

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 21st November 2011

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PART I **KEY DECISION**

Leisure capital strategy

1 Purpose of Report

- 1.1 This report makes proposals for what leisure services are needed in the context of evidence of need and national standards for leisure provision. It also considers options for redevelopment and proposes that there is an opportunity to achieve service improvements and a potentially affordable capital project which would be delivered as part of the proposed LABV (Local Asset Backed Vehicle).

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- a) That the Assistant Director for Culture and Skills be authorised, following consultation with the Commissioner for Community and Leisure, to undertake further research detailed in section 6.14ff of the report and develop a user specification for re-providing leisure facilities currently located at Montem.
- b) That a further report be received in September 2012, or earlier if practicable, on plans for procurement and development in the context of the potential use of the LABV (Local Asset Backed Vehicle) to deliver the council's capital programme.

3 Community Strategy Priorities

- **Celebrating Diversity, Enabling inclusion**
- **Adding years to Life and Life to years**
- **Being Safe, Feeling Safe**
- **Prosperity for All**

Leisure and physical activity contribute to building sustainable communities, creating environments where people feel safe and wish to live, as well as contributing to healthy living.

4 Other Implications

4.1 Financial

It is estimated that a capital investment of between £1.5m and £3m is required within the next five years to keep existing leisure facilities operational. There is no provision for this work to be carried out within the existing Capital budget and any funding provided for such work would need to be met by borrowing.

4.2 It is estimated the cost of refurbishing one of our existing buildings to provide a modernised leisure centre would cost between £6m and £13m depending on the premises selected.

4.3 The Council is currently reviewing the possibility of a Local Asset Backed Vehicle to deliver major capital projects in future. If this were adopted borrowing to fund such projects could be obtained through the LABV at a potentially lower cost of capital than currently available to the Council.

4.4 Human Rights Act and Other Legal Implications

Any new provision provided through the leisure contract must follow a competitive process according to EU procurement rules as set out in the Public Contract Regulations 2006 (as amended). It would not be lawful merely to extend the existing contract beyond the end of the contract period.

4.5 There are no immediate Human Rights Act or other legal implications arising from this report.

4.6 Equalities Impact Assessment

A full EIA will be undertaken to ensure reasonable mitigations for any adverse impact on individuals of the measures proposed.

4.7 Workforce

There are no direct staffing implications arising from the report at this stage.

5 Background

5.1 Context

In June 2011 a report to Cabinet recommended that there should be a feasibility and options appraisal of the possible re-provision of leisure facilities currently in Montem Lane. This includes the Montem Leisure Centre and Slough Ice Arena.

5.2 The leisure centre was built in the 1970s and the ice arena in the 1980s. Both sites are showing significant wear and in the short to medium term they will need substantial capital investment to maintain current services. This investment is estimated at between £1.5m and £3m over the next 5 years in core infrastructure, including the pools, ice equipment and building fabric.

5.3 In view of the level of this liability, it is prudent to investigate now whether the council can secure better value for money through redeveloping the centres than from a purely reactive capital investment that doesn't materially improve the customer offer.

5.4 **Leisure contract and responsibilities**

Slough Community Leisure (SCL) currently have a contract with the Council up to 2017 to run the following leisure facilities, in addition to the Centre in Farnham Road. A description of the facilities is included as Appendix A:

- Montem Leisure Centre
- Slough Ice Arena
- Langley Leisure Centre
- Slough Ten Pin

5.5 The contract sets out clear responsibilities for maintenance, repair and improvement works to leisure buildings. The Council is responsible for the core fabric of the building and major plant. This includes repair due to equipment failure, and scheduled and reactive maintenance to comply with legislation or health and safety requirements. SCL are responsible for minor reactive and scheduled maintenance required to keep plant in good condition. They also are responsible for internal fixtures, fittings and equipment, including the general look and feel of the building.

5.6 In practice this means that for an item of plant such as the ice refrigerant, SCL are responsible for a maintenance contract to keep the equipment in the best working order possible. However, as this is major plant, if despite being maintained it becomes unsafe or doesn't work, that is the responsibility of the Council. Failure to address these issues promptly can result in loss of service to users and loss of income to SCL, for which the Council would be liable.

5.7 **Current capital works – to 2013**

At present a series of capital programmes are being carried out on the Montem pool and ice arena plant. Following condition surveys it is estimated that up to £3 million of capital investment is required to keep leisure facilities operational over the next 3 to 5 years. Severe pool plant failure at the Montem Leisure Centre is being addressed at present. The pool will be closed for 4 weeks during December for works at a capital cost around £120,000.

5.8 The refrigeration plant at the ice arena is at the end of its operational life and will need to be replaced in the next year, potentially through hiring equipment rather than purchase to retain flexibility, subject to decision as part of the Council's budget setting process. The current plant will not be compliant with legislation on CFC gases from 2014 and would have to be replaced before that date.

