

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET COMMITTEE

December 2014

1. **REPORT TITLE** Kidsgrove Sports Centre
- Submitted by:** Executive Director of Operations - Dave Adams.
- Portfolio:** Leisure, Culture and Localism
- Ward(s) affected:** All, especially Kidsgrove Wards

Purpose of the Report

To update Cabinet on the work of the Active and Cohesive Scrutiny Committee in developing a Feasibility Report into the delivery of a Sports Centre for Kidsgrove and surrounding locality.

Recommendations

That Cabinet:

- a) **Receive the Feasibility Report from the Chairman of the Active and Cohesive Scrutiny Committee.**
- b) **Endorse the Committee's recommendations and confirms its support for replacement sports facilities for the Kidsgrove area.**
- c) **That the funding implications are noted and consideration be given to adding the scheme to a future Capital Programme through the process of prioritisation agreed as part of the Newcastle Capital Investment Programme.**
- d) **That discussions take place with potential funding partners to identify sources of external match funding that would contribute to the cost of the project.**

Reasons

The Active and Cohesive Scrutiny Committee are satisfied that the scheme is desirable and viable, and that therefore the Council should take the decision to proceed.

1. **Background**

- 1.1 In July 2014, The Active and Cohesive Scrutiny Committee was appointed by Cabinet to produce a feasibility report on the future of Kidsgrove Sports Centre which was to be presented to the Council's Cabinet to inform a future detailed business case for the replacement or refurbishment of the Centre.
- 1.2 The Active and Cohesive Scrutiny Committee's feasibility report is appended and should be read in conjunction with this report.

2. **Issues**

- 2.1 The condition of the existing facilities at Kidsgrove Sports Centre is a significant concern for the Borough Council as operator. Linked to previous condition survey work and reactive maintenance, the Borough Council and Clough Hall School have a constant need to maintain the building and mitigate age related issues. This relates to building fabric, mechanical and electrical elements as well as the general decoration and appearance of the dated facility.
- 2.2 The current joint use agreement expires in March 2016 and the new school (currently subject of a planning application) is anticipated to be ready for occupation for September 2016 and therefore beyond the latter of these dates the current contribution (£65,000 per year) made by the school to the Council for the management of the centre is understood to cease. If the Council continues to operate the centre beyond that date the costs could fall to the Council as an additional financial burden.
- 2.3 The recently submitted planning application for the replacement of Clough Hall School has given rise to concerns in respect of the impact the new school development will have on the sports centre and how this will impact on the community. Similar concerns have been raised by Sport England who has recommended a range of conditions to be attached to any planning consent to the new school.
- 2.4 The Active and Cohesive Scrutiny Committee have met the Head and Chair of Governors at the school, in order to inform their recommendations and fulfil their brief.
- 2.5 Their work assessed the options for refurbishment or replacement of Kidsgrove Sports Centre using facility mix options identified in relation to a number of potential locations. They also considered cost, procurement and financing options before making recommendation and outlining next steps. The Committee has met six times in addition to making site visits. A brief summary of their work is highlighted below:

The Demand

- 2.6 The Committee considered Sport England Facility Planning Model Reports in making a strategic assessment of need in relation to swimming pools, sports halls and artificial grass pitches. They looked at current levels of demand and future demand, up to 2024 based on projected population growth. Their conclusions are summarised below:

Swimming Pools

- 2.7 There is currently an under provision of water space in the Borough following the closure of NCHS pool and therefore the loss of the pools at Kidsgrove would result in a significant level of under provision. Given the recent closure of pools in neighbouring authorities we are unable to export this demand out of the Borough. The minimum requirement for Kidsgrove therefore is a 6 lane 25m pool, ideally with teaching pool.

Sports Halls

- 2.8 There are currently sufficient sports halls to meet demand now and through to 2024. The concern is that as the sports hall stock gets older it will cost more to run and be less appealing. The committee welcome therefore the provision of a new sports hall as part of the school development and if this goes ahead see no need to provide a sports hall as part of sports centre. The committee note that the current plan is for a three court sports hall at the school and would ideally like to see a four court sports hall with community use.

Artificial Grass Pitches

- 2.9 There are currently sufficient artificial grass pitches to meet demand now and through to 2024. The concern is that as the pitches become older they will cost more to maintain and become less appealing. The committee therefore see no need to provide pitches as part of the re provision of Kidsgrove Sports Centre but would like to see the school or County Council refurbish and possibly extend (the width to full size) the existing artificial grass pitches at Clough Hall.

