

1. **REPORT TITLE** Kidsgrove Sports Centre
- Submitted by:** Executive Director, (Operational Services)
- Portfolio:** Leisure Culture and Localism
- Ward(s) affected:** All

Purpose of the Report

To enable the Council to set out its approach to developing sports and leisure facilities for Kidsgrove that are fit for the 21st century and provide the opportunity for the Kidsgrove community to access high quality facilities that are designed, built, operated and financed in a sustainable way.

Recommendations

It is recommended that Cabinet:

- (a) Approves the approach in principle to providing quality sports facilities in Kidsgrove as outlined.**
- (b) Requests the Active and Cohesive Communities Overview and Scrutiny Committee to scrutinise the business cases for the options outlined in the report and report back to Cabinet with a preferred option.**
- (c) That the Scrutiny Committee is asked to place particular emphasis on the strategic demand for leisure facilities in the area, partner involvement, capital and revenue funding issues and potential funding sources.**

Reasons

Leisure facilities, and in particular swimming pool provision is important to residents of the Borough to ensure people have access to opportunities to maintain a healthy, fit and active lifestyle. If the recommendations above are approved then Kidsgrove will continue to have access to modern swimming and fitness facilities, where otherwise there would be a significant gap in provision.

1. **Background**

- 1.1 Kidsgrove Sports Centre is the primary sports and leisure facility in Kidsgrove. It is a dual use facility located on part of the Clough Hall Technology School campus. There is currently a Joint use agreement between the Borough Council of Newcastle under Lyme, The Governing Body of Clough Hall Technology School, and Staffordshire County Council which is due to expire on the 31st March 2016. The agreement defines the current operating arrangements for the Kidsgrove Sports Centre, including the split between community and school use along with the financial liabilities for each party. Under the agreement the County Council are responsible for the structural integrity of the buildings and the School for organising on-going repairs and maintenance some elements of which are shared with the Borough Council for which provision is made through an appropriation fund. The Borough Council is also responsible for the provision and maintenance of the fitness equipment.

Kidsgrove Sports Centre currently provides the following facilities

- 5 court sports hall

- Dance studio
 - 25 metre six lane swimming pool
 - Teaching pool
 - 25 station fitness studio
 - Climbing wall
 - Health suite
 - All weather pitch
- 1.2 Plans to rebuild the school on the existing school campus are being developed with an unconfirmed start date of October 2014 and completion date of April 2016. The redevelopment of the school will have serious implications for the future provision of sports facilities in Kidsgrove.
- 1.2 An analysis of swimming provision in the Borough undertaken in 2013, using Sport England's Facilities Planning Model strategic assessment tool identified that the total demand for swimming exceeds the total swimming pool supply, both in the present and when projected forward to 2024. The population of the Borough generates demand for 1,314m² of water space. Population growth by 2024 increases demand to 1,356m². With the loss of the pool at Newcastle Community High School (NCHS) in May 2014 there is currently 1,324m² of total water space provided across 4 pools: Chesterton (160m²), Jubilee2 (533m²), Kidsgrove (406m²) and Newcastle-under-Lyme School (225m²). However, as not all pools are available for community use the supply figure scales down to an available supply of 1,109m². Leaving a deficit of 205m² before the loss of the NCHS pool (250m²). With scaling this leaves a short fall of around 382m² currently, rising to 424m² by 2014. This demand is being met both at Jubilee2, which is assessed as being used at 100% capacity, and exported to neighbouring authorities, with by far and away the majority going to Stoke on Trent. Loss of the pools at Kidsgrove would place increased demand on other pools that they would be unable to meet. Based on the above analysis to cater for current and future demand consideration needs to be given to the modernisation/ expansion/ replacement of existing swimming facilities.
- 1.3 Consideration of the future options available for Kidsgrove Sports Centre need to be discussed now if the best outcome is to be secured. The following range of options has been identified for further consideration:
- Do Nothing
 - Closure of the centre
 - Refurbishment of the existing centre
 - New build on existing site
 - New build elsewhere in Kidsgrove
 - Private sector or cross authority opportunities
- 1.4 At its meeting on 14 November 2012 Cabinet agreed to receive further reports in relation to the funding and development options for Kidsgrove Sports Centre.
- 1.5 In October 2012, the District Deal agreement reached between the Borough Council and Staffordshire County Council made specific provision for the two Councils to work together to improve the High School offer that serves the communities of Kidsgrove supported by accessible and fit for purpose leisure and recreational facilities.
2. **Issues**
- 2.1 The school have told officers they will stay on the campus as a fully functioning school throughout the construction period by decanting into buildings not affected by the

construction of the new education block, and will continue to use the sports centre throughout this period

