

Report To:	Cabinet	Date:	19th February 2018
Heading:	LEISURE TRANSFORMATION PROGRAMME - REPLACEMENT LEISURE CENTRE FOR KIRKBY IN ASHFIELD		
Portfolio Holder:	CLLR DON DAVIS - PLACE AND ECONOMIC GROWTH		
Ward/s:	ALL		
Key Decision:	Yes		
Subject to Call-In:	Yes		

Purpose Of Report

To update Cabinet on the Leisure Transformation Programme and to seek authorisation to proceed with the next steps towards delivering a new flagship leisure destination in Kirkby-in-Ashfield.

Recommendation(s)

- 1) To delegate authority to the Director of Place and Communities to pursue match funding opportunities from Sport England and the D2N2 Local Enterprise Partnership.
- 2) To note that a further report will be tabled later this year to set out a fully costed business case.
- 3) To agree to progress the project through RIBA Stage 3 (Developed Design stage) and allocate £240,000 for consultancy fees within the Capital Programme
- 4) Delegate authority to the Director of Place and Communities to procure the consultancy work through the most favourable route for the Council, in consultation with the Portfolio Holder.

Reasons for Recommendation(s)

The recommendations will enable the project to continue to be developed to the next stage. Once completed this would enable a full costing of the capital and revenue implications to be finalised. In the longer term the project seeks to deliver revenue savings through an invest to save approach resulting in a reduction in revenue costs when the council retenders the leisure operator contract.

Alternative Options Considered (With Reasons Why Not Adopted)

Do nothing: not recommended for a number of reasons. The Leisure Facilities Review has allowed the Council to understand the appropriateness of its current leisure stock and future requirements. The provision of an effective facility infrastructure will be central to the successful delivery of the health and wellbeing objectives within the Corporate Plan and to achieving savings through the leisure contract.

Progress on actions agreed at Cabinet, 22.06.17

1. Progress the next stage of the feasibility into the preferred option to replace

the existing Leisure Centre with a new flagship Leisure destination in Kirkby in Ashfield on the preferred key town centre site, or if land acquisition of the preferred site cannot be achieved, progress the feasibility into the redevelopment of the current Festival Hall site.

Additional feasibility work was commissioned for both sites and a more detailed report has been commissioned for the Portland Street site which is due for completion in early March. The Council is currently negotiating the purchase of the health centre site.

2. To commence the retendering of the Leisure Management contract by producing a 'shadow bid' followed by soft market testing

Previous work carried out in 2016 supported the position to competitively tender for a new Leisure management contract commencing 1st April 2021. The process has begun with soft market testing in the form of a shadow bid. This will allow the Council to fully understand the revenue implications in managing the District's leisure centre sites in the future.

In order to inform the contract, stock condition surveys were undertaken at the Council owned leisure facilities in the District.

3. Explore external funding opportunities

Potential match funding has been identified through the LEP (Local Enterprise Partnership) and Sport England's Strategic Facilities Fund. A detailed business case was submitted to the LEP in January 2018 which is now being reviewed. Initial discussions with Sport England have been positive, the next stage would be to be invited to submit an Expression of Interest.

4. Commission the existing consultants for the recommended and associated works if the value for money has been tested.

The consultants were appointed to undertake the stock condition survey and shadow bid, following testing of value for money.

Next steps

Negotiations are ongoing with NHS England regarding the purchase of the Portland Street site (see attached map) and the relocation of staff from the site to the Council's Brook Street Offices in Sutton. Issues regarding rental income from Brook Street and refurbishment costs are currently being worked through. Progress is being made through RIBA Stage 3 which is already being funded through the Capital Programme by S106. Once these issues are sufficiently resolved a fully costed business case for both site options will be presented to Cabinet. At that point project timing and financing will be agreed including purchase of land if required.

The objectives of RIBA Stage 3 are to prepare the developed design, including updated proposals for structural design, building services systems, outline specifications and cost information. Once this stage of the work has been completed the budget for the project can be confirmed. The consultancy work will be procured through the Framework agreement with SCAPE and it is anticipated that the works will be completed by the end of July 2018.

Financial business case

An overarching financial business case is being modelled and will be informed further by the next stage of works to develop specific cost proposals for the Portland Street site. The capital and revenue implications will need to be specified and a timetable set out for the capital funding requirements. The overriding principle remains that the borrowing costs incurred by the capital project must be met by the future reduction in revenue costs associated with a new management contract.

Implications

Corporate Plan:

Health and Wellbeing Theme

- 1) Identify and focus on the area with the biggest health inequality in the District and increase access to leisure for non-participants
- 2) Take a targeted approach to improving health and wellbeing in the area of greatest need.

Key Projects:

- 1) Review leisure facilities
- 2) To explore the feasibility for a replacement for Festival Hall Leisure Centre.

Legal:

There are no legal issues identified as a result of the recommendations in the report. The Legal Team will provide advice and assistance as required throughout the project.

Finance:

Budget Area	Implication
General Fund – Revenue Budget	None - Development costs are being funded through Capital S106 monies.
General Fund – Capital Programme	Development costs are being funded from S106 monies already in the Capital Programme.
Housing Revenue Account – Revenue Budget	None.
Housing Revenue Account – Capital Programme	None.

Risk:

Risk	Mitigation
Purchase of land at Portland Street doesn't proceed	Negotiations for the purchase of the land are in progress. A project team has been set up and the purchase process is being managed by the Council's Commercial Manager. A programme is being set to ensure that the negotiations are concluded within a reasonable timeframe. If the sale cannot be agreed, the second option to re-develop the Festival Hall site will be taken forward.
Land remediation costs	An initial feasibility study identified potential contamination from former railway sidings. A more detailed study has been commissioned, including boreholes and gas monitoring to establish any issues which may affect the costs/ viability of the project.

Human Resources:

No direct HR implications are contained within the report.

Equalities *(to be completed by the author):*

No equalities issues have been identified.

Other Implications:

A communications plan has been prepared for the project which is regularly updated.

Reason(s) for Urgency (if applicable):

Not applicable.

Background Papers

[Cabinet - March 24th 2016, Targeted Activities Programme Page 171](#)

[Cabinet - 14th July 2016, Leisure Review Transformation Programme Page 199](#)

[Cabinet – 13th October 2016, Leisure Review Transformation Programme Page 117](#)

[Cabinet – 22nd June 2017, Leisure Transformation Programme – Replacement Leisure Centre in Kirkby-in-Ashfield Page 145](#)

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Site plan

