

Portfolio Holder Decision

Report Title: Congleton Leisure Centre Redevelopment Project

Portfolio Holder: Cllr Mick Warren, Communities

Senior Officer: Frank Jordan, Executive Director Place

1. Report Summary

- 1.1. The purpose of this report is to seek Portfolio Holder approval to progress the redevelopment of Congleton Leisure Centre and to enter into the construction contract with Rock Merchanting Limited (Trading as Pulse Design & Build).

2. Recommendations

- 2.1. Conditional upon an amendment being made through planning to the internal layout of the facility (as described in the body of this report), that the Portfolio Holder:
 - 2.1.1. Approves the issue of the Notice to Proceed and entry into the construction contract with Rock Merchanting Limited (T/A Pulse Design & Build);
 - 2.1.2. Approves the temporary complete closure of the Leisure Centre in order to accelerate the construction programme.

3. Reasons for Recommendations

- 3.1. A review of the project has been undertaken over the last six weeks between the project team and ES&R, which has resulted in a proposal to change the internal configuration of the facility in order to maximise the commercial return on the investment and increase the available capacity for people to utilise the facility.
- 3.2. The project has previously secured the required planning approvals and the Pre-Construction Services Agreement stage has been concluded. For the redevelopment and construction phase to commence there needs to be an amendment made through planning to the internal layout of the facility. This

will result in the loss of the one remaining squash court but will increase the available size of the gym and therefore enable greater commercial return and participation. Only once this application is successful will the Head of Neighbourhood Services issue a Notice to Proceed and enter into the construction contract.

- 3.3. The project was paused in July so that an appraisal of the financial position of a range of capital schemes for the Council could be undertaken once the impact of Covid-19 was clearer. If the Council delays the decision further there is significant risk of costs being incurred through the annual construction industry price increases from January 2021. If the recommendation at 2.1.1 is taken forward the Contractor can mobilise and be on site for construction works to commence from March 2021 which would not incur the additional industry increase in prices.
- 3.4. The project supports local SME businesses within the borough. The Ground works and demolition alone would see an early injection of circa £1.3M into the local economy and it is estimated at least 60% of the project value will be spent locally over the duration of the construction.
- 3.5. The proposed recommendation to temporarily close the leisure centre would see a twenty-week reduction in the programme to 74 weeks and an estimated cost saving of £250k. It would also de-risk the demolition of the pool and enable this phase of works to be undertaken much earlier in the programme.

4. Other Options Considered

- 4.1. Pausing the Project. It is not recommended to pause the project further as in doing so will see further increases to cost through inflation and annual construction industry increases from January 2021. In addition there are planned maintenance items at an estimated cost of £1.2m that will need to be carried out on the asset to maintain elements of the facility during any further pause as well essential maintenance that is required on the heat exchange for the pool which has failed at a cost of approximately £15k.
- 4.2. The proposed option outlined above has been weighed up against providing a reduced leisure offer in the immediate to short term, where social distancing and other Covid safe working practices must be observed. In addition to this safety measures would have to be introduced as part of an active construction site. The proposal recommended in this paper provides greater value for money but does result in no provision of leisure facilities in Congleton for 15 months.

- 4.3. Not to issue the Notice to Proceed and not enter into a construction contract with Rock Merchanting Limited and ceasing the project. This option would require the planned maintenance to the asset of £1.2M to be carried out.

5. Background

- 5.1. The Background to this decision is set out in the Cabinet Report dated 13th March 2018 (Appendix A) and the Portfolio Holder Decision Report dated 21st June 2018 (Appendix B).

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. The Legal Implications relevant to this decision are set out in Appendix C.

6.2. Finance Implications

- 6.2.1. The Finance Implications relevant to this decision are set out along with the legal implications in Appendix C.

6.3. Policy Implications

- 6.3.1. This project will contribute directly to the regeneration of the town and improve participation in active leisure and sport activities.
- 6.3.2. The Leisure Centre is a well-used and important community facility, with a focus on the provision of wet and dry leisure facilities for the local and wider population. Facility improvements will invariably bring increased usage resulting in improved health outcomes for local residents.
- 6.3.3. This project will support the delivery of priorities identified in the Playing Pitch Strategy and Indoor Facilities Strategy.