The Facility Mix

- 2.10 The Committee conclude that the needs of the community would be met by the following facilities:
- 25m six lane swimming pool
 - Teaching pool
 - 50 station gym
 - Flexible space to divide into 2/3 studios
- 2.11 To cater for existing users, if space and budget became available, the addition of:
- A health suite (sauna and steam)
 - A climbing wall

Site Evaluation

- 2.12 The Committee considered in some detail eight potential sites. Site visits were also undertaken and advice sought from both planning and environmental health officers. A process of site options appraisal and selection was undertaken by the Committee. The long list of sites considered were:
- Liverpool Road/Kidsgrove Bank
 - Heathcote Street
 - Clough Hall School
 - Station Road
 - Birchenwood (Bowling Green, Tennis Courts and Pavilion)
 - Birchenwood (Mount Road)
 - Clough Hall Park
 - Hardingswood Road
- 2.13 Unfortunately only the sites at Birchenwood offered the potential for a sports centre to be provided (and thereby funded) as part of a larger redevelopment, but their location in the green belt meant that the sites would need to re-designated through the revised core strategy and there would need to be additional evidence demonstrating that there was no suitable town centre site. Current planning policy identifies the town centre the best location for the development of a sports centre.
- 2.14 Only Heathcote Street falls with the defined town centre area, but investigations revealed that this land was being transferred to the County Council for the development of sheltered housing.
- 2.15 Clough Hall Park was the other site ruled out as access is narrow and it would entail the loss of the current playing field.

- 2.16 The remaining sites all have the potential to accommodate a new sports centre, but given its proximity to the town centre, the Committee favours Hardingswood Road. Whilst the Council do not own the majority of the site, subject to negotiations with the current owners there is a possibility that sufficient additional land may be available on this site.
- 2.17 Whilst the Committee considered that there was still potential to develop on Station Road as part of a proposed transport hub, with the Council's intentions having been made known to the County Council for consideration as they develop their proposals, subsequent information is pointing towards there being insufficient land available in that location once existing restrictions are provided for and future transport hub requirements are met
- 2.18 Barring site constraints Liverpool Road could also accommodate a new sports centre.
- 2.19 Redevelopment on the existing site at Clough Hall School is also felt to be a strong option, particularly in terms of planning consent, known ground conditions, and the best site for securing a commitment from the County Council and opportunities for the community to enjoy a wide range of sports facilities on one campus.

The Costs

- 2.20 The committee have considered three cost options. The first is to refurbish and remodel the existing sports centre, excluding the sports hall and artificial grass pitches, for the reasons outlined above. The cost of this, including fees is around £5m.
- 2.21 The second option is to build a new centre, based on the essential facility mix referred to above. This has been calculated by Sport England using their national database containing information on the cost of new build sports facilities. The construction costs here would be around £7.7m with fees and site acquisition costs resulting in a total budget of around £9m.
- 2.22 As this figure is unlikely to be affordable for the foreseeable future, the Committee are therefore keen to understand what new facilities could be provided for within a broad cost envelope of say a similar figure to the estimated cost of the refurbishment option of £5m and what the compromises would need to be in terms of design, finishes, specification, lifespan etc. to provide a facility within this figure.

Funding

- 2.23 The Committee have looked at all potential sources of funding and concluded that there is no single source of funding that will fund a new sports centre in its entirety. It is likely that a package of funding, including for example, grants, partner contributions, capitalising revenue savings, reserves, capital receipts, precepts and an amount of borrowing and/or private sector investment will be required to procure the project. The Committee recommend this as 'next steps'. 'Invest to Save' funding opportunities may also exist.

A further opportunity may arise to secure funding through a strategic property partner route where an element of cross subsidy funding could be secured as a contribution to the costs.

3. Options Considered

- 3.1 In all eight sites were considered and these have been narrowed down to three preferred sites (Clough Hall School, Hardingswood Road and Station Road). The sites offer three potential models for development: A new build to Sport England specification with a construction cost of £7.7m; refurbishment of the existing site with a construction cost of £4.5m or the development of a hybrid type centre with a broad cost envelope of £5m.

4. **Proposal**

4.1 The recommendation is that Cabinet considers and seeks to refine site options and facility mix and following this focuses on an affordable funding solution linked to the procurement of a replacement sports centre for Kidsgrove.

