

| REPORT TO | ON |
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| CABINET | Wednesday, 22 January 2020 |



| TITLE | PORTFOLIO | REPORT OF |
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| Existing Leisure Centres Investment Plan and Contract Negotiations | Deputy Leader and Cabinet Member (Health, Wellbeing and Leisure) | Director of Neighbourhoods and Development |

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| Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?) | Yes |
| Is this report on the Statutory Cabinet Forward Plan ? | Yes |
| Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council? | No |
| Is this report confidential? | No |

PURPOSE OF THE REPORT

1. To bring forward a proposed investment plan for the Council's existing Leisure Centres based on condition surveys carried out in 2016 available as background papers to this report. The investment plan will propose improvements to the Leisure Centres linked to a hierarchy of need which will ensure the Leisure Centres are fit for purpose for another 5 to 10 years whilst also enhancing the Leisure Centres for customers. In addition the report will highlight the other key issues facing Leisure Services in South Ribble and also request Officers to seek a potential extension to the Leisure Contract with our current Leisure Operator

PORTFOLIO RECOMMENDATIONS

2. That Cabinet recommends to full Council through the annual budget setting process that a sum of £2.1m is put in place for investment into the existing Leisure Centres to be spent over the two financial years 20/21 and 20/22
3. That subject to the proposed investment into the existing Leisure Centres being approved by full Council, Cabinet authorises the Cabinet member for Health, Wellbeing and Leisure in consultation with the Director of Neighbourhoods and Development to spend up to £2.1m investment where appropriate into the existing Leisure Centres ensuring that all procurement, financial and legal processes are followed in carrying out the work.

4. That Cabinet requests Officers to explore the possibility of an extension to the existing Leisure centre Contract with our current Leisure Operator and bring back proposals in the near future to Cabinet and ultimately full Council who would need to approve any extension

REASONS FOR THE DECISION

5. In line with the 2016 condition surveys of the Leisure Centres that were undertaken, there is an urgent need to carry out essential repairs and maintenance along with some refurbishment of the centres in order that they are fit for purpose going forward over the next 5 to 10 years. There is also a desire to improve the quality of the existing Leisure Centres, and where possible look to improve services provided to local residents

CORPORATE OUTCOMES

6. The report relates to the following corporate priorities: (tick all those applicable):

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| Excellence, Investment and Financial Sustainability | x |
| Health, Wellbeing and Safety | x |
| Place, Homes and Environment | x |

Projects relating to People in the Corporate Plan:

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| Our People and Communities | x |
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BACKGROUND TO THE REPORT

7. At full Council in September 2019 one of the recommendations supported unanimously was a request that officers draw up a costed investment plan for the Council's existing Leisure Centres that is affordable and deals with key repair and maintenance issues highlighted in the 2016 condition surveys and where possible also enhances the quality and look of the Leisure centres.
8. The 2016 condition surveys carried out were very thorough and identified in total a backlog of repairs and maintenance amounting to £5m across all the Leisure Centres. Following full Council in September 2019, Officers have now visited all the Leisure centres, working with Serco our Leisure Centre Operator in identifying what investment is required to ensure that our Leisure Centres are safe and compliant going forward for a minimum period of the next 5 years.
9. The investment will not be about carrying out every single piece of work identified but rather committing to an affordable investment plan into our Leisure centres picking up on the key areas of work identified in the Condition surveys and ensuring that any work carried out meets current legislative and environmental standards going forward. The proposed scheme of investment identified in the proposals below will also seek to address an overriding aspiration of the new Administration which is to where possible improve the environmental sustainability of the buildings within the Council's estate.
10. A second recommendation approved at full Council was a request for officers to prepare a Master Plan for the future of Leisure Services and Leisure facilities in South Ribble to be considered by a newly set up cross party working group to be ultimately brought back and adopted by full Council. As a background, the full Council report back in September identified a number of issues that were facing Leisure services over the next 12 months. These included:

- Addressing the state of the existing Leisure Centres given their condition as identified in the 2016 condition surveys
- Starting a process in looking at the future management arrangements for our Leisure Centres as the current contract ends on 31 March 2021.
- Linked to the above there is a need to decide as an Authority whether we extend our existing Leisure Contract with Serco and the Community Leisure Trust for a short period to give us more time to carry out a comprehensive options appraisal as to the long term solution on future Leisure Management arrangements for our Leisure Centres. Any future extension agreed with Serco will be linked to the carrying out of the proposed investment highlighted in this report which will improve the on-going subsidy payable to Serco going forward. A separate report will be brought before Cabinet on any proposed contract extension.
- Given the affordability issues identified around the proposed new Leisure Centre to be located at the West Paddock site, Officers have been asked to come back at an appropriate time with sustainable options around the development of a new Leisure facility in South Ribble

11. To take these issues forward, FMG consultants have been appointed to do an initial options appraisal on future management arrangements for our Leisure Centres in South Ribble. A report will be prepared for Cabinet detailing these option appraisals prior to March 2020.

PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT, LEGAL)

12. Through the work carried out by officers using the findings of the 2016 Condition Surveys, leisure site visits and discussions with the current management agent (Serco) a proposed programme of investment into the Council's Leisure Centres has been put together. The work has been prioritised into a hierarchy of need to include, Health & Safety, fabric, enhancement and cosmetic work to the leisure sites. The proposal costs have been validated through an external Quantity Surveyor to provide an assurance against the cost of individual projects.
13. A sum of £2million is proposed to be invested over two financial years with the majority of work taking place during the financial year 20/21. The proposed programme of work is set out in the table below. The proposed work comes in at a total of £2,539,414. Some of the proposed costs will be met through the remaining PAISA budget which is committed capital expenditure agreed at the start of the current Leisure Contract. These projects are highlighted in yellow below. In addition the proposed work highlighted in green below will be completed only if budget allows, as the other work on the investment proposal has been deemed a higher priority.
14. As the work to the existing Leisure Centres progresses there will be flexibility built into the programme ensuring that best value is achieved for each piece of work carried out in relation to the future of that Centre. Future decisions taken around the building of a new Leisure facility within South Ribble will influence the programme of improvements made to the existing Leisure Centres. This could affect individual items within the proposed programme of works which will be determined as the project progresses and decisions are made about a new Leisure facility. However, whatever decisions around the programme of works are made, the budget agreed through this report will not be exceeded
15. The proposed programme of works will be complex and will need to be carefully managed in terms of procurement, finance, health and safety and legal compliance. To that end a project team will be set up as governance to the project ensuring that correct protocols, procurement rules and project management process are followed correctly and efficiently

Bamber Bridge Leisure**Centre**

| | | |
|---------------------------|----------------------|--------------------|
| Air Handling Units | Ventilation Plant | £200,000.00 |
| | Ductwork | £225,000.00 |
| | Local Extract System | £35,000.00 |
| TOTAL | | £460,000.00 |

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|--------------|--|--------------------|
| Roof | Pitch Roof Poolside - Kalzip Standing Seam | £134,700.00 |
| | Finish to Kalzip Standing Seam | £26,940.00 |
| | Eaves Boarding: extra over | £24,490.00 |
| | Aluminium fascia & soffits | £15,750.00 |
| | Finish to eaves, fascia & soffits | £2,737.50 |
| | Aluminium gutters | £4,750.00 |
| | Finish to gutters | £475.00 |
| | PVC rainwater pipes | £1,260.00 |
| | Finish | £280.00 |
| | Roof glazing to ridge line | £18,000.00 |
| | Gaskets & sealed glazing units | £2,160.00 |
| | Pitched Roof (dry side) - Kalzip standing seam | £80,500.00 |
| | finish to Kalzip standing seam | £16,100.00 |
| | Aluminium rainwater pipes | £1,000.00 |
| | Finish | £200.00 |
| | Flat roof - felt roof covering | £15,010.00 |
| TOTAL | | £344,352.50 |

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| Reception | Full refurb | £35,000.00 |
| TOTAL | | £35,000.00 |

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| Curtain Walls | External windows/curtain walling - timber glazed | £34,200.00 |
| | External curtain walling to pool area north elevation - timber glazed | £43,700.00 |
| | Main entrance curtain walling including manual swing doors | £30,875.00 |
| | Pool area south facing curtain walling inc manual swing doors | £38,000.00 |
| TOTAL | | £146,775.00 |

