

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet      **DATE:** 19th December 2016

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**WARD(S):** All

**PORTFOLIO:** Environment and Leisure – Councillor Bal

### **PART I** **KEY DECISION**

#### **LEISURE STRATEGY: CAPITAL DEVELOPMENT PROGRAMME – LANGLEY LEISURE CENTRE AND SALT HILL LEISURE FACILITY**

##### **1 Purpose of Report**

- 1.1. An urgent decision is required from Members to enable refurbishment works to commence in June 2017 to both Langley Leisure Centre and the Salt Hill leisure facility.
- 1.2. The report summarises costs associated with the refurbishment works and design options.

##### **2 Recommendation(s)/Proposed Action**

The Cabinet is requested to resolve:

- (a) Langley Leisure Centre - That the proposals for the facilities extension, design, facility mix and timescales for delivery of the development are agreed.
- (b) Salt Hill leisure facility – That the proposals for the change of use and facility mix and timescales for delivery are agreed.
- (c) That the funding packages, amounting to £14.6 million for both schemes are noted and agreed

##### **3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

###### **3a Slough Joint Wellbeing Strategy Priorities**

All the actions within the Leisure Strategy will contribute towards achieving the overarching vision of the Slough Joint Wellbeing Strategy and will make significant contributions specifically to the health, wellbeing and safer Slough themes.

- **Health and Wellbeing.** Cabinet in July 2014 approved a strategy for leisure, with the overarching aim to "enhance the health and wellbeing of Slough

residents by ensuring leisure activity is adopted as a habit for life for all – more people, more active, more often”. The causal link between physical activity and overall health indicators is clear, particularly for obesity and heart disease, which are high priorities for Slough.

- **Safer Slough.** The opportunity to participate in shared leisure activities makes a positive contribution to community cohesion and interaction for all members of the varied and diverse community in Slough.
- **Regeneration and environment.** Leisure facilities contribute to the quality of the environment of the town. They provide opportunities to regenerate specific sites and local communities.

#### **Cross-Cutting themes:**

Good leisure facilities can improve the image of the town, making Slough a destination for sport and physical activity for local residents who will take a pride in the promotion of their use.

The leisure strategy and improved leisure facilities contribute towards addressing key priorities as set out in the JSNA including childhood obesity, positive activities for young people and cardio vascular disease.

### 3b **Five Year Plan Outcomes**

- Slough will be the premier location in the south east for businesses of all sizes to locate, start, grow, and stay – good quality, accessible leisure facilities are attractive to employers to ensure a healthy workforce which is imperative for a businesses success.
- There will be more homes in the borough, with quality improving across all tenures to support our ambition for Slough – the future development of leisure facilities on chosen sites in the town will compliment planned housing developments and assist the organisational aim of maximising the value of assets.
- Slough will be one of the safest places in the Thames Valley – leisure activity can be used as a diversionary activity for young people who could be at risk of anti-social behaviour.
- More people will take responsibility and manage their own health, care and support needs – accessible leisure opportunities in the right location will enhance the health and wellbeing of all individuals living in Slough.
- Children and young people in Slough will be healthy, resilient and have positive life chances – improved leisure facilities will provide children and young people with wider opportunities for participation in sport and physical activity which results in greater physical and mental wellbeing. The proximity of the proposed new facilities to educational establishments will maximise use and allow the Council to realise corporate aims.
- The Council’s income and the value of its assets will be maximised through capital development and improvements to its leisure facilities.

### 4 **Other Implications**

#### (a) **Financial**

- i. £14.6 million is required to undertake the required refurbishment works on the two leisure facilities

- ii. Within the current Medium Term Financial Strategy (MTFS) capital programme, funding of £1.3 million has already been allocated for essential mechanical and electrical works required for Langley Leisure Centre
- iii. The annual cost of funding the required capital borrowing of £14.6m for these two leisure schemes is estimated at:

Venue	Cost	Cost of borrowing over 25 years @ 2.55%	Annual cost of borrowing	Cost of borrowing over 15 years @ 2%	Annual cost of borrowing
Salt Hill	£6,595,912	3,215,507.10	128,620.28	1,672,063.69	111,470.91
Langley	£7,959,970	3,880,485.38	155,219.42	2,017,852.40	134,523.49

- iv. There are no ongoing revenue costs related to these developments apart from the borrowing costs, as the new leisure provider will take responsibility for all operations and management of the sites, including full maintenance and capital improvements for the next 10 to 15 years.
- v. It is anticipated that by providing a portfolio of fully refurbished and new leisure facilities, at an estimated cost of £40m, by the autumn 2018 ( to include ice and the new leisure centre development also) to a new provider to operate from 1<sup>st</sup> June, the Council will receive the following revenue efficiencies:
- £333,000 from year 1 in management fees
  - £263,000 in business rates payments, which will be picked up by the operator
  - Income from surplus on the operating costs from year four onwards of circa £500,000 per annum
  - Reactive maintenance of circa £30,000 on both facilities per annum.

