

CHESHIRE EAST COUNCIL

REPORT TO: Cabinet

Date of Meeting:	10 December 2012
Report of:	Cllr Michael Jones (Leader)
Subject/Title:	Commissioning Crewe Lifestyle Centre
Portfolio Holders:	Cllrs Macrae, Cllr Menlove, Cllr Bailey, Cllr Clowes

1.0 Report Summary

- 1.1 The 'Lifestyle Centres' concept is the integration, in one location, of a range of key services that citizens may need to help improve their lifestyle. They are places to exercise, to receive health-related care, to participate in community activities and to receive social services.
- 1.2 For Cheshire East, the Crewe Lifestyle Centre will provide new inclusive leisure facilities, modern family and adult social care provision and community facilities all in one place on the existing Cumberland Arena site. The preferred business model for Crewe does not include library services which can often be included in the concept. This scheme will facilitate further economic regeneration within Crewe, vastly improve the customer experience and enable more efficient and effective delivery of services through the provision of a modern, '21st century' Lifestyle Centre for Crewe.
- 1.3 A detailed business case has been prepared that demonstrates the Centre is self financing using prudential borrowing as a result of the savings from service integration. There is an opportunity to use this investment as further leverage to attract external funding. The business case has been agreed by the Technical Enabler Group and the Executive Monitoring Board who recommended the scheme progresses to Cabinet for approval.

2.0 Decision Requested

- 2.1 That Cabinet agree to progress the delivery of the Crewe Lifestyle Centre Scheme as set out in the attached detailed business case by procuring and appointing a Design and Build Contractor.

3.0 Reasons for Recommendation

- 3.1 The lifestyle concept and the business case for its implementation in Cheshire East was investigated and documented by PwC in April 2012. It concluded that the concept was viable and worthwhile in a number of towns within the borough.

- 3.2 The detailed business case attached to this report for Crewe identifies that a new Lifestyle Centre in Crewe supports the Council's Corporate Plan and the Sustainable Communities Strategy objectives and outcomes.
- 3.2 The new lifestyle centre is part of the 'All Change for Crewe' regeneration plans bringing modern, fit for purpose adults' and children's care and leisure facilities to Crewe whilst reducing the Council ageing asset base, running costs and maintenance liability.
- 3.3 The lifestyle centre complements the Council's emerging health & wellbeing and leisure plans and provides a vehicle for achieving their wider benefits to the community.
- 3.4 A full list of the benefits which will be realised by the Lifestyle Centre project are described in the detailed business case.

3.0 Wards Affected

- 4.1 Primarily affects residents using the existing facilities in Crewe.

5.0 Local Ward Members

- 5.1 The local ward is Crewe East. The Councillors are:

Cllr Margaret Martin – Labour
Cllr David Newton – Labour
Cllr Chris Thorley – Labour

6.0 Policy Implications

- 6.1 As an early part of the 'All Change for Crewe' programme, this newly designed and built centre will provide a much needed, visible and aspirational investment in Crewe. This will contribute directly to the regeneration of the town and will also free up other sites and locations for further regeneration projects. This development would deliver the preferred option for Crewe as identified in the Lifestyle Centres feasibility study report by PwC.
- 6.2 The Cumberland Arena is already established within Crewe as an important community facility, with a specific focus on the provision of athletics facilities for the local and wider population. The existing facility has the potential for expansion including combining current uses with the expansion of provision to provide a leisure and community hub designed to a high standard, with improved access to the local community enabling it to meet strategic need across Crewe. There is a strong desire to ensure that new leisure centres are 'inclusive' and provide 'state of the art' facilities allowing use by all citizens.