Pool Filters

Pool filters

£38,000.00

TOTAL

£38,000.00

TOTAL

£1,024,127.50

Penwortham Leisure Centre

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|---------------------------|---|--------------------|
| Air Handling Units | Ventilation Plant | £165,000.00 |
| | Ductwork | £186,230.00 |
| | Local Extract System | £25,300.00 |
| TOTAL | | £376,530.00 |
| Roof | Pitch Roof Poolside - Kalzip Standing Seam | £125,000.00 |
| | Finish to Kalzip Standing Seam | £25,000.00 |
| | Eaves Boarding: extra over | £10,270.00 |
| | Aluminium fascia's & soffits | £4,875.00 |
| | Finish to eaves, fascia's & soffits | £652.50 |
| | Aluminium gutters | £4,750.00 |
| | Aluminium rainwater pipes | £840.00 |
| | Finish | £575.00 |
| | Roof glazing over the pool area | £18,900.00 |
| | Gaskets & sealed glazing units | £2,268.00 |
| | Pitched Roof - Aluminium framed polycarbonate Sheet | £16,800.00 |
| | finish to Kalzip standing seam | £2,016.00 |
| | Finish to frame | £325.00 |
| | Flat roof - felt roof covering | £36,385.00 |
| TOTAL | | £248,656.50 |
| Reception | Full refurb | £35,000.00 |
| TOTAL | | £35,000.00 |
| Curtain Walls | External windows/curtain walling - timber glazed | £74,100.00 |
| TOTAL | | £74,100.00 |
| Pool Filters | Pool filters | £38,000.00 |
| TOTAL | | £38,000.00 |
| Sports Hall Floor | Re-surface sports hall floor | £50,000.00 |
| TOTAL | | £50,000.00 |
| | TOTAL | £822,286.50 |

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|---------------------------|----------------------|--------------------|
| Air Handling Units | Ventilation Plant | £235,000.00 |
| | Ductwork | £189,000.00 |
| | Local Extract System | £32,000.00 |
| TOTAL | | £456,000.00 |
| | TOTAL | £456,000.00 |

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| South Ribble Tennis & Fitness Centre | | |
| Floor Finishes | Rubber coated finish to tennis courts | £51,000.00 |
| TOTAL | | £51,000.00 |
| Car Park | Car park extension | £180,000.00 |
| TOTAL | | £180,000.00 |
| Court Yard Area | Lean-to, to cover outside activities | £6,000.00 |
| | TOTAL | £237,000.00 |

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

16. As part of the Green Links consultation exercise carried out across the South Ribble Borough between March and May last year approximately 900 people were engaged to understand what local residents and stakeholders thought about the proposals which included a new wellbeing and leisure campus. The last survey took place in 2017 with only 62% of people being satisfied with sports and leisure. The outcome was that the leisure facilities needed to be improved as they are out of date and need improving/modernising.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

17. Cabinet could decide not to invest in the Council's existing Leisure centres. However, this would enhance the risk of the Leisure centres closing suddenly due to repair and maintenance issues that had not been addressed in accordance with the condition surveys carried out in 2016. This could lead to a loss of service to our residents. Investing in our existing Leisure centres now will take that risk away for the foreseeable future. This will allow time for our consultants (FMG) and ourselves to work through an options appraisal with regard to the future management of our leisure centres and provide affordable solutions to the building of a new Leisure Facility in South Ribble. Further reports will be brought to Cabinet and full Council on both proposed new Contract arrangements for our leisure Centres and proposals around the building of a new Leisure Centre in the borough on a sustainable basis.

AIR QUALITY IMPLICATIONS

18. There will be no implications on air quality as a result of the proposed investment in the current leisure facilities.

RISK MANAGEMENT

19. As part of setting up a governance for the proposed programme of works a risk register will be established which will itemise with any contractor appointed to carry out the work all risks associated with such a project

EQUALITY AND DIVERSITY IMPACT

20. All relevant Equality and Diversity implications will form part of the Governance set up for the overall programme of works at the Leisure Centres

COMMENTS OF THE STATUTORY FINANCE OFFICER

21. The cost of the proposed capital works is £2.5m of which £0.4m can be funded from residual Paise funding and £2.1m has been included in the Council's revised Capital programme. The works are considered to be essential in order to continue to operate the centres safely and effectively whilst work continues to consider longer-term options for the future provision of leisure services in the borough.

COMMENTS OF THE MONITORING OFFICER

22. Clearly some fundamental decisions need to be made about the future provision of leisure facilities in the borough – whatever decisions are ultimately made will bring with them their own legal considerations and implications. At this stage what is proposed is an investment plan in our existing facilities. This will allow more time for a consideration of the best way forward for leisure as a whole. In terms of any investment in our existing facilities clearly we must be mindful of the

provisions of our Contract Procedure Rules. Likewise robust contract documentation will need to be drawn up and entered into.

BACKGROUND DOCUMENTS

The 2016 condition surveys
The Green Links consultation report

APPENDICES

There are no appendices to this report

LT Member's Name
Assistant Director of Projects and Development, Director of Neighbourhoods and Development

| Report Author: | Telephone: | Date: |
|--|--------------|-------------------------------|
| Neil Anderson (Assistant Director of Projects and Development) | 01772 625540 | 22 nd January 2020 |