(b) Risk Management

Project	Risk	Mitigating action	Opportunities
Langley Leisure Centre / Salt Hill	Financial (revenue) - pressures on the Councils budget	These facilities will sit within the scope for the re-procurement of the leisure contract passing on financial risk to the incoming leisure provider	The new facility will contribute to more people being physically active, which is a key priority for the Council.
Langley Leisure Centre / Salt Hill	Financial (capital) – Costs become inflated and the scheme is unaffordable	Present cost effective option and identify appropriate contingency. Agree fixed price contract with	Look at other funding opportunities. Use SUR as a delivery mechanism. This reduces

		Morgan Sindall and manage potential scope creep	the procurement period and associated construction inflation.
Langley Leisure Centre / Salt Hill	Planning – Planning conditions not met	Project manager to ensure compliance and planning to be involved in key meetings of the leisure strategy board	
Langley Leisure Centre / Salt Hill	Health and Safety	Fully addressed for new facilities as they are developed Construction stage issues will be addressed within the construction contract, Operational risks will be considered and developed to respond to the specific risk and will in due course be passed onto the operator to manage.	
Langley Leisure Centre / Salt Hill	Equalities Issues – the new facilities fail to meet the needs of all	A broad community programme is available to all at all sites.	Improved access to quality facilities will contribute to increasing levels of activity by Slough residents
Langley Leisure Centre / Salt Hill	Community support – Objections to development plans	Communications strategy in place and full consultation on designs to be undertaken	
Langley Leisure Centre / Salt Hill	Timetable for delivery – Key deadlines are not met	Project management in place and slippage reported early. Provide a	

		back-up plan for unforeseen delays	
Langley Leisure Centre / Salt Hill	Cost overruns	The building contract will be let on the basis of fixed costs	Opportunities for value management if required.
Langley Leisure Centre / Salt Hill	Project Capacity – Adequate resources are not in place	Allocate sufficient resources to the management of the programme	Utilise SUR and expert advisor to augment in-house expertise and ensure the project is delivered on time.

(c) Human Rights Act and Other Legal Implications

There are no Human Rights implications in regard to this report.

Local authorities have a range of powers to deliver leisure services which includes both recreation and sport. This would include the delivery of leisure centres and sports facilities which are all discretionary services.

The procurement of the refurbishment works will be pursued through our regeneration partner, Slough Urban Renewal.

There are a range of construction and commercial contract issues that need to be resolved in relation to the delivery of the schemes.

(d) Equalities Impact Assessment

Full EIA's have been completed for both of the proposed capital schemes.

(e) Workforce

The delivery of the leisure capital programme will require specialist roles including dedicated project management and these will be built into the capital costs of the programme going forward.

(f) Property

Asset intensification has been considered and appraisals of both schemes undertaken.

In 2014 an appraisal of Salt Hill Park as a site for the development of the replacement leisure centre for Montem was carried out. This concluded that the covenant on the park / public open space would not allow for greater development of the site, which is held in Trust (James Elliman Trust) for the benefit of Slough residents and dates back to the late 1800s. In addition the ongoing issue in regard to insufficient parking in the park will be addressed by

the proposed development by providing an additional 50 spaces with improvements to the adjacent works compound.

Langley Leisure Centre also suffers from car parking issues on this small scale site. In customer surveys a continued complaint is the insufficient numbers of available parking spaces on the site, with many users being forced to park on the main road or in the adjacent trading when using the facility. As the proposed development is a refurbishment scheme rather than a new build, which may offer greater flexibility, there is limited scope for any residential development on this very small scale site. There is limited opportunity for retail development as the local area has a well serviced shopping precinct within 100 metres of the leisure centre.

The Council's core planning policy in relation to housing and retail development would not support the development of related schemes on these sites, which has been confirmed by our planning team.

The improvement works proposed will give a further 20 years of use to both buildings in conjunction with a robust maintenance schedule.

(g) Carbon Emissions and Energy Costs

All building refurbishment works will be undertaken to be energy efficient and for a percentage of energy to come from low or zero carbon sources.

**5. Supporting Information**

- 5.1 The Council aspires to provide the very best leisure facilities for its local residents; facilities that are accessible, in prime locations across the town. Increasing the participation rates of people who live in Slough in sport and physical activity is a key priority for the Council; getting more people, more active, more often.

