Chelmsford City Council Cabinet

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South Woodham Ferrers Leisure Centre Improvements

Report by:
Cabinet Member for Culture and Leisure

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Purpose

Initial design feasibility work has explored the potential to enhance fitness facilities at SWFLC. This report seeks to confirm the next steps for the proposed scheme.

Options

1. Continue proceeding with the proposed scheme up to tender stage
2. Cease the project
3. Put the project on hold

Preferred option and reasons

Continue proceeding with the proposed scheme up to tender stage to ensure greater cost certainty ahead of delivering the scheme and its associated financial, health and community benefits.

Recommendations

Seek approval to commit further feasibility funding of approx. £52,000 to proceed with the proposed scheme up to tender stage (RIBA 4) including tender analysis.

To consider the use of reserves to fund the project on the basis that it will be re-couped on receipt of the ringfenced CIL from South Woodham Ferrers. This project, which improves the sports centre and secondary school is an entirely appropriate use and meets the definition of infrastructure.

Should the scheme become unaffordable or unworkable from a community perspective it will be aborted with Cabinet informed accordingly.

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1. Background

1.1. South Woodham Ferrers Leisure Centre (SWFLC) is operated under a Joint-Use Agreement with the William de Ferrers School (WdFS). The Council holds a separate Lease for the Swimming Pool building to operate it at all times.

1.2. As with many local authorities there are significant budget pressures and the leisure team have been constantly reviewing the cost of operating them to secure efficiencies. Swimming pools in particular are incredibly costly to run and although a very well used pool it is only financially sustainable with a substantial subsidy. Most public swimming pools require a subsidy to operate but many are supported and cross subsidised with facilities that generate a surplus, such as extensive studio and gym facilities (as at the Riverside site).

1.3. The centre as a whole currently has a £342,000 budget deficit. A realistic way of achieving a financially sustainable leisure centre in the long term is to invest in fitness. Due to restricted opening hours and the physical capacity of the gym the ability to grow the membership base is extremely restricted within the current facility mix.

1.4. At SWFLC there is currently only access to a very small studio and a small gym. Despite efforts to improve the gym, it is still insufficient in size and a lack of daytime access is limiting any significant income generation. SWF has a growing population but the health & fitness offer has not significantly improved to respond to this increased demand. The fitness facilities have become dated and fallen behind the standards of the Council's other leisure facilities. The population of SWF are therefore missing out on access to quality public gym facilities and with this cannot access important services such as Active Health (Exercise referral scheme).

1.5. The Council's Indoor Sports Assessment, Strategy and Action Plan for Built Facilities, which forms part of the evidence base for the Local Plan identifies that an increase in size and community access to fitness facilities in South Woodham Ferrers is required, especially due to forthcoming local development and increased demand of space and accessible time for the community.

1.6. The Council's other leisure centres have all received valuable investment to modernise them and deliver first class facilities for the residents of Chelmsford and in each case there has been a demonstrable return on investment – both financially and in terms of increased community usage. Dovedale Leisure Centre has most recently undergone similar investment and was delivered on time and budget. SWFLC has fallen behind the standards and accessibility of the other centres.

1.7. In partnership with the School there is scope to repurpose one of the existing sports halls, to both improve the size, quality and daytime availability of the gym and studio offer at SWFLC for the local community and upgrade accommodation to better meet future curriculum/teaching/PE needs of the School.

1.8. In broad terms there is the opportunity to utilise the two-court gymnasium which sits adjacent to the leisure centre entrance and construct a mezzanine floor, with a gym and studio on the ground floor for community use at all times (which is not currently available) and multiuse space on the first floor, which would be used for academic purposes by the School during the day and community use and activities outside school hours as per the rest of the joint-use facilities.

1.9. Having assessed options this would appear to the only viable solution at SWFLC, given the restrictions on space, due to the need for any new community facilities to be accessible from the main leisure centre reception without presenting issues within the school site.

1.10 The currently Joint-Use Agreement Term is until 2043. This would be extended for a minimum of 25 years if the proposal should proceed.

2. Benefits and Financial Return

2.1 Investment would result in the following benefits:

i. Reduced net control budget and increased financial sustainability of the centre as a whole.
ii. New daytime access to gym and studio for the local community.
iii. A positive health impact for the local community and students.
iv. Responding to the facility needs of the growing local community and students.
v. Increased attendances, memberships and income.
vi. Additional multipurpose space for the community and will benefit the school for learning, exams and physical exercise
vii. Increased number of customers attracting new and key customer groups such as the elderly, pre-school children or people with disabilities.

