.

#### **Background**

3. The Leisure Facilities Strategy and Libraries Strategy provide direction for the prioritisation and delivery of these services, and directs the Council's capital investment proposals to meet the needs of customers. The redevelopment of Dunstable Leisure Centre is a key priority.

4. A budget was approved by Council on 26 February 2015. Following further consideration of delivery options Executive on 9 February 2016 recommended to Council an additional £3.519m to provide a project budget of £20.1m and that officers actively seek to meet the additional £3.519m requirement through new sources of funding or from within the existing capital budget in order to create no net increase in capital requirements during the period of the plan.
5. A building contractor was procured in 2016 in parallel with a period of public consultation which resulted in wide scale support for the proposals to include a new library, new health & fitness facilities, pool hall and changing environment whilst refurbishing the whole centre to modern day standards, and accommodation of other aligned services including day care and citizen's advice.
6. Dunstable Leisure Centre closed on 4 June 2017 and its redevelopment commenced on 11 June 2017 for a period of 18 months.
7. Sport England invited the Council to submit a bid to their Strategic Facilities Fund for financial support in relation to the redevelopment of Dunstable Leisure Centre and Library. This fund directs capital investment into a number of key local authority projects that are identified through a strategic needs assessment and that have maximum impact on growing and sustaining community sport participation. The Council has been offered a capital grant of £1m, (the Grant).
8. To receive this grant the Council must make an explicit undertaking to abide by the funding conditions by entering into a Lottery Funding Agreement (LFA) with Sport England. If the Council fails to abide by the funding conditions then Sport England can withhold payment and/or demand repayment of some or all of the Grant previously paid.
9. The Council continues to work closely with Sport England and is actively managing the process in order to achieve compliance with the terms of the LFA and secure the Grant offer, and to maintain compliance until the end of the Grant term.
10. It should be noted that the Council was awarded £2m from Sport England for the development of Flitwick Leisure Centre in 2013 following the same process. The Council agreed to the LFA on that occasion meeting very similar conditions to successfully secure the grant.

### **Funding Conditions**

11. The funding conditions are set out in full in Appendix A. The most significant conditions are set out in the sections below.

- a) The Grant is solely for funding the capital expenditure in relation to the delivery of a new Dunstable Leisure Centre and Library as set out in the grant application and is non-transferable.
- b) The Council must possess a legal interest in the site and must apply for a restriction to be noted on the registered title of Dunstable Leisure Centre and Library to secure Sport England's interest.
- c) The Council must not sell, transfer, assign, grant or otherwise dispose of any interest in the site without the prior written approval of Sport England.
- d) The Council must evidence full compliance with all planning conditions and the approach to discharging the conditions.
- e) The Council shall acknowledge the contribution made by the Lottery to the project and shall not issue any public statement, press release or other publicity in relation to the Grant or which refers to Sport England other than in a form approved in advance by Sport England. The Council must feature the Sport England logo on all major publications and marketing materials.
- f) The Council shall ensure that Dunstable Leisure Centre and Library is available for use no later than 28 February 2019.
- g) The Council must obtain Sport England's approval for key performance indicators that will objectively measure the achievement of sporting objectives, a method of assessing that performance, and review and update an operational plan at least every 12 months. It must achieve industry standard accreditation and ranking in the top quartile of national benchmarking assessment.
- h) The Council will provide access to Sport England for monitoring and audit purposes.
- i) The Council must agree to the funding terms and conditions and to enter into LFA at 'Committee' level.

### **Reason for decision**

12. By accepting the conditions, the Council will be awarded the Grant to support the redevelopment of Dunstable Leisure Centre and Library, thereby working towards ensuring no net increase in capital requirements during the period of the plan.

## **Council Priorities**

13. The proposed action supports the following Council's priorities by contributing to the project costs of new community infrastructure in Dunstable
  - Enhancing Central Bedfordshire
  - Great resident services
  - Protecting the vulnerable; improving wellbeing
  - Creating stronger communities
  - A more efficient and responsive Council.

## **Corporate Implications**

### **Legal Implications**

14. The award of the Grant is subject to a Member decision agreeing to enter into the LFA and its associated conditions governing that Grant for a period of 25 years. The LFA sets out the terms and conditions upon which Sport England agree to make the Grant available to the Council. The main condition is that the Council must possess a legal interest in the property and must apply for a restriction to be noted on the registered title of the leisure centre and library site to secure Sport England's interest.
15. The LFA has been reviewed and signed off by LGSS Law Limited. The LFA is a standard form of loan agreement that seeks to protect Sport England's interests in the Dunstable Leisure Centre and Library as a result of the Grant. The provisions of the LFA are standard for this type of transaction, and although LGSS Law Limited have raised some points with Sport England, these are merely for clarification and in no way impact upon the recommendation to enter into the agreement. Anything worthy of note has been detailed elsewhere in this report.

### **Financial and Risk Implications**

16. The approved capital programme for the redevelopment of Dunstable Leisure Centre and Library includes £20.095m gross expenditure offset by anticipated Section 106 of £1m from HRN2 and capital receipt of £1m from the sale of Vernon Place. In accordance with Executive approval on 9 February 2016 as set out in paragraph 4 of this report £0.441m of additional 106 contributions have been secured for this scheme to date.
17. The Council was invited to apply for a capital Lottery grant from Sport England's Strategic Facilities Fund towards the cost of redeveloping Dunstable Leisure Centre. This bid was successful and a maximum grant of £1m has been offered towards the capital cost of the scheme.

18. A risk identified with the recommendation is the financial risk associated with Sport England having the right to wholly or partially suspend or cancel any future payments, and/or terminate the agreement, and/or require payment of an amount equal to all or any part of the grant that has then been drawn down.
19. However, the Council has worked closely with Sport England and received advice and support throughout the detailed development of the project which has effectively signed many of the terms and conditions off at the time the award offer was made. Therefore this risk is evaluated as being low and continues to be actively managed. There is a very significant financial risk associated with not accepting the recommendations inasmuch as this would result in the Grant not being paid and the loss of this sum to the Council.
20. To accept this Grant, Executive approval is required to enter into the LFA.

### **Equalities Implications**

21. Central Bedfordshire Council has 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 reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Sport England initiatives include a strong focus on increasing the take up of sport across diverse and disadvantaged communities.

### **Sustainability**

22. The Grant aims to support the extension and improvement of 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, reducing the need for customers to travel to other local authority areas to participate in these activities.

### **Conclusion and next Steps**

23. Acceptance of the LFA will support the costs for the redevelopment of Dunstable Leisure Centre in accordance with the recommendations of Executive on 9 February 2016 that officers actively seek to meet the additional requirement through new sources of funding or from within the existing capital budget in order to create no net increase in capital requirements during the period of the plan.

## **Appendices**

The following Appendix is attached/ provided through an electronic link:  
Appendix A Sport England Strategic Facilities Fund LFA

## **Background Papers**

None

## **Report author**

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