- 2.2 The school have also told officers that that the new school will include the provision of a three-court sports hall. Officers advised the school to talk to Sport England who have funding available to fund the extension of the sports hall to a four court hall (capable of accommodating adult team games) with the condition that the extended hall is made available for community use. This would negate the need to either refurbish the existing sports hall or provide one as part of the development of a new sports centre. Sport England have decided not to take the sports hall forward on this programme as it would jeopardise future funding for the refurbishment or replacement of the sports centre in the future. The Education Funding Agency have therefore confirmed that the new school will be built with a three-court sports hall, to be constructed on the site of the lower school on completion of the main school education block.
- 2.3 Once the school take occupation of their new premises, anticipated to be for the new term in April 2016, and the sports hall is complete, they will have no curriculum requirement for the sports centre. By this time they envisage it to be fenced-off separate from the school campus. Furthermore once they take occupation of the new school, their allocated funding will only cover the running of the new school, and they will be unable to continue to contribute financially to the running costs of the sports centre.
- 2.4 If the sports centre does not operate beyond this time it is assumed that the County Council will demolish it along with the remaining old school buildings. Under these circumstances there is also the matter of potential Sport England claw back of a funding grant made to the County Council in 1999, which they acknowledge they will need to repay.
- 2.5 In the shorter term however, there remains a significant risk that the construction of the new school will have a negative impact on the existing operation of the sports centre. Officers are not yet in receipt of details from the constructor as to the exact location of the new school on the site, or contractor access and compound arrangements etc. and therefore have not been able to complete method statements for the continued operation of the sports centre throughout the construction period.

There is also a risk that the campus may not be able to accommodate a construction site, an operational school and a sports centre all working at the same time and it has to be recognised that the school and construction work will take precedence. However on the basis that the sports centre can remain open during this period, officers are concerned that the disruption will be sufficient to cause a reduction in sports centre visitor numbers, particularly if space for on-site customer parking is tight. This needs to be seen within the context of reducing public usage already, over the last 5 years, due largely to the deteriorating condition of the facility and a 13 month closure of the swimming pool from October 2011 to November 2012. The subsidy for 2013/14 was £399,250 (Expenditure £809,518 minus income £410,268). Total attendance for 2013/14 was 117,113, excluding schools use. Compared to 78,538 in 2012/13 when the pool was closed for most of the year but around 200,000 in previous years, which was roughly comparable with the old Jubilee Baths.

- 2.6 In the run up to March 2016 the Council will therefore need to consider putting contingency plans in place to recover any customer income lost during the school construction period. Beyond March 2016 there will be additional pressures on the Council's finances to continue to absorb the loss of the current school contribution towards running costs of the centre (currently £80,000 pa), and take on the full maintenance liability of the sports centre, which is

currently split with the school. This could increase the subsidy required to run the sports centre by up to an estimated £150,000 per annum resulting in a total subsidy of £549,250.

In view of the ongoing downwards pressure on the Councils revenue funding serious consideration needs to be given to whether this is a sustainable position for the Council.

It should be noted that if the centre was to close for a temporary period, there would be a limited opportunity to reduce the costs of the centre due to a number of these costs being fixed in nature such as direct staffing and indirect support services, coupled with the loss of income associated with that period.

- 2.7 Members are therefore advised to consider an 'invest to save' approach to providing leisure facilities for the Kidsgrove area in the future. Initial work has identified that there is the potential to make significant reductions against running costs through this type of approach.

3. **Options Considered**

3.1 Option 1 - Do nothing

Given the age and poor quality of the existing facilities at Kidsgrove Sports Centre, both a negative impact on income and increased operational costs are forecast if we continue to operate the facilities in their current condition. Utility costs will rise as the plant becomes less efficient and this will be coupled with increased maintenance costs and a reduced footfall to the centre.

Furthermore, until we get details from the school and County Council, at this stage we are unclear about the impact the construction of the new school will have on the sports centre.

The current agreement expires at the end of March 2016 and at present there is no provision for the Council to continue to manage and fund the centre beyond that date. This date also co-incides with anticipated opening of the new school education block in April 2016. It is envisaged that the sport hall block will take a further 9 months and it is understood that the school's intentions are not to use or fund the sports centre beyond that time as the school will have no curriculum needs for the sports centre, leaving the Council with all the operating costs. In the longer term the sports centre will get beyond economic repair and have to close. Under these circumstances it is assumed that the County Council would want to demolish the sports centre.

3.2 Option 2 – Closure of the centre

In relation to this option at this stage we cannot assume that the operational costs of the site would be nil. It is assumed that if the centre closed on expiry of the Agreement or at a point after the Agreement had expired (to coincide with the development of the new school sports block) that these would be minimal. However the Borough Council would be responsible for the staff related costs associated with Borough Council staff employed both in the day to day operation of the centre and back office support.

3.3 Option 3 – Refurbishment of the existing sports centre

This option consists of a refurbishment programme for the centre. In summary the refurbishment of the existing centre would focus on the following aspects:

- New entrance and reception that is DDA compliant

- New 50 station fitness suite with views from reception
- Separate spinning room
- Improve male and female changing areas
- Removal of the existing health suite
- Re-profiling the main pool tank to a maximum 2m depth or the inclusion of a moveable floor
- Conversion of the training pool into a dance studio.

The anticipated cost of the refurbishment of the existing centre excluding VAT is anticipated to be in the region of £4.3 million at current day costs inclusive of fees and a contingency. However it should be noted that no costs have been allowed for the refurbishment of the sports hall or artificial grass pitch which could easily see the project costs increase to around £5 million subject to further verification. A refurbishment would give the sports centre an additional 12 to 20 years life expectancy.