- 6.3 This development gives the opportunity to secure improved physical connectivity between the Cumberland site, the surrounding residential communities and critically the town centre including the public transport interchange at the station.
- 6.4 The relocation of services from the Crewe pool, Oakley Centre, Macon Way Ethel Elks/Hilary Centre will make these sites available. These are also seen as critical sites in the regeneration of Crewe and provide real opportunities for further commercial or council led developments.
- 6.5 The business case is predicated on the basis that services, and their operating budgets, will migrate to the new centre to achieve the saving required to cover the investment cost.
- 6.6 This project will have dependencies on the following strategies underway in the council:
- a) Older adults physically frail from long term care – A service review is taking place to ensure the council is able to provide the service level required by the regulators (CQC).
 - b) Learning Disability Services – A service re-design is underway to allow service users to have more access to community based activities with greater social inclusion.
 - c) Mental Health Services – a new service delivery model is currently being developed following the transfer of responsibilities for healthcare provision from the PCT.
 - d) Development of a working age team – Adult social care services are being re-designed to effectively support all citizens across the citizen journey, breaking down silos in service delivery.
 - e) Older adults care assessment teams – New ways of working involving systems thinking, mobile working and a person centred re-ablement model of assessment.
 - f) Leisure Strategy – A new delivery model for delivering leisure in the borough.

The new lifestyle centre would provide a 'clean sheet' for the provision of a dedicated asset designed to meet the needs of the above strategies.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 A full Net Present Value (NPV) calculation has been undertaken including a sensitivity analysis on both the scope of assets included and the extent to which the council could support the borrowing outlay

through capital receipts or external funding. This is available in the detailed business case.

- 7.2 The project involves the council relocating services in the Oakley Centre and associated buildings, Macon House, Crewe Pool, Ethel Elks, Hilary Centre and withdrawing support from leisure services at William Stanier School. These have a total net operating cost to the Council of £2.1m when considering both expenditure and income. These assets can then be sold releasing capital receipts valued at £3.3m.
- 7.3 The new asset is expected to have a net operating cost of £1.57m on the assumption that the net operating cost is like for like with existing services but including a 10% saving in employee costs, 30% reduction in transport costs and 7% saving in supplies and services.
- 7.4 The reduced operating cost results in a net revenue saving of £529k which will be re-invested to cover the borrowing costs for the new asset estimated to cost £12.8m. The NPV is sustainable over 25 year borrowing period assuming inflation at 3% p.a. and an annual income increase of 2%.

8.0 Legal Implications

- 8.1 There are two legal implications that need to be resolved as the procurement is undertaken.
- 8.2 Access to the site will involve negotiation with 3rd parties. There is currently a request from the privately owned Kingdom Hall to purchase a section of land for car parking currently owned by the Youth Centre, land that Crewe & Nantwich Borough Council previously sold. This will require the lifting of covenants. The Council's Assets Service are negotiating this and will protect the council against future costs and access rights. However, the deal may include the relocating of both the youth centre (potentially into the new building) and the rebuilding of the Hall (which currently blocks access) elsewhere on the site. There are no disposal benefits here and estimated costs have been included in the proposal.
- 8.3 Sir William Stanier school with leisure facilities was built to replace the old school on the Victoria site, of which Oakley centre was part. The business case for the Lifestyle Centre assumes that due to its close proximity to the new centre (500m), the Council's support of leisure facilities here would cease. The Council currently run the leisure provision and receive the income while the school has free use of the facility. The joint-use agreement expires in 2018. It would be favourable to negotiate with the school and ensure facilities become owned by them before this date. Either way, it is expected that the

revenue contribution from the Council will be withdrawn and contribute to this business case.

- 8.4 In addition to the legal issues identified above, all necessary legal and regulatory requirements relating to the project will be identified and complied with at the relevant times in order to ensure the legality of the delivery of this project.

9.0 Risk Management

- 9.1 A full risk log collated during the work undertaken to reach this procurement stage is available in the detailed business case. A project manager has been identified to manage the procurement process and will report to senior management and the Executive Management Board as required.
- 9.2 The scope of the Design & Build contractor will include finalising the detailed scope of the new asset via consultation with users and residents and stakeholder meetings and cross-cutting workshops. They will also collect and mitigate risks (within the power of the contractor) to the delivery of the project during the design and construction.
- 9.3 A key part of the procurement exercise to secure a design and build contractor for the project will be a design competition to provide an iconic facility for Crewe and this will be included within the procurement process.

10.0 Background and Options

- 10.1 Full background and options assessed are covered in the detailed business case attached to this report.

11.0 Access to Information

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