6.4. Equality Implications

- 6.4.1. The redeveloped leisure centre will ensure that the site becomes fully accessible to all residents.

6.5. Human Resources Implications

- 6.5.1. There are no implications for CEC as all employees are employed directly by the trust.

6.6. Risk Management Implications

- 6.6.1. The project does have inherent risks being a construction project, particularly as it involves the refurbishment of an existing building. As this is a target cost contract there is a risk that costs could increase further

during delivery of the project, the revised project budget includes a risk allowance of approximately £700k to mitigate this.

- 6.6.2. There is clearly a risk that the impact of Covid-19 on leisure and sport participation is not known at this time. The redeveloped facility may not have the means or opportunity to generate the income levels anticipated to produce the return on investment. The full impact of the return on investment will not be known until there has been a full twelve months of trading in the redeveloped facility which will be 2023.

6.7. Rural Communities Implications

- 6.7.1. The new and improved leisure facility will serve as a destination offering a diverse range of accessible facilities not only for Congleton town residents but also the wider rural communities in and around this locality.

6.8. Implications for Children & Young People/Cared for Children

- 6.8.1. The redeveloped facility will optimise the offer for a diverse user group. The skate park will remain post completion and will see greater synergies of the indoor and outdoor leisure provision.
- 6.8.2. There is innovation within the design which will provide opportunities for children and families to undertake a range of leisure pursuits which are not capable of being provided at the current facility, such as accessible fitness equipment and soft play areas.

6.9. Public Health Implications

- 6.9.1. The redeveloped facility will provide a vastly improved and increased health and wellbeing offer for our residents to participate in leisure and wellbeing activities.
- 6.9.2. The redeveloped centre will incorporate a modern, accessible fitness suite, two new swimming pools with dedicated accessible changing facilities. A thermal suite and new studio spaces will be complemented by a dedicated spin cycle area. This will enable greater numbers of residents and members to become more active and adopt a healthier lifestyle.
- 6.9.3. Congleton Leisure Centre currently supports a diverse customer base and attracts a higher proportion of senior citizen members when compared to other leisure sites across the borough. The redeveloped facility will further increase this due to the increased accessibility.

6.10. Climate Change Implications

- 6.10.1. The redeveloped facility will benefit from significant investment to reduce the energy consumption of the site through the inclusion of combined heat and power and the insertion of new modern pool covers to reduce consumption and costs.
- 6.10.2. The scheme looks to improve connectivity of cycle routes that meet in Congleton Park with the inclusion of a pathway that cyclists may use to access and egress the site. This will encourage more users to travel to the site on cycles and will be further supported with the inclusion of a bike station and cycle racks like that provided at Crewe Lifestyle Centre. Provision for two electronic vehicle (EV) charging stations which will serve four parking bays has been included, along with infrastructure for the future growth of EV.

7. Ward Members Affected

7.1. Congleton East:

- Councillor David Brown
- Councillor Rob Moreton
- Councillor Denis Murphy

7.2. Congleton West:

- Councillor Suzie Akers Smith
- Councillor George Hayes
- Councillor Sally Holland

8. Consultation & Engagement

- 8.1. Consultation was carried out prior to and during the planning application process with drop in sessions held at the leisure centre.
- 8.2. Engagement with centre users, stakeholders, local businesses and the Town Council will continue throughout the construction process. This will include a dedicated group of leisure centre representatives to act as a sounding board for the project team.
- 8.3. Stakeholders such as Congleton Rugby Club, Friends of the Park, Skate Park users, Congleton Scouts and the Bowling Club will be engaged with at various phases of the construction programme to make them aware of developments and any impact that this may have on their functions during the construction phases.

9. Access to Information

- 9.1. The background papers relating to this report can be inspected by contacting the project team.

Appendix A – Cabinet Report 13 March 2018

Appendix B – Portfolio Holder Decision Report 21 June 2018

Appendix C – Legal and finance Implications

- 9.2. Appendix C contains exempt information as defined in Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information) and Paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972 (Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) and is therefore not for publication.

10. Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

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