

Report of	Meeting	Date
Director of Communities (Introduced by Cabinet Member (Finance, Property and Assets) Cabinet Member (Deputy Leader, Health and Wellbeing)	Council	Wednesday, 20 April 2022

Is this report confidential?	No
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Is this decision key?	Not applicable
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## Investment in Council's Leisure Centres

### Purpose of the Report

1. This report is about taking forward the ambitions of the Council's Leisure Facilities Strategy with particular regard to developing local Leisure facilities accessible to communities. The Council's Leisure Facilities Strategy adopted by the Council's Cabinet in 2020 detailed the concept of Leisure Local with particular regard to developing local Leisure facilities accessible to communities. This included developing pathways into a more active lifestyles working closely with local sports clubs, schools, and community groups.
2. The report will set out an ambitious and exciting first phase investment plan for local Leisure Facilities in South Ribble as part of its Leisure local approach which focuses on improving the ability of local communities to access high quality local Leisure Facilities in their part of the Borough.
3. The report will also bring forward investment proposals for work to be undertaken at the Council's own Leisure Centres to complement the Decarbonisation work about to start, alongside a proposed Leisure Local investment at Lostock Hall Academy and Community Centre at Gregson Lane.
4. The report will also recommend to Council that the option of a new build Leisure Centre is no longer pursued and that elements of the funding currently earmarked for a new Leisure Centre will be earmarked for investment in the Council's existing Leisure Centres and other local Leisure Facilities in the area which promote Leisure Local and improve Community access to Leisure and community facilities.

5. Finally, this report will seek approval for a procurement strategy for delivering the first phase of investment into the Council's existing Leisure Centres to ensure the decarbonisation work is delivered within the agreed 12 months.

### **Recommendations to Council**

6. That Council approves the proposed scope of works identified in the report for a first phase investment into the Council's Leisure Centres as set out below in paragraph 43 which will complement the Decarbonisation work already approved for the Leisure Centres.
7. That Council approves that a sum of £775k is reallocated from the existing capital budget for a new Leisure Centre (total £19m) to complete the proposed work on the Leisure Centres to complement the Decarbonisation work. This will take the total capital works proposed on existing leisure centres (including work already underway) to £2.875m.
8. That Council notes the intended use of the UK Leisure Framework to procure the proposed first phase investments into the Leisure Centres to combine the work with the Decarbonisation programme approved by Council and Cabinet.
9. That Council notes the decision to award the finalised contract to the UK Leisure Framework for the Leisure Centre first phase investment programme will be taken by the Executive Member for Finance Property and Assets and Executive Member (Deputy Leader) for Health and Well-being in consultation with the Director of Communities. This will align the contract with the delegation given to that executive member in relation to the decarbonisation works.
10. That Council approves a new Capital budget to provide a grant of £200,000 to Lostock Hall Academy, and approves a loan of £100,000 in line with the financial terms outlined below in paragraph 70. The total contribution of £300k will be used for the development of a new Community Leisure Facility on the Academy site representing a new Leisure Local partnership between the School and South Ribble Borough Council.
11. That Council approves a new capital budget of £300k as per paragraph 73 to allow a grant to be provided to the charity Gregson Green, towards the replacement of Gregson Lane Community Centre.
12. That Council delegates responsibility to the Director of Governance to be exercised in consultation with the Deputy Leader (Cabinet Member for Health and Well-being) and Director of Communities, to put in place grant and legal agreements concerning the grants and loan proposed above.
13. To note that a further report will be brought to Council in May 2022 outlining a substantial second phase investment programme into the Council's Leisure Centres (estimated to be circa £6m) and propose a procurement strategy and timetable to deliver the work.

### **Reasons for recommendations**

14. A council decision is required to approve the planned programme and budgets of first phase improvements to the Council's existing Leisure Centres.
15. A Council decision is required to reallocate funding from one Council budget to another.
16. A Council decision is required to approve a grant to an organisation of over £100,000.

17. The recommendations will align these works with the timetable for the decarbonisation works, seeking to minimise the impact of the works on the operation of the leisure centres. They will also ensure that both the improvement works, and earlier approved decarbonisation works are undertaken in a complimentary and efficient way limiting the need for duplication.

