

# CHESHIRE EAST COUNCIL

## Cabinet

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**Date of Meeting:** 9<sup>th</sup> February 2016  
**Report of:** Chief Operating Officer  
**Subject/Title:** Peter Mason Leisure Centre  
**Portfolio Holder:** Cllr S Gardner, Open Spaces  
Cllr D Brown, Highways

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### 1. Report Summary

- 1.1. Cheshire East Council remains fully committed to redeveloping the leisure facilities in Congleton as part of its strategic approach to improve the health and wellbeing of residents. This project is the second in a programme of leisure related improvements and follows the significant investment in new facilities in Crewe, reaffirming the Council's commitment to providing modern leisure facilities.
- 1.2. Peter Mason Leisure Centre sits in a unique location, incorporating Hankinsons Field and Congleton Park. This project provides an opportunity to redevelop the leisure provision and integrate the surrounding area into any future development, providing class leading modern indoor leisure with outdoor surroundings and facilities for generations to come.
- 1.3. Following Cabinet on the 29<sup>th</sup> September 2015, the project team was authorised to commission intrusive surveys of the pool and pool hall area to establish the structural integrity of this and ascertain whether a refurbishment of the pool was feasible and/or cost effective.
- 1.4. This report and accompanying appendix sets out the findings of the surveys carried out and focuses on the condition survey for the fabric of the pool and surrounding area; providing Members with the detail required to consider and agree the recommended option that will enhance and maximise the leisure offer for the residents of Congleton.

### 2. Recommendations

It is recommended that:

- 2.1. Following the completion of the