**Salt Hill Leisure Facility**

- 5.2 On 31<sup>st</sup> May 2017 Salt Hill Park Ten Pin will be handed back to the Council as an empty shell, as Slough Community Leisure, the Council's incumbent leisure provider will strip all assets owned by them from the building. This leisure facility will form part of the scope and portfolio of facilities for the new chosen operator who will start managing the Council's leisure contract from 1<sup>st</sup> June 2017.
- 5.3 It is proposed to refurbish the facility from the date of handover from SCL, and an options appraisal has been undertaken on the type of facility that should be developed on the site going forward. The option to re-provide a ten pin facility on that site is not being considered as there are other options which are deemed more beneficial both financially and in terms of social return including community health and wellbeing. The favoured type of leisure offer being considered will target the needs of children and families in encouraging greater participation in physical activity; this will be met through a proposal to develop an extreme activity centre.
- 5.4 The proposed extreme activity centre will offer a variety of attractions and we would expect the facility to attract visitors regionally as a key leisure destination

point. Initial indications show a potential to increase visits to the new facility from 98,000 per annum at the present facility up to 192,000 visits per annum.

- 5.5 The current proposals for the refurbished facility could offer:
- 4 lane ten pin
  - Large soft play area – 0 to 8 years
  - Trampolining zone
  - Golf simulator
  - Caving zone
  - High wire climbing zone
  - Games area
  - Slot car racing
  - Party room(s)
  - Café
  - Bar
  - VIP area
- 5.6 We expect demand to be high therefore improved and increased car parking facilities (up to 50 additional spaces) are proposed to the rear of the building to compliment the existing car park.

### **Langley Leisure Centre**

- 5.7 Langley Leisure Centre is one of Slough Borough Council's prime leisure sites, based in the east of the borough in the Foxborough ward, with a large catchment area extending into Buckinghamshire and Hillingdon. The centre was built in 1997 and is now in need of major capital improvements to ensure that it can offer quality swimming and leisure provision to the community for the next 20 years.
- 5.8 The facility is now at a stage in its life that replacement of plant and upgrading of ventilation and lighting, repairs to the main pool are essential to the ongoing lifecycle of the facility. A complete refurbishment of internal design and decoration is proposed to make it more attractive to users giving an improved customer experience.
- 5.9 In addition to meet current demand and improve the financial viability of the centre it is proposed to build an extension to the current gym area to double the capacity from a 60 station facility to 120 stations, with 2 new, larger activity studios.
- 5.10 The facility is well used by the wider community and usage figures reflect this. With any newly refurbished leisure facility the re-opening of the centre would anticipate a marked improvement in footfall / visits of up to 20% per month, equating to 50,000 additional visits annually. It is anticipated that the extended gym and studio provision could leverage additional surplus of circa £255,000 per annum, through additional membership sales of up 800.

- 5.11 In April 2015 a business case was presented to Capital Strategy Board and approval for essential plant and M&E works was agreed. These works were estimated to cost £1.3 million and the budget sits in the current capital programme. Unfortunately these works were deferred due to legal issues and the availability of the site.

### **Timescales**

- 5.12 It is proposed to start the development works on both sites in early June 2017; to coincide with the start of the new leisure contract, when the new operator will take responsibility for the operations and management of four leisure sites owned by the Council.
- 5.13 Refurbishment works on Langley Leisure Centre are estimated to take up to 65 weeks for completion, commencing in June 2017, with a re-opening date in September 2018. Salt Hill will be required to close for all refurbishment works, estimated to take up to 36 weeks for completion, commencing in June 2017 with a re-opening in March 2018.

### **Public Consultation**

- 5.14 A series of consultation events have been held over the last 4 weeks, targeting the views of young people, children and their families, along with disabled individuals and groups on the Salt Hill development. There is overwhelming support for the plans and a report detailing individual responses has been compiled and will be used to further develop the plans for the refurbishment of this facility.
- 5.15 Public consultation on Langley Leisure Centre improvements and plans will be undertaken in the new year.

## **6 Comments of Other Committees**

None

## **7 Conclusion**

- 7.1 The Council's five year Leisure Strategy details the Council's aspirations for the development and improvement of its leisure facilities. All new and improved leisure provision will have the potential to offer a programme of activity attracting local people of all ages to become more active, more often.
- 7.2 The proposed refurbishment schemes will give both facilities another guaranteed 20 years of use by the local community and will increase footfall / visits by up to 150,000 per annum
- 7.3 As part of the new leisure contract, all future maintenance and capital investment will be the responsibility of the new leisure provider for the next 10 to 15 years, as part of contractual obligations.
- 7.4 It is proposed to commence the development of both of these schemes in June 2017.



8 **Appendices Attached**

1. Langley Leisure Centre – design and site layout
2. Salt Hill Park Leisure Centre – design and site layout

9 **Background Papers**

None