5.9 Condition surveys have highlighted the growing risk of failure of the roof at Montem and further pool repairs. While the capital cost of works to 2017 is estimated at £1.5m, with buildings and plant of this age, there is a significant risk that this could rise to £3m. In addition, SCL are investing each year in internal improvements to the sites. The scale and nature of the internal building issues at Montem and the ice arena mean this sum is not sufficient to make the improvements users would wish to see.

6 **Future leisure service provision**

6.1 **Assessment of leisure centre needs**

A comprehensive audit of school, local authority leisure and commercial provision in Slough and in the immediate neighbouring boroughs has been undertaken. This shows a comprehensive leisure offer available at present to

people locally and within a 20 minute car journey. A map showing this will be available at Cabinet.

6.2 Sport England have supported officers to produce a model of what swimming and sports hall facilities are need for the town. The Sport England model estimates demand based on population data and transport services, assesses what alternative facilities there are, and then puts these two elements together to show how well demand is being met and any possible over supply.

6.3 The model prescribes an appropriate level of provision for any defined area in relation to demand and which reflects national expectations and policies. It doesn't predict how use would work in practice. The model assumed that current provision at Langley would be retained and was used to prescribe additional services to replace those currently at Montem.

6.4 In addition a playing field assessment was carried out in January 2011. This was based on an assessment of supply and demand for pitches across the borough for football, cricket, rugby union and hockey. The assessment concluded that Slough is well served for playing pitches, but it did recommend greater community use of school facilities. Improved use of school facilities is a significant consideration in the future provision of leisure facilities across the town.

6.5 **Leisure centre conclusions**

From the audit of local leisure facilities and Sport England model, together with surveys of current users, the following minimum requirements for future leisure provision in the town centre have been identified:

- 25 metre x 6 lane swimming pool (maximum depth 2 metres)
- 150 -200 station gym
- 2 x dance / exercise studios
- Spa / health suite (identified as optional)
- 4 court sports hall

6.6 While it would be helpful for users to have access to these facilities on a single site, some facilities could in theory be provided on a devolved model across more than one site. This particularly applies to sports halls where schools and even outdoor facilities may in certain circumstances be a viable alternative.

6.7 This research does not cover provision of squash and five-a-side football. Currently the sports hall at Montem is predominantly used for five-a-side, which could be re-provided in an indoor hall or outdoor courts. There is some demand for squash in the town and it is anticipated that some provision would need to be made. However, four new courts are being put into the Thames valley athletics Centre, and more work is needed to determine how that would affect demand from Slough residents and whether it reduces the level of provision needed in the town.

6.8 **Leisure centre site options**

The review of options has considered possible locations for the main leisure centre. Detailed work with property services will be done in conjunction with work to test the LABV model and secure a partner. Work to date indicates that a central location is very important and it must be well connected by both road and public transport and should be highly visible. The Bath Road and Farnham Road

are ideal areas and potentially there are sites available, including the current Montem site.

6.9 Initial indications, supported by a study commissioned by SCL, indicate that a new centre would cost £6m if based on improvements to an existing venue. The Centre in Farnham Road was used to assess this option. A full new build would cost substantially more. By relocating services it would be possible to run them more efficiently, reducing operating costs by £2-300,000 a year. This would enable reduction of the management fee, which currently is £333,000 in 2013/14.

6.10 **Slough ice arena**

The ice arena is a popular venue for the town's young people and base for the Slough Jets, the town's ice hockey team. It has 144,000 visits a year; with the highest percentage of use by under 16s, however up to 50% of the users are from outside of the borough, with the nearest ice rink to the east being situated in Streatham, London. The arena offers a range of activities including family and disco skating sessions, lessons and training facilities, a comprehensive ice hockey programme and ice karting.

6.11 In 2010/11, the facility made £40,000 more than the budgeted surplus of £51,000. However, when management costs are factored in, the facility in 2010/11 made a net operating loss of £84,000. In addition to investment in the essential plant for the ice arena (see section 5.8 above), the public areas of the arena are in poor condition and need refurbishment.

6.12 The options appraisal for this report considered whether the ice arena could be extended by approximately 10,000 square feet to provide space for other activities, including those attractive to young people. This could include, for example, rock climbing and adventure sports which would generate an income stream that would help keep the arena viable. This would require investment of around £1m. The business case for an investment of this scale would require further work in the context of alternative uses of the land and other opportunities through the LABV.

6.13 It is proposed that essential works to maintain the facility are done in the next year as required, while the future of the site is considered as part of a larger package with the Montem centre in the context of opportunities for development through the LABV or another route if that were not feasible.

6.14 **Further research**

While the work described above has identified core components of a specification for town centre leisure services (section 6.5), the following issues need more work before they are resolved, in particular detailed use and trend data from SCL and business cases for:

- Squash courts
- Five-a-side football pitches/indoor sports hall
- Ice arena (including extension)

6.15 Information on usage of these facilities is not normally collected by SCL and the summer holiday period is not typical of the year as a whole. It is proposed to do this work between November and May to collect the most robust information possible.

