

Report to Active and Cohesive Overview and Scrutiny Committee 17 June 2013 - Kidsgrove Sports Centre

Background

Given the age and condition of Kidsgrove Sports Centre and the resultant closure of swimming pool from October 2011 to November 2012, officers have done an amount of work to mitigate the risks of further failure in order to keep the centre open while a longer term solution is sought. Whilst there have been a number of short term closures, primarily due to plant failure, the building is at the end of its lifespan (40 years) for this type of construction. It is becoming increasingly costly to operate and maintain and at the same time more difficult to market and attract significant usage. The operating deficit this year is likely to be in the order of £400,000. In recognising this the Council has already done considerable work, particularly in relation to a refurbishment solution, but as the funding for this solution is not available we are in the process of reviewing and challenging the business case for a refurbishment solution compared to a new build solution.

We have little confidence in the medium to long term viability of the current facilities and any pressure to reduce the operating deficit, without investment, would result in a reduction in service, which in turn would likely transfer some of our costs to the school and threaten the basis of our agreement with them.

The approach

In order to advise Members further on available options we need to understand whether a refurbishment or new build facility is the most appropriate course of action. We will therefore need to take into account the following factors:

- Appropriateness of the facility mix compared to local need (using Sport England FPM data, which the Council has requested directly from Sport England, plus developing our understanding of local competition)
- Capital costs associated with each option
- Revenue costs and incomes
- Risk profiles – for example in relation to the age of the existing facility versus a new build, relationship with the school etc.
- Site availability for any new build and potential land acquisition costs
- Planning constraints
- Disruption to existing customers / users
- Availability of capital funding and external grant monies.

We will use the work already undertaken in relation to the refurbishment and our experience of developing Jubilee2 as a basis for our assessment. In relation to the refurbishment, the refurbishment plans, costs and facility mix, have been estimated by our quantity surveyors, whilst for the new build we will need to utilise industry knowledge of recently costed new facilities (including Jubilee2) to provide a cost estimate and building footprint for the new build.

The approach is to ensure a full understanding of local aspirations to inform an initial desk-top assessment. The output from our work will be a short report, comparing the key aspects for each option, namely:

- 'fit' with local need
- Affordability (capital and revenue)
- Risk
- Deliverability (for example, site availability / disruption to existing customers).

In order that the assessments are as accurate as possible, we are currently researching the following information to support our work:

- √ income and expenditure figures for the existing Kidsgrove SC, covering the last 3 financial years and broken down between income / cost categories;
- √ usage figures, including any NBS (National Benchmarking Survey) reports or other KPI analysis;
- √ any condition survey data on the existing building;
- √ staffing structures for the site;
- √ Current VAT treatment of income by the Council;
- √ results of any consultation carried out on future plans for facility provision;
- √ FPM (Facilities Planning Model) modelling from Sport England, covering swimming pools and sports halls (this will need to be requested by the Council from Sport England).

Once completed our report will be passed to the Executive Management Team and Cabinet for their consideration and advice on 'next steps'.

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