4.2 In the time available the Committee have narrowed the site options down to identify their favoured sites and other potential options, if circumstances change over time. The Committee incurred only the absolute minimum costs to reach their conclusions, but to gain a full understanding of the implications for the development on any particular site would involve commissioning fuller professional services reports. Similarly to ensure that the desired facility mix would fit on to a particular site requires an element of professional design work and for the facility mix to be refined in terms of storage requirements, pool profile, type of changing provision (village or single sex), staff and ancillary accommodation etc.

However, before these costs are incurred the Committee recommends that further work is undertaken to look at the possible funding solutions identified in paragraph 2.23 above. The Committee does not underestimate this challenge but recognises that without the required level of funding in place the procurement of a replacement sports centre for Kidsgrove cannot happen.

5. **Reasons for Preferred Solution**

5.1 The Active and Cohesive Scrutiny Committee are satisfied that the scheme is desirable and viable, and that therefore the Council should take the decision to proceed.

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

6.1 The provision of modern and fit for purpose sports facilities is a key determinant in achieving a healthy and active community.

7. **Legal and Statutory Implications**

7.1 The Council has the general power to provide sport and recreation facilities.

8. **Equality Impact Assessment**

8.1 The development of existing or new facilities and the service they provide is for the benefit of the local Kidsgrove and wider communities and the improvement of participation in sport and physical activity.

9. **Financial and Resource Implications**

9.1 The financial and resource implications, both capital and revenue are outlined in the Feasibility Report. The Active and Cohesive Scrutiny Committee also point out in their report that accepting the Feasibility Report does not represent a final commitment to the scheme; indeed it identifies a significant funding gap.

That funding gap, dependant on the final option chosen currently ranges from £5m to £9m. It is therefore clear that the future availability of funding will determine whether the project is deliverable, and if so, the timescale for progression.

9.2 At the Cabinet meeting in October 2014, Cabinet agreed with the principle that the Council, as a first resort, will seek to fund its future known capital programme needs through the

annual asset management planning process by the identification of land or property in its ownership that is capable of, and appropriate for, disposal.

9.3 That report summarised that the Capital Investment Programme 2015/19 capital requirements over the next 4 years was nearly £19m. Cabinet has identified further high priority projects over and above those schemes set out in the Newcastle Capital Investment Programme which will require significant capital expenditure. In short this may mean a capital programme expenditure requirement around £30m over the next four years or so. This included the re-provision of the leisure facilities at Kidsgrove which will require considerable capital investment to realise revenue cost savings.

9.4 Cabinet also considered a report at its meeting in February 2014 on the Newcastle Capital Investment Programme (NCIP) and agreed an approach to strategies and actions that are required for dealing with the possible shortfall of resources to meet the cost of the projected capital expenditure

It is therefore recommended by your officers that funding for the scheme be considered through the NCIP process with a view to funding being secured as a first resort through the asset management planning process which is the Councils agreed mechanism for releasing capital receipts from assets that the Council no longer requires.

10. **Major Risks**

10.1 The major risks relate to the failure of some part of the existing facilities, interruption to the operation during the construction of the school, increased costs on occupation of the new school and a risk that finance, both increased revenue and capital may not be available or secured. Any combination of which could lead to the closure of Kidsgrove Sports Centre.

11. **Sustainability and Climate Change Implications**

11.1 The existing centre will continue to deteriorate and become less efficient in energy use.

12. **Key Decision Information**

12.1 This is a key decision, affecting more than one ward and requiring significant resources.

13. **Earlier Cabinet/Committee Resolutions**

13.1 14 November 2012

13.2 23 July 2014

14. **List of Appendices**

14.1 Feasibility Report into the delivery of a Sports Centre for Kidsgrove and surrounding locality

15. **Background Papers**

15.1 Papers of the Active and Cohesive Scrutiny Committee – Kidsgrove Sports Centre Task and Finish Group (available on moderngov).

14. **Management Sign-Off**

Each of the designated boxes need to be signed off and dated before going to Executive Director/Corporate Service Manager for sign off.

	Signed	Dated
Financial Implications Discussed and Agreed		
Risk Implications Discussed and Agreed		
Legal Implications Discussed and Agreed		
Equalities Implications Discussed and Agreed		
H.R. Implications Discussed and Agreed		
ICT Implications Discussed and Agreed		
Report Agreed by: Executive Director/ Head of Service		