

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 7 April 2014

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| Portfolio: | Leisure and Community |
| Subject: | Western Wards Pool - Project Approval |
| Report of: | Director of Community and Director of Finance and Resources |
| Strategy/Policy: | Leisure Strategy |
| Corporate Objective: | Leisure For Health and Fun |

Purpose:

To seek approval of the preferred location, the development brief and request project funding to build a new swimming pool and leisure facility in the Western Wards.

Executive summary:

The provision of a public swimming facility in the Western Wards has been identified as a high corporate priority for a number of years.

In 2009 the Council commissioned a study to examine the demand and need for a public swimming pool in the Western Wards. This study was refreshed and updated in 2013. The study confirmed the need for a 6 lane, 25 metre pool with a learner pool and associated dry side facilities including a 100 station gym.

In 2013, the Council secured the early transfer of land at Coldeast from the Homes and Communities Agency (HCA) for the provision of a swimming pool as part of the community benefit package arising from the granting of planning permission for the phase 2 development at Coldeast.

This report seeks approval of the development brief and requests project funding to enable work to commence on the design, procurement and construction of a new leisure facility on the Coldeast site.

Recommendation:

That the Executive:

- a) agrees that the new swimming pool and leisure facility be constructed at Coldeast on the land transferred to the Council from the Homes and Communities Agency;
- b) agrees the outline project specification for the swimming pool and leisure

facility as detailed in Appendix B;

- c) approves a provisional budget of £7 million for the provision of the new swimming pool, to be funded from the Council's capital reserves and prudential borrowing;
- d) requests officers to bring forward a report exploring the options for replenishing the Council's capital reserves through the sale of existing assets within the Western Wards; and
- e) notes that additional financial resources will need to be identified and allocated at a future date for the access road, the setting out of the cemetery, allotments and construction of a new community building.

Reason:

To enable work to start on the planning, procurement and construction of a new swimming pool and leisure facility in the Western Wards.

Cost of proposals:

The provisional cost of providing a new swimming pool and leisure facility in the Western Wards at Coldeast is estimated to be £7M (inclusive of fees). This cost can be met from a combination of the Council's capital reserve (subject to agreeing a pay now and replenish strategy) and prudential borrowing. In addition, the sum of £1M has been allocated within the Open Spaces Improvement Programme for the provision of the sports pitches and associated facilities.

Appendices:

Appendix A: Site Plan for Coldeast (showing possible location of new swimming pool)

Appendix B: Outline Specification for the swimming pool and leisure facility.

Appendix C: Draft Project Plan (Key milestones)

Background papers:

CONFIDENTIAL – 2009 Consultants Report (Strategic Leisure) - Review of demand, viability and costs of providing a swimming pool in the Western Wards. (Updated 2013).

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BOROUGH COUNCIL

Executive Briefing Paper

Date: 7 April 2014

Subject: Western Wards Pool - Project Approval

Briefing by: Director of Community and Director of Finance and Resources

Portfolio: Leisure and Community

INTRODUCTION

1. The provision of a public swimming facility in the Western Wards has been identified as a high corporate priority for a number of years.
2. This report outlines the evidence of need for a new swimming pool in the Western Wards, seeks approval of the project brief and requests project funding to enable work to commence on the design, procurement and construction of a new swimming pool and leisure facility at Coldeast.

EVIDENCE OF NEED

3. In June 2013, consultants (Strategic Leisure) were commissioned by the Council to review the need and viability of providing a swimming pool to serve the Western Wards of the Borough. The review explored the demographic profile, the supply and location of existing facilities, market segmentation and existing health and fitness facilities.
4. The assessment of demand highlights the following issues which support the need for additional water space in the Borough:
 - Increasing population
 - Increasing levels of adult and child obesity
 - High levels of latent demand
 - Identified deficit in accessible water space
 - Identified demand for swimming in the area
 - A high number of residents currently swim in facilities outside of the Borough
5. The report concluded that there is clear evidence of need for a new swimming pool in the Borough and locating it in the Western Wards would help to meet this and reduce the net export of swimmers to other neighbouring facilities.
6. Based on this evidence, the consultants went on to suggest that there is a case for developing a new facility and as a minimum it should comprise of a 6 lane x 25 m pool. Furthermore, they recommend that a development of this scale will require ancillary provision and also fitness facilities to generate revenue which will offset operating costs of the swimming pool.