2.2 A business case has been developed. This will be refined when the designs are finalised but indicates a significantly increased number of monthly memberships for the centre, meaning the centre would be capable of approaching a break-even point in the future, helping to ensure a financially sustainable future.

3. Costs and budget

3.1 £30,000 has been previously approved from the feasibility provision. £19,000 has been spent on feasibility to date with an additional £18,500 committed to reach RIBA stage 3

3.2 A further £40,000 in fees is required to reach RIBA stage 4 (tender stage) plus an additional £4,000 contingency due to this figure being refined after the stage 3 construction cost estimate and for any additional surveys that may be identified and required. An additional £52,000 is therefore required to reach RIBA stage 4.

3.3 Estimated maximum total project cost £2m

3.4 No capital financial contribution from the school – but sole use of space for community use during daytime would be provided under a revised joint-use agreement

3.5 Scope to the use reserves to fund the project on the basis that these will then be re-couped on receipt of the ringfenced CIL from South Woodham Ferrers development. The project which improves the sports centre and secondary school is an entirely appropriate use and meets the definition of infrastructure.

4. Progress

4.1 Feasibility and design work is currently within RIBA stage 3, which will provide a finalised design and cost plan.

4.2 Taking the scheme to RIBA stage 4 would enable the scheme to be taken to tender to achieve greater cost certainty. Exact timings for procurement and planning permission will be coordinated.

4.3 Developing the design in stages ensures it is workable for both school and the community and will achieve the business plan objectives, whilst providing opportunity to abort the project should it become unviable.

4.4 A target start date for works is June 2027, with completion estimated for early 2028.

4.5 A list of Principles and Assumptions has been drafted for initial agreement between the Council and WdFS and their trustees to initially progress the scheme. These are under discussion and have yet to be formally agreed.

4.6 The school have requested any legal fees directly related to the scheme are borne by the Council. These can be estimated but not exactly specified.

4.7 Some core samples of the proposed location have been taken and results are awaited to confirm that ground conditions can viably support the proposed scheme. Initial finding ahead of the full report indicate the substructure is suitable for the proposed project.

4.8 To deliver greater cost certainty formal approval for the scheme would be sought after tender stage (RIBA 4)

4.9 The above highlights both good progress and that some design challenges and further negotiation with the School is required. It is therefore recognised that if the scheme becomes unaffordable or unworkable from a community perspective it will be aborted with Cabinet informed accordingly.

5. Conclusion

5.1. The current scheme provides a one-off opportunity to develop the existing centre and achieve a financially sustainable business model for the centre.

5.2 Good progress has been made developing a scheme to deliver significant financial, health and community benefits for the growing population in South Woodham Ferrers.

5.3 Some challenges remain to fully deliver the benefits for the school and community but the staged approach to the project allows for decisions to progress based on an informed basis.

5.4 The Council has a track record of delivering similar successful projects and realising the financial and community benefits.

List of appendices:

None

Background papers:

The early, business case is available upon request.

Corporate Implications

Legal/Constitutional: This decision is an executive matter which falls to Cabinet for approval. Legal advice and support will be obtained in relation to any procurement process as part of the Council's due diligence. Joint-Use Agreement with the School to be updated to reflect new facility

As a result of local government reorganisation, new governance arrangements are anticipated through the making of a structural change order which may require additional approval for any transaction involving the disposal of land or assets and/or contracts above a certain threshold. It is anticipated that the timing and level of this contract may be caught by the additional approval process and the position can only be confirmed at a later stage.

Financial: The project is likely to reduce net cost and improve financial sustainability of the centre as a whole. An additional £52,000 of one off funding is needed to produce a final business case.

Potential impact on climate change and the environment:

Contribution toward achieving a net zero carbon position by 2030: All new mechanical and electrical in the facility will meet latest regulations

Personnel: Additional staffing will be required in the new gym and for classes

Risk Management: A risk register has been created in line with the Council's project management procedures

Equality and Diversity: The gym and studio will be accessible to the whole community

(For new or revised policies or procedures has an equalities impact assessment been carried out? If not, explain why)

Health and Safety: CDM roles to be appointed externally

Digital: New fitness equipment and AV to be linked to Council IT system at fit out stage

Other: None

Consultees:

Building Services

Financial Services

Economic Development

Legal

Relevant Policies and Strategies:

Our Chelmsford, Our Plan

Indoor Sports Assessment and Strategy (LDF Evidence Base)