The outline business model for the refurbishment of the existing centre has identified that the on-going operational revenue cost would be in the region of £150,000 (average annual subsidy for the first five years of operation). This compares favourably to the current 2013/14 budget of £230,000 (outturn of £399,250). This assumes the income from the sports hall and all weather pitch is retained by the centre projected to be circa £60,000 per annum. However this will be impacted by the provision of another sports hall on the site and the deteriorating condition of the all-weather pitches.

3.4 Option 4 – New Build

This option for a new build sports centre either on the existing site or a new site in the ownership of Newcastle Borough Council would comprise of the following facilities:

- Six lane 25m main pool and training pool with moveable floor
- 50 station fitness suite
- 450 square metres flexible space capable of being divided into three individual areas
- Spinning studio
- Cafeteria
- Possibility to incorporate a Changing Places room
- Associated plant and storage
- Associated wet and dry changing rooms

The cost of a new leisure facility, on the existing site is anticipated to be in the region of £7.5 to 8.0 million at current day prices excluding VAT but inclusive of fees, and a contingency. However this excludes any costs to refurbish the artificial grass pitch which could easily see the project costs increase by £150,000. It has been assumed the sports hall would be

replaced as part of the school redevelopment with an appropriate community use agreement in place, albeit a three court hall.

The outline business model for the new build centre has identified that the net cost would be £150,000 (average annual subsidy for the first five years of operation). This compares favourably to the current 2013/14 budget of £230,000 (outturn of £399,250). It should be noted that the business case for the new build centre does not include the income from the sports hall and all weather pitch.

3.5 Option 5 – New Build off site

Given the complexities of developing new facilities whilst remaining on the school site, another option is to look to relocate a new sports centre elsewhere in Kidsgrove. If the existing centre is able to remain open until the new one is ready a continuous service can be offered in Kidsgrove. This is the only option that offers this possibility.

As part of the development of this option it will be necessary to identify and secure a suitable area of land within the Kidsgrove area and it is intended to work with landowners in the area to identify suitable sites.

It is anticipated that any development not on the school site would be lighter in terms of its facility mix in so much as the sports hall and all weather pitches would continue to be offered at the school. There would also be a greater opportunity to tailor the level of specification to achieve the right balance between capital expenditure and the on-going revenue requirements for the centres operation.

3.6 Option 6 – Private sector provision.

Currently there are no significant private sector providers of sports and leisure activities in the Kidsgrove area. The appetite for a private sector provider to establish a facility in the area should be investigated on the basis that affordable community access could be provided for as a fundamental aspect of this option.

4. **Proposal**

4.1 It is proposed that Cabinet consider the five options above and approves the approach taken in identifying the best long term solution for sports facilities in Kidsgrove.

4.2 It is proposed that Cabinet approves the development of new sports facilities for Kidsgrove and request the Active and Cohesive Scrutiny Committee to form a task and finish group to work with officers in the evaluation of the five options above and make a recommendation to Cabinet on the preferred way forward, and in doing so, the Scrutiny Committee be asked to place particular emphasis on the strategic demand for leisure facilities in the area, potential for partner involvement, capital and revenue funding issues and potential funding sources.

5. **Reasons for Preferred Solution**

5.1 Access to quality leisure facilities, and in particular swimming pool provision is important to residents of the Borough to ensure people have the opportunity to remain healthy, fit and active.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

6.1 This proposal supports the Council's priorities by ensuring that residents have access to affordable quality leisure provision, which in turn contributes to health and wellbeing and can

help people live longer, healthier lives and have less direct call on support and healthcare services.

7. **Legal and Statutory Implications**

7.1 Given the serious financial pressure on the Council, it needs to not only balance the budget but secure maximum efficiency and best value in all it does. Whilst there is no statutory duty, the Council does have the power to provide sport and recreation facilities and these have a direct bearing on the health and wellbeing of the local population.

8. **Equality Impact Assessment**

8.1 The current facilities do not comply with existing access regulations. These issues would be fully addressed in any redevelopment.

9. **Financial and Resource Implications**

9.1 At this stage Officer time will be required to support the scrutiny process and develop the business case for the preferred option having undertaken the financial modelling for each option.

There are significant capital and revenue funding implications attached to taking forward each of the options mentioned in the report and these will be developed in detail as part of the options appraisal.

It should be clearly stated at this stage that there is no capital funding provision for this project and that each of the refurbishment or new build options being considered there will be significant capital funding implications for the Council to consider. This must be considered and prioritised alongside the other funding pressures identified in the Newcastle Investment Programme.

10. **Major Risks**

10.1 A full risk log has been prepared in relation to the options and is available for inspection.

11. **Sustainability and Climate Change Implications**

11.1 Any new facility would be designed to the BREAM (Very Good) standard

12. **Key Decision Information**

12. 1 This is a key decision and appears on the Council's Forward Plan

13. **Earlier Cabinet/Committee Resolutions**

13.1 None

14. **List of Appendices**

14.1 None

15. **Background Papers**

15.1 None