Site Options

7. Members will recall that land was secured at Coldeast for the provision of a new swimming pool as part of the community benefits package arising from the phase 2 development plans for Coldeast. This land was successfully transferred to the Council from the Homes and Community Agency in October 2013.
8. Members will also be aware that the Council has held discussions with New River Retail, the owners of the Locks Heath District Centre regarding their proposals for redeveloping the district centre. This included an offer to provide a new leisure facility on the site.
9. The consultant's report included a site options analysis exploring the advantages and disadvantages of locating the new swimming pool at Coldeast or Locks Heath.
10. Due to the unmet demand and the close proximity of the two sites, both sites were considered to be equally desirable and viable for potential operators and customers alike.
11. On balance, given that planning issues will be critical to the development of a new swimming pool, Strategic Leisure suggested that the Coldeast site is likely to be an easier site to develop and would help to ensure delivery of a new swimming pool in the not distant future.
12. Following receipt of the consultant's report, Officers met with SLM, the operators of Fareham Leisure Centre to discuss the findings and key recommendations. SLM have confirmed that in their view there is demand for a swimming pool in the Western Wards and agreed with the suggested mix of facilities. They also confirmed that if they were appointed to be operator of this new facility, their preference would be for the pool to be located at the Coldeast site.

PROPOSAL

13. Having considered the advice of Strategic Leisure and consulted with SLM, it is proposed that the new swimming pool and ancillary facilities be built at Coldeast (Appendix A - see attached site plan).
14. The outline specification for the facility is set out below and has been developed based on the assessed need for the area. This will form the basis of developing a detailed specification but is subject to sufficient resources being available to fund the works:-
 - 6 lane x 25 m pool (graded in depth from 0.9m to 1.8m)
 - A separate learner pool (13m x 10m)
 - Changing village (unisex)
 - Pool store (including space for pool covers)
 - Plant room
 - Spectator seating / Viewing area
 - Min 80 work station gym (minimum space requirement of 400m²)

- A separate exercise room/ dance studio (minimum space requirement of 250m²)
- First aid room
- Reception/Foyer
- Office accommodation
- Meeting room
- Toilet facilities
- Cleaning store
- Car parking (minimum of 200 spaces)

15. A more detailed specification is set out in Appendix B.

FINANCIAL IMPLICATIONS

16. It is estimated that a basic swimming pool and leisure facility as outlined above will cost in the region of £7M. This cost includes professional fees and provision for setting out a car park for 200 spaces.
17. The estimate does not include the cost of constructing the road junction and access road required to service the pool and other community facilities (which may include an allotments, cemetery and sports pitches). It is estimated that the road junction and service road to access this site will cost up to £1M.
18. The estimated costs for the swimming pool and service road assume no contaminated land and no unusual ground conditions are found on the site.
19. A more accurate cost will not be known until a detailed scheme has been prepared and tendered.
20. The advice provided by Strategic Leisure also indicate that a leisure centre of this size, and taking account of the level of unmet demand, should not require any on-going revenue subsidy, and dependent on the final design, it is more likely that the Centre will give rise to an operating surplus when fully established.
21. At the current time, no financial provision has been made for setting out the allotments or cemetery provision or community building to support the new pitches; estimates will be sought for these facilities in the tender process. Provision of the pitches, changing rooms and possible community building have an initial estimate of £970,000
22. It is proposed that the cost of £7M is funded in part from the Council's capital reserve, together with £1.5m of prudential borrowing. As this will fully utilise the Council's capital reserves, measures must be put in place to replenish the capital reserves as soon as practicable. Therefore, it is proposed that Officers be requested to bring forward a report exploring the opportunity to replenish the capital reserves through the sale and/or disposal of Council assets in the Western Wards.
23. Further work is required to identify the cost of laying out the road junction and the service road to the swimming pool, sports pitches, cemetery and allotments, along with

an appropriate method of funding.

NEXT STEPS

24. Subject to the Executive's approval of this report, the next steps will be to assemble a project team to commission and oversee the following:-
 - Preparation of a detailed business plan
 - Site investigations
 - Appointment of an architect
 - Appointment of CDM coordinator
 - Appointment of Employers Agent
 - Tender appointment of Leisure Operator
 - Preparation of detailed planning application
 - Public consultation
 - Planning application submitted for approval
 - Preparation of tender specification for construction
 - Award of tender for construction
 - Appoint Leisure Operator
 - Commence works on site
 - Practical completion
 - Opening of new facility
25. A draft project timetable is set out in Appendix C
26. Officers are currently reviewing a number of framework agreements to see if these would help to reduce the delivery timescale whilst ensuring the project delivers value for money. Officers have appointed consultants (Strategic Leisure) to provide best practice advice to inform the work of the project team.

RISK ASSESSMENT

27. The key risks and the proposed risk reduction measures associated with this project are set out in the table below:-

| RISK | RISK REDUCTION MEASURE |
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| <p>Ground Conditions – risk of unusual ground conditions, contaminated land and or hidden utility services crossing the site which could add unforeseen costs to project.</p> | <p>Commission site survey and geotechnological survey to assess ground conditions and inform project.</p> |
| <p>Ecology Survey Results – risk of project delay arising from the need to transfer or relocate flora or fauna identified in the ecology survey</p> | <p>Commission ecology survey as soon as practicable, to enable results to be used to inform any mitigation measures.</p> |
| <p>Planning Permission – delays or failure to secure detailed planning approval could delay project and incur additional costs.</p> | <p>Ensure we appoint competent architectural practice, engage fully with development control and planning policy team; ensure public consultation.</p> |
| <p>Project Costs overrun – risk of project exceeding available budget.</p> | <p>Accurate cost will not be known until detailed design is agreed and tendered. Award of tender will be subject to Executive Approval. Project costs will be closely monitored throughout.</p> |
| <p>Principal Contractor goes into administration – resulting in works on site coming to a standstill and delaying project completion.</p> | <p>Full financial checks will be made before award of contract. A performance bond will be secured at the time of awarding the contract. Contract conditions will seek to allow novation of site and or contract in the event of main contractor going into administration.</p> |
| <p>Project timescales overrun – risk of project timescales being exceeded due to staff vacancies, competing priorities and or other unforeseen circumstances (i.e. shortage of skills in construction industry)</p> | <p>Project Team will closely monitor and review delivery timescales. Project Team will be supported by consultants offering best practice advice and if the need arises temporary staff will be employed to cover any vacancies. Shortage of skills in construction industry and capacity issues impacting on delivery will be considered during tender process.</p> |
| <p>Appointment of a new Leisure Operator – Appointment of a leisure operator for this new facility will be subject to EU procurement rules. There is a risk that a new operator would act in competition with Fareham Leisure Centre which could be</p> | <p>Careful consideration will be given to the procurement of the leisure operator for the new facility with the aim of insuring that the two facilities do not compete against each other. Appropriate break clauses have been included in the Fareham leisure</p> |

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| damaging to the Fareham Leisure Offer. | Centre contract. |
| Replenish Capital Reserves – it will be important for the Council to replenish its capital reserves to ensure sufficient capital funds are available to support future high priority corporate projects. | Officers will prepare a report for the Executive outlining the opportunities for replenishing the capital reserve through the sale or disposal of existing assets. |

CONSULTATION

28. The draft specification for the swimming pool and leisure facility has been informed by the work of the consultants Strategic Leisure. The specification has also be shared with the current operator of Fareham Leisure Centre and they were invited to comment to ensure the facility provides the right mix of facilities and space to maximise the return on the investment.
29. Once a detailed site plan and scheme has been prepared, the plans will be shared with the Ward Councillors, the Leisure and Community Policy Development and Review Panel and then taken out for public consultation prior to submission for detailed planning approval. This will provide an opportunity for any public comments to be considered before a formal application is submitted.

CONCLUSION

30. It has been a high corporate priority to provide a public swimming pool in the Western Wards for many years. There is clear evidence of both the need for a new public swimming pool and the potential commercial viability to support the Council's ambition to bring forward such a scheme for development. The Council has explored alternative locations and secured land at Coldeast for the new facility.
31. The Council has the capital resources in place to facilitate the delivery of this exciting new facility. Members are invited to approve the project brief and allocate project funding to enable work to commence.

Reference Papers: Strategic Leisure: Revised Western Wards Swimming Pool Feasibility Study: July 2013