7 Options for future leisure provision

7.1 Three main options have been considered.

1 Do nothing

Features - Likely expenditure of up to £3m up to 2017. Costs after 2017 cannot be predicted accurately but are certain to increase as the building and plant deteriorate. Facilities would continue to deteriorate with age and usage is likely to reduce over time. Costs would increase and income reduce.

Assessment - Lowest cost in the short term, but costs and risks rise, particularly after 5 years (2017)

2 Develop new leisure facilities through a LABV scaled to current needs

Features - Include Montem site in the LABV, opening up possible relocation or development on the existing site. LABV makes best use of the council's capacity to invest. Works would be likely to start in the second phase of the LABV (c2014-2015). Immediate essential capital investment required for existing infrastructure, but around 50% of the potential £3m cost would be saved.

Assessment - Preferred option as it ensures best value for the council in managing its assets to secure new provision at the best price.

3 New provision to be provided through the leisure contract

Features - New provision could be funded through the leisure contractor if the length of the contract were sufficient to make repayments affordable. It is anticipated this would mean a 10 and more likely a 20 year contract through competitive tender when the current contract ends in 2017. This model has been adopted elsewhere and works well.

Assessment - This option is feasible and would be the preferred solution if it were not feasible to invest more quickly through the LABV.

7.2 It is recommended that the Council proceeds with Option 2 as its preferred route.

7.3 The Council is currently exploring the potential for a LABV, and a decision is expected to be made by September 2012. The LABV has the advantage of enabling a number of sites to be considered, which would be tested in a robust way against a client specification for space, services and location.

7.4 In view of the wider context of the Council's capital programme, the proposed approach is to develop the client specification in detail, informed by the research set out in section 6 above by September 2012. If after September 2012 the Council decides to proceed with the LABV, the specification would feed into the LABV programme and site appraisals would be done through that route. If the

Council does not proceed with the LABV, the option of using renewal of the leisure contract to secure investment would be developed.

8 **Comments of Other Committees**

None

9 **Conclusion**

- 9.1 The Council's leisure provision located on the Montem site needs substantial capital investment to maintain current services estimated at between £1.5m and £3m over the next five years. It is proposed to test whether the aspiration for modernised leisure facilities could be delivered through the council's capital programme, initially developing proposals as part of the project to test the LABV model up to September 2012.

Appendices Attached

- A Leisure facilities in Slough (more facts and figures to be added to profiles)

Background papers

Slough Community Leisure management fee. Cabinet report, 13 June 2011.

Appendix A

Leisure facilities in Slough

Montem Leisure Centre

A single building with facilities over three floors and comprising a dated, yet comprehensive offer, of wet led and sports hall facilities together with a health and fitness suite which incorporates aerobic classes. The facilities, and in particular, the wet led activities are in need of significant investment to keep them operational for any meaningful period beyond the existing management contract. The building is not efficiently laid out and this must translate into higher than necessary operational and managerial staffing costs. The building itself is close to being past its useful life without major investment. Furthermore its position and location within the whole Montem Lane site does not maximise the potential of the site.

Slough Ice Arena

This building shares the same site as the Montem Leisure Centre. It is a more modern structure but one that does not lend itself to having the operations expanded within the existing envelope to any significant degree. Whilst ancillary uses and activities are included within the building the principle use is as an Ice Arena for recreational ice skating with facilities for additional team and individual ice related activities. There is staged seating surrounding the ice pad for spectator orientated events. The plant is understood to be in need of modernisation and the building needs some refurbishment.

Ten pin bowling

Formally a tennis centre, this building is modern enough for the activity that occupies it. The Tenpin lanes together with the bar/cafe area and pool/snooker and gaming machine areas are modern and have recently been the subject of a total refit. This represents a good modern facility although it is isolated from the usual commercial leisure uses of a cinema, family orientated restaurants and other family related leisure activities that would normally be adjacent to such an offer. The building is set into the Salt Hill Park which offers good quality and comprehensive outdoor rackets and ball related activities. The vehicular access and signage to the venue are very poor and in need of significant upgrade to enable this facility to maximise its potential.

Langley Leisure Centre

This is a self contained building providing water led, health and fitness and associated sports facilities to the specific area of Langley. The building is in a reasonable state of repair and the offer is fresh. With the usual programme of general maintenance and management it should be capable of continuing in its present format for the foreseeable future. There is little potential for expansion.

The Centre (Farnham Road)

A modern steel framed building in a prominent location with a long frontage to Farnham Road and positioned opposite the Farnham Road retail and trade parks. Designed essentially over a single floor to offer events and limited community facilities. This has been well used as a wedding venue facility and conferencing/meeting facility.