

REVIEW OF LEISURE CENTRE PROVISION IN THE WEST

1.0 Purpose of Report

- 1.1 To inform Committee Members of the progress so far in considering the options available for improving leisure centre provision in the West of the district and to seek approval for the production of a business case on the preferred option.

2.0 Background Information

- 2.1 Newark and Sherwood District Council has made significant changes over recent years to the scope of its leisure centre services and in terms of how they are delivered.
- 2.2 The Council created a wholly-owned leisure company, Active4Today, in 2015, to deliver its leisure centre operations at the Grove Leisure Centre in Newark, Blidworth Community Leisure Centre and the Dukeries Leisure Centre in Ollerton. The Company also provides strategic management services to support the delivery of the Southwell Leisure Centre Trust.
- 2.3 In 2016, the Council opened the Newark Sports and Fitness Centre (NSFC) to replace the Grove, in recognition of the fact that the Grove was passed its useful life and was unable due to its limited size to cope with demand from customers. The changes have delivered significant savings, reducing the cost of the services from £1,271,365 in 2011/12 to £117,000 in 2017/18 – a reduction of 91%.

3.0 Project Objectives

- 3.1 The aims of this review are aligned to those used when appraising options for leisure centre provision in Newark which led to the development of the NSFC:
- To undertake an options appraisal of leisure centre facilities in the West of the District, with the aim of increasing regular participation in exercise and provide encouragement for sporting participation
 - Support the achievement of better health and wellbeing outcomes for the community, particularly but not exclusively in helping to tackle increasing levels of obesity
 - Support recovery from illnesses and conditions which are life-threatening or are likely to reduce longevity, by providing appropriate opportunities to incorporate exercise in the recovery programmes
 - Help overcome barriers to accessing leisure opportunities by providing welcoming, affordable and varied activities and facilities
 - Further reduce the revenue costs of leisure, recognising the non-statutory nature of the service and the financial challenges that the Council continues to operate within.

4.0 Options

4.1 The options appraisal and market analysis, attached at **Appendix A & B**, considers the following three options and takes into consideration the wider strategic developments and master planning taking place in Ollerton and Boughton to address a range of needs:

- **Option 1:** Stay the same - continue with fragmented offer in the West. This option has no financial implications but does not deliver the project objectives.
- **Option 2:** New Leisure Centre provision on land immediately in front of the Dukeries. The estimated total cost of building a new Leisure Centre is just over £13m. This is not affordable and does not provide the best value for money solution for the community.
- **Option 3:** Dukeries improvement scheme and pool hall new build.

5.0 Proposal (Phase 2)

5.1 As concluded in the attached options appraisal, it is proposed that a detailed business case be developed for **Option 3: Dukeries improvement scheme and pool hall new build** to be brought back to Members in June 2018, which will include detailed cost plans and architect drawings to RIBA stage D. If Members decided at this point take this option forward to delivery, practical completion is expected to be Spring 2020. Option 3 would make best use of an existing asset owned by the Council providing fit for purpose dry side facilities, address circulation and car parking issues whilst also providing a new pool hall, with new fun elements and a soft play area for children.

5.2 Positive meetings have been held with partners who have an interest in the site; Notts County Council, the Dukeries Academy and Notts Fire and Rescue. All partners are supportive with what the Council is aiming to achieve through the preferred option and vision for improving outdoor sporting and leisure facilities to increase opportunities for engagement in physical activity, delivering associated health benefits. Conversations would suggest there is real scope for creating a sports hub light model. Indeed, Notts County Council has agreed to transfer the land required to develop out Option 3 to the Council at nil cost (subject to member and secretary of state approval).

6.0 Finance

6.1 This project and initial feasibility costs of £60,000 were included within the Council's revised Medium Term Financial Strategy, approved by Policy and Finance Committee on 29 June 2017.

6.2 The cost of taking Option 3 onto the next phase is estimated to be around £250,000, which is included within the financial appraisal below:

Option 2: Dukeries Improvements scheme and pool hall new build

Capital Costs	
Construction costs	£5,715,461

Fee's (including project management, design and planning fees, building condition, ecology/topographical surveys)	£805,740
Fixtures, Fittings and Equipment	£381,500
Project Contingency	£ 1,004,430
Total	£7,907,131
Costs incurred to date for feasibility (including cost of consultants and surveys)	£60,000
Demolition costs – Dukeries site	Nil
Land Purchase – gifted	Nil
Total	£7,967,131

NET Revenue	
Projected Growth – per annum	£74,570

- 6.3 The financial appraisal includes a large sum of contingency monies due to the risks associated with opening up an existing building, which we would look to mitigate against through building conditions surveys etc. The Council's capital programme is funded through a mixture of reserves and capital receipts supplemented by additional financing, as required. Advice from the Council's Section 151 Officer would suggest that the proposed option, Option 3, could be funded without the need to borrow, through use of internal revenue and capital reserves, s106 contributions from the planned residential development of the adjacent site and the potential additional New Homes Bonus from that development.
- 6.4 In addition, the projected revenue growth forecasted by Active4Today on Option 3 if realised, would result in a £74,000 per annum reduction in revenue costs, to be recovered from a reduction in the management fee payable to Active4Today. Whilst this may, in isolation, be considered a low return on investment in financial terms, if this Option is taken forward to delivery it would contribute towards delivering a number of wider social, health and wellbeing benefits for residents, in line with the projects aims and wider master planning of the area.
- 6.5 It should be noted that Option 3 is also considerably cheaper than the new build option (Option 2) costing an additional £5m, which could be invested more prudently in line with the Council's Investment Strategy to generate a greater return on investment.

7.0 Equalities Implications

- 7.1 Equalities implications will be considered as part of further modelling and development of a detailed business case.

8.0 Comments of the Director – Resources and S151 Officer

8.1 The financial implications of the three options considered in this report are set out in section 6 above.

8.2 The total estimated cost of the preferred option can be funded in a number of ways, dependant on the timing of the improvement to the Dukeries and new pool hall construction, in relation to the potential wider development of the land between the two estates in Ollerton and Boughton. A funding package will be presented as part of the detailed business case and this package will range from using existing reserves and balances to fully fund the development cost of £7.967m to a mix of use of existing reserves to be replenished from s106 contributions and increased new homes bonus from the possible residential development on the land between the two existing communities.

9.0 Leisure & Environment Committee

9.1 This paper is due to be considered by the Leisure & Environment Committee at their meeting to be held on 15 February 2018. Their comments on this report and any specific recommendations will be reported verbally to the Policy & Finance Committee to consider.

10.0 RECOMMENDATIONS that:

- (a) the proposed option, Option 3 – Dukeries improvement scheme and pool hall new build be approved and taken forward to phase 2 and that a detailed business case be brought back to Committee in June 2018;**
- (b) £250,000 be committed for this project from the Council's Change Management Reserve to enable detailed costings and designs to be progressed to RIBA stage D; and**
- (c) the appropriate land transactions with Nottinghamshire County Council and the Academy be dealt with under delegated powers by the Director – Customers.**

Reason for Recommendations

To initiate the production of a detailed business case on the preferred option for leisure centre facilities in the west to support the aims of the project.

Background Papers

Nil.

For further information please contact Leanne Monger, Business Manager – Housing and Safeguarding (Project Manager) on extension 5545 or Matthew Finch, Director – Customers (Project Director) on extension 5716.

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