### **Other options considered and rejected**

18. For several years South Ribble Borough Council has considered the building of a new Leisure Centre in the borough. A variety of potential schemes have been investigated and tested working with potential partners. The most recent iteration sought to build a new centre within the Cuerden area. Uncertainty around optimum site location, acquisition costs and inflationary pressures on construction costs have caused the Council to reconsider and explore the option of investment in the existing estate.

### **Executive summary**

19. This report is about taking forward the ambitions of the Council's Leisure Facilities Strategy adopted by the Council's Cabinet in 2020 with particular regard to developing local Leisure facilities accessible to communities. The objectives of Leisure Local include:

- Developing pathways into a more active lifestyle and related activities working closely with local sports clubs, schools, and community groups contributing to the Council's objectives around, Community wealth building, Health and Wellbeing and reducing Health inequalities.
- Collaborating with partners to reach all communities to increase access into Sport and Physical activity through using Leisure and community facilities alongside accessing our Green links network, local parks and the natural environment.
- To work locally in partnership with residents, community groups, education and schools to deliver new sessions, develop volunteers and enhance a broader local use of facilities.

20. The report will highlight the reasons for the investment into the Council's existing Leisure Centres which are directly linked to the Decarbonisation works recently approved by Cabinet and Council. The additional Council investment will enhance the effectiveness of the Decarbonisation work further reducing the Carbon footprint of the Leisure Centres and reducing the energy costs of the building where possible.

21. The report will outline how the capital costs of the refurbishment project can be reallocated from funding set aside for building a new Leisure Centre.

22. The report will also set out a procurement strategy for the first phase investment plans for the Leisure Centres, proposing use of the UK Leisure Framework which is the same framework been used for the Decarbonisation work. This is to allow the tight timescales associated with the Decarbonisation works to be met and avoid the complications having different contractors operating on the same site who have been procured separately.

23. The Finance section of the report models the costs of the first phase of refurbishment of the Leisure Centres. The financial information also models the revenues costs that will need to take account of when the Leisure Centres will need to be closed whilst certain parts of the refurbishment take place. Efforts will be made to minimise any closures and not to close more than one Leisure Centre at any one time.

24. As part of the Leisure Local approach the report also brings forward an exciting new proposal of developing a new Community focused Leisure Facility to be located at Lostock Hall Academy which will represent a new Leisure Local partnership between the School and the Council and fill a gap in local sports provision for pitches.
25. Finally, again as part of Leisure Local the report also highlights a project to replace the community centre at Gregson Lane through provision of a grant to Gregson Green, the charity which manages it on behalf of the local community. The land on which the Community centre is on is owned by the Council but the Community centre itself is owned by the local people and held in Trust by the Gregson Green Charity.

### **Corporate priorities**

26. The report relates to the following corporate priorities:

<b>An exemplary council</b>	<b>Thriving communities</b>
<b>A fair local economy that works for everyone</b>	<b>Good homes, green spaces, healthy places</b>

### **Background to the report**

27. The Background to this report relates to Cabinet adopting a new Leisure Facilities strategy in 2020. This Strategy attached to the report as Appendix 1 sets out a vision as to how the Council wants to develop Leisure Facilities in borough with particular reference to a concept of Leisure local which focuses on the following:

- Develop pathways into a more active lifestyle and related activities working closely with local sports clubs, schools, and community groups contributing to the Council's objectives around, Community wealth building, Health and Wellbeing and reducing Health inequalities
- Collaborate with partners to reach all communities to increase access into Sport and Physical activity through using Leisure and community facilities alongside accessing our Green links network, local parks and the natural environment.
- To work locally in partnership with residents, community groups and education and schools to deliver new sessions, develop volunteers and enhance a broader local use of the facilities.

### **A new Leisure Centre**

28. For several years, the Council felt the way forward in terms of facility development was to build a new Leisure Centre in South Ribble.
29. Ideas have ranged from building a single super-sized centre in the middle of the Borough, developing a new Leisure Centre on the West Paddock site, through to working with LCC on a combined Cricket Facility/Leisure Centre. Recently ideas have surfaced around building on Brookhouse or the Cuerden site to the East of Leyland.
30. Financial costings of building a new Leisure Centre was undertaken and there was recognition that in order to build a Leisure Centre some of the existing Leisure Centres would have to be reviewed. This is referred to in the finance section below.

## **A Changing Environment**

31. The cost of a new Leisure Centre will be considerable but will vary greatly according to
- Scope of facilities
  - Specification
  - Construction market
  - Decarbonisation and achieving the lowest possible Carbon footprint
- a. A previous project that was proposed for the West Paddock site was costed in the region of £26m to £27m. This project had a wide scope of planned facilities and a high level of specification and finish due to its location. However, the costings for this scheme are already 3 years old and do not consider the following:
- a. A significant rise in construction prices.
  - b. Environmental thinking and the Council's Climate change Commitment i.e. costs would need to be revised to achieve the lowest Carbon footprint of any new build Leisure Centre.
  - c. Any infrastructure and site acquisition costs associated with a different site either at Cuerden or Brookhouse.
  - d. There will shortly be a planning requirement for a 10% net gain in biodiversity for all projects which will add costs and we will have a biodiversity strategy which will set goals this development would need to achieve which will incur additional costs.
32. By way of recent examples, Derby City Council are currently building a new Centre costing in the region of £40m and the new Bramcote Leisure Centre in Nottingham which is estimated to cost £25m with no land purchase, Sports Hall, Cafe or infrastructure costs taken account of.
33. Currently the Council has £19m in the Capital programme towards a new Leisure Centre. This will clearly not be enough to build a new centre and secure a viable site.
34. To have a budget in place large enough to build a new Leisure Centre of any size and substance, it has been shown through previous modelling to be costly in terms of on-going borrowing costs which would need to be met by the Council.

## **The Decarbonisation works**

35. In addition to a recognition of the rising costs associated with building a new Leisure Centre, an opportunity emerged in Autumn 2021 of attracting significant new investment into the existing Leisure Centres for Decarbonisation work. In January 2022, the Council was awarded a grant of £4.9m to be match funded by the Council with a sum of £500k as agreed by Cabinet and Council.
36. The breakdown of how this funding will be spent is shown in the table below. The planned work is due for completion by the end of February 2023 in line with the conditions of the Decarbonisation grant.

Bamber Bridge Leisure Centre	Solar PV	£ 55,632.00
Bamber Bridge Leisure Centre	LED - new fitting	£ 42,212.00
Bamber Bridge Leisure Centre	Motors - high efficiency	£ 18,300.00
Bamber Bridge Leisure Centre	Variable speed drives	£ 7,320.00
Bamber Bridge Leisure Centre	Fans - air handling unit	£ 122,000.00
South Ribble Tennis Centre	Solar PV	£ 81,984.00
South Ribble Tennis Centre	LED - new fitting	£ 142,008.00
Penwortham Leisure Centre	Solar PV	£ 43,920.00
Penwortham Leisure Centre	LED - new fitting	£ 53,192.00
Penwortham Leisure Centre	Motors - high efficiency	£ 18,300.00
Moss Side Depot	Fans - air handling unit	£ 122,000.00
Moss Side Depot	Solar PV	£ 102,480.00
Civic Centre	Fans - air handling unit	£ 122,000.00
Leyland Leisure Centre	LED - new fitting	£ 61,732.00
Leyland Leisure Centre	Variable speed drives	£ 4,880.00
Leyland Leisure Centre	Solar PV	£ 89,304.00
Bamber Bridge Leisure Centre	Install ASHP*	£ 1,070,000.00
South Ribble Tennis Centre	Install ASHP	£ 600,000.00
Penwortham Leisure Centre	Install ASHP	£ 800,000.00
Moss Side Depot	Install electric heating	£ 85,000.00
Civic Centre	Install ASHP	£ 525,000.00
Leyland Leisure Centre	Install ASHP	£ 1,100,000.00
		£ 5,267,264.00

\*Air Source Heat Pump

37. The benefits of the Decarbonisation work at the Leisure Centres will be considerable with a significant reducing of the Carbon footprint of the buildings and a saving on the ongoing energy costs e.g. replacing all Boilers with Air Source Heat Pumps will remove the need to use Gas in the buildings. Savings and Carbon reduction modelling is underway as part of the detailed planning of the Decarbonisation work. The estimated carbon saving and financial savings are shown below. Note that these were based on unit prices of 3.8p gas and 14.8p electricity. As prices have increased and are predicted to continue to increase the savings will vary over time:

Leisure Centre	Carbon Savings (Co2 te)	Cost savings (£/yr)
Leyland Leisure	204.05	£7,847
Bamber Bridge Leisure	210.62	£9,467
SR Tennis Centre	45.12	£29,773
Penwortham Leisure	187.90	£9,195
<b>Total</b>	<b>100,016</b>	<b>£ 56,282</b>

38. The programme of Decarbonisation work was approved by both full Council and Cabinet at its meeting on 23<sup>rd</sup> March 2022 and will commence as soon as possible.

### **Investing in the existing Leisure Centres rather than Building a new Leisure Centre**

39. The attraction of this grant funding and existing commitment to capital spend in the existing estate, has led to an option emerging of investing significantly in the existing Centres to transform the look and the offer they provide to local communities and no longer pursue the option of building a new Leisure Centre in the Borough.

40. The existing Leisure Centres are very well used and suitably located across the Borough, close to the main centres of population and hard to reach communities who can walk or cycle to the Centres. Despite the pandemic, the usage of the centres is good and continuing to rise as we come out of the pandemic. The use of existing Leisure Centres supports the concept of Leisure Local with particular regard to developing local Leisure facilities accessible to communities.

41. There is already an approved budget of £2,100,000 for capital improvements to the existing centres. This includes £500,000 as match funding for the decarbonisation project. This is on top of a current investment of £2.8m taking place at Bamber Bridge Leisure Centre to create a new Playing Pitch hub supported by a £816,000 grant from the Football Foundation.

42. The intention following a decision not to commission a new Leisure facility will be to bring forward the proposition in respect of significant investment and improvement in the Councils current facilities, estimated to be circa £6m. This will be done in May this year but is likely to include:

- Poolside improvements to all changing areas
- Reconfiguration and remodelling of all reception areas
- Replacement of windows and provision of external cladding
- Improvements to dry side facilities
- Sports hall flooring refurbishment
- Full external and internal work including landscaping and replacement of existing gym equipment

### **Phase 1 investment in the Council's Leisure Centres**

43. The phase one works proposed for the existing Leisure Centres will focus on work that will support the Decarbonisation to ensure that it is delivered on time. The work will include the following at a total cost of £1.875m:

Proposed Works	Rationale
Roofing Works to Leyland, Bamber Bridge, Penwortham Leisure Centres and South Ribble Tennis Centre	Condition Survey and to complement Decarbonisation work
BMS & Distribution Board Upgrade at Leyland, Bamber Bridge, Penwortham Leisure Centres and South Ribble Tennis Centre	Upgrade of current infrastructure to complement the Decarbonisation scheme.
Fire Compartmentalisation Works	Planned work following Fire risk assessment and to compliment the Decarbonisation work

### **Procurement of the first phase refurbishment Project of the Leisure Centres**

44. The recommendations are to use the UK Leisure Framework to deliver the Decarbonisation work due to the very tight timescales involved.
45. Our procurement team have investigated the proposed framework and provide the following information. The UK Leisure framework has been advertised and procured in accordance with the Public Contracts Regulations 2015 by Denbighshire Leisure Ltd (DLL). The framework is a single supplier Framework and the appointed provider is Alliance Leisure (ALS). The framework includes a 2-stage process. Stage 1 is the completion of a Project Questionnaire (PQ) supported by Alliance Leisure, for subsequent approval on to the framework by DLL. There is no charge to the Council at this stage.
46. Once the PQ is accepted, an Access Agreement is then entered into between ALS and the council to progress the project to a cost gateway position of "Cost Certainty". The framework documentation explains that the approach of working in partnership with the council and ALS identified industry experienced architects and building Contractors, introduces 'buildability' and programming advice from the outset, whilst also encouraging the principles of open book value engineering during design development to ensure the proposed final design falls within the available budget. There will be an agreed fee between ALS and the council to reach this stage.
47. Once the agreed scheme has the required approvals from the council-side, ALS will then enter a call off Delivery Management Agreement (DMA) with the council to deliver the project. ALS will then enter the building contract directly with the building contractor and individual arrangements with identified specialist suppliers as required. It then becomes ALS responsibility to project manage and deliver the scheme on the council's behalf.
48. The key supply chain members (Main Contractor and Project Architect) would be appointed by agreement, or through a mini competition, from a selected list drawn from the approved Framework supply chain and agreed in conjunction with the client. Use of a mini-competition process for the supply chain at this stage builds in a competitive process to demonstrate best value for these work packages.
49. At the point of signing the DMA a call off fee becomes payable. The Framework fee is based on a percentage of the project cost as illustrated in the list below



### **Project Value (£M) Framework Access Charge**

- a. Up to £999,999 0.95%
- b. £1m - £1,999,999 0.75%
- c. £2m - £4,999,999 0.50%
- d. £5m - £9,999,999 0.30%
- e. £10m - £14,999,999 0.22%

50. In terms of value for money, as part of the tender for the Framework, Denbigh Leisure requested a submission from Alliance Leisure Services (ALS) on their Development fee, Employers Agent fee and Design Fee, along with Principal Contractor overheads and profits. The submission was analysed by Denbigh Leisure's independently commissioned procurement team – who specialise in frameworks with a construction background. Alongside this, independent technical construction advice around value for money was sought from Gleeds – who are a global property and construction consultants. In addition, independently commissioned teams benchmarked the ALS bid against industry averages. The feedback from this benchmarking exercise provided assurance that the ALS bid was offering value for money within the industry.
51. As shown above there are considerable interactions between the Decarbonisation scheme and there will be a need to carefully integrate the two schemes.
52. A key part of working with the Framework and our procurement section will be to ensure that the lead Contractor adheres to the Council's Social Value Portal ensuring local Contractors and workers are sourced where possible local to South Ribble or the sub region area and ensuring there are clear measurable benefits to the local economy, local businesses and colleges in carrying out the work.
53. Working with procurement we are also aware that there are other Frameworks available which could be used for this work e.g. North West construction Hub, Rise, Procure Partnerships, Innovation Chain partnerships and two further Direct Award frameworks Scape and LRPP (The Lancashire CC framework).
54. The reason for the recommendation of using the same Framework 'UK Leisure Framework' as used for the Decarbonisation work are twofold:
- a. The Decarbonisation grant conditions come with a very tight timescale of delivery will all work needed to be completed by end of February 2023. Elements of the Leisure investment are integral to the Decarbonisation work e.g. the roofs, compartmentalisation and new BMS system. Using the same Framework will allow the work to be integrated and avoid confusion and give us the best chance of delivering against the timescales.
  - b. The second reason for using the same framework is the potential problems that would arise from having different contractors governed separately on the same site as shown below
    - i. Under CDM regulations 2015, you also should look to maintain the relationship with one Principal Contractor for the duration of the project. This simplifies the need to recreate, recommunicate and carry out additional handover duties with multiple contractors, this is an added cost and level of risk to the project. By utilising the framework agreement and

appointing one contractor who is in overall control of the construction phase we will avoid this.

- ii. The lack of a Principal Contractor will strain the lines of communication between all parties and communication and response to request for information is critical on construction projects and creating more obstacles inevitably creates more challenges.
- iii. A key benefit of the principal contractor role is to have one main point of contact on your site during the construction phase. One point of contact that all the contractors on the site can go to with any issues or concerns. One point of contact for the principal designer to liaise with. And one point of contact to answer the client's questions. One contractor in overall control of the site. One set of rules.
- iv. By having two principal contractors, you can add extra complexity to the schemes. There is additional coordination needed, because a construction site always has needs beyond its boundaries. There are deliveries, service connections, welfare needs, security, access. Some activities may extend beyond the site entrance. The two contractors need to cooperate with each other. Each site will need to comply with CDM separately. Each project run independently.
- v. Takes away the possibility of legal disputes between different contractors on the same site
- vi. A Principal Designer to oversee the pre-construction and design process, will remove or reduce the foreseeable risks of health and safety conflicts and issues site

### **The Lostock Hall Academy Project**

55. As stated in the purpose of the report the Council has a wider ambition of investing in Leisure Facilities across the Borough on the basis of bringing high quality Leisure Facilities closer to local communities particularly communities that have high levels of deprivation.

56. Lostock Hall community is a community that lacks good local Leisure Facilities in an area of high need to bring young people into sports. Participation in physical activity during childhood is considered essential for normal growth and development. Physical activity is also an important contributing factor in the prevention of obesity and mental health in children. In recognition of the importance of regular physical activity, national guidelines issued recommend all children engage in daily physical activity that promotes health-related fitness and movement.

57. The Council has been working with Lostock Hall Academy to develop an idea with an idea of improving outdoor Leisure Facilities on their site and opening them up to the local community in a first Leisure Local partnership with the Council.

- The replacement of a half of a large Macadam surface with a new Macadam surface suitable for league Netball, informal football, tennis, basketball and school activities.
- The conversion of the other half of the existing Macadam surface with a new Multi use games area (MUGA) suitable for Football, Tennis and informal Hockey.
- Future phase of developing a full sized 3G pitch at the School suitable for football and training for several sports.

58. These new Facilities will be at the heart of the Lostock Hall community giving new access to local people who have traditionally not had the opportunity to use such facilities. Working with the school, the community will have access to over 60% of the time the new facilities will be open.

59. The Council will continue working with Lostock Hall Academy on a potential 2<sup>nd</sup> phase of the project which could involve the development of a new 3G artificial playing pitch for the site, including the commissioning of a feasibility study.

### **Gregson Lane Community Centre**

60. A further community led project, which is about promoting Leisure Local, is supporting the replacement of the community centre at Gregson Lane. The current building, sited on SRBC land but built using donations from villagers, is now more than 50 years old; in a poor and deteriorating state.

61. The centre is well used by people from a range of ages and backgrounds and provides social facilities for the sports clubs who use the adjoining playing fields. The Gregson Green Committee, a charity who manage the centre on behalf of the community, have raised in the region of £200,000 to support a new building. However they have recognised that due to the condition of the premises, the need for a new building is increasing in urgency. They have approached the Council for financial support to bring forward a new modular building, from which they can accommodate more groups, more events and widen the offer to the local community.

62. A grant of £300,000 would enable:

- Purchase and installation of an 18m x 12m modular community centre
- Groundworks (building foundations, water connection, drainage, etc)
- Disability friendly access and toilets
- Creation of a 12m x 4m patio for outdoor seating

63. In addition to a meeting room / bar area, kitchen, toilets and storage, the proposed building would offer 149 square metres of open space to suit a range of uses. Of the 4271, residents in the neighbouring villages of Gregson Lane and Coupe Green, 609 are single person households. The need for activities to reduce loneliness and isolation is acute. The craft and chat group established here to support COVID recovery and resocialisation has been one of the most successful in the borough.

### **Further Leisure Local Projects**

64. The support of these Leisure Local projects in this report builds on the support already given to the work at Vernon's Carus Sports Club and Mooch Hoole Community Centre.

65. The Council will continue to work across the Borough in identifying further potential projects that take forward the concept Leisure Local and will bring reports to the relevant Cabinet or Council meeting as appropriate.

### **Financial Implications – Leisure Centres Refurbishments**

66. The table below summarises the proposed movements in the capital budget and the funding implications of the first phase investment into the Leisure Centres.

Description	Amount (£)
<b>Budgets</b>	
Existing capital budget available	2,100,000
Budget increase required	775,000
<b>Estimated Cost</b>	<b>2,875,000</b>
<b>Funding</b>	
Repairs and Maintenance Reserve	500,000
Existing Borrowing	1,600,000
New Leisure Centre Borrowing vired	775,000
<b>Total Funding</b>	<b>2,875,000</b>

67. The revenue implications of closing centres while refurbishments are taking place are very difficult to forecast because income can vary quite substantially from month to month and, as the programme is still in the planning phase, there is not yet certainty about the sequence of closures or how long each closure would need to last. It is assumed that no more than one centre will be closed at one time and individual centre closures will be kept to a minimum and ideally less than a week. This will reduce the need to refund direct debits to members because a week (maximum) is considered reasonable and customers will be able to use other facilities during that time.

68. To give an indication of scale, the estimated loss of income per week and month for a full closure of each centre is as follows:

Leisure Centre Site	Weekly £	Monthly £
Bamber Bridge	7,000	30,200
Leyland	13,400	58,000
Penwortham	5,600	24,400
Tennis and Fitness Centre	7,100	30,800

### Financial implication of Lostock Hall Academy

69. A grant of £200k from the Council to the school will be funded by £50k section 106 funds and £150k Leisure related revenue reserves. The section 106 relates to an ongoing housing development in Lostock Hall and further section 106 may be utilised from this development should it be received in the relevant timeframe, which would reduce the reserves contribution.

70. An interest free loan will be given from the Council to the school of £100k from Leisure reserves to be returned by way of school repayments over 10 years at £10k per annum.

71. The grant to Lostock Hall Academy school will be linked to legal / grant agreement(s) with the School highlighting the School's role in promoting Leisure Local outcomes of participation and reaching hard to reach groups plus supporting local clubs notably Lostock Junior football club.

## **Financial implications of supporting the replacement of Gregson Lane Community Centre**

72. A grant of £300k from the Council to the Charity is eligible to be funded by CIL. There is also remaining S. 106 generated from a development in the area of £15k which could be used. Should this not be available, then revenue reserves will be required.
73. The grant to the charity will be linked to a Legal/Grant agreement between the Charity and the Council. The agreement will highlight clear Community measurable outcomes of having a new Community Centre on Gregson lane which will be about delivering against the ambitions of Leisure Local highlighted above.

## **Next Steps**

74. The first step is to note the commitment to the procurement strategy recommended above and align the first phase Leisure Centre investment programme with the Decarbonisation work.
75. Working closely with the chosen framework significant design and programming work will go forward once approved pulling the Leisure Centre investment together and integrating it with the Decarbonisation work and establishing a clear timetabled planned programme of work to be achieved over the next 12 months.
76. A further report will be brought back to May Council on progress made with the project and a 2<sup>nd</sup> phase proposal of further investment into the Council's Existing Leisure Centres.
77. Draw up grant and legal agreements with Lostock Hall Academy and Gregson Lane Community centre to as part of the condition of the Council supporting these projects.
78. As part of the proposed work we will develop in partnership with the communications team a communications plan with our local communities on the exciting transformational schemes going forward.

## **Climate change and air quality**

79. The work noted in this report impacts on the following areas of climate change and sustainability targets of the Councils Green Agenda: net carbon zero by 2030, through complementing the Decarbonisation work which will reduce the Carbon footprint significantly at the Council's Leisure Centres.

## **Equality and diversity**

80. There will be a full EIA assessment carried out in conjunction with the programme of work which will demonstrate a positive effect on improving both Equality and Diversity within our Leisure Centres going forward.

## **Risk**

81. There will be a full Risk management strategy put in place for the programme of works.

## Comments of the Statutory Finance Officer

82. A total budget of £2.1m is included in the approved capital programme for 'leisure centre refurbishments' and a £19m budget for a 'new leisure centre'. This report proposes to move £775k of funding from the £19m budget to supplement the decarbonisation works on the Leisure Centres.
83. The existing capital budgets are funded mostly from borrowing, and a contribution of £500k from reserves as per point 67. The council's additional borrowing costs of £37k per year will be funded through the existing budget established to make provision (by an annual transfer to reserves) for future asset maintenance.
84. As detailed in sections 70 and 73 the funding for the grants and loan to Lostock Hall Academy and Gregson Green charity will be funded from a mix of existing resources.

## Comments of the Monitoring Officer

85. A number of the recommendations relate to improvements to the Leisure Centres. Whilst they are leased to South Ribble Leisure Company, they remain council assets and the Council, under the terms of the leases, are responsible for their maintenance and improvement. The proposal to incorporate these works with the delivery of the decarbonisation works will minimise the interference with the companies right of quiet enjoyment under the lease and discharge the councils obligations in that respect.
86. There are various issues to comment on. Any loans or grants to third party organisations will need to be covered by formal legal agreements to protect the council's interests and to ensure that the public have sufficient access to any new leisure facilities.
87. The report explains at length why it is proposed to use the Framework agreement in question. The use of such Framework agreements is allowed by the council's Contract Procure Rules. The particular Framework agreement is a specialist agreement designed to cover such works. Clearly given we are using this Framework agreement for the decarbonisation works it makes great practical sense to use the same Framework for the additional works referred to in the report.
88. As explained in the report we will do what we can to maximise the Social Value benefits of the programme.

## Background documents

Previous Cabinet and Council reports on the future of the Leisure Centres and the Decarbonisation work can be accessed through this link.

<https://southribble.moderngov.co.uk/ieSearchResults2.aspx?SS=decarbonisation%20leisure%20&DT=3&ADV=1&CA=false&SB=true&CX=2597852&PG=1>

## Appendices

Appendix A Leisure Facilities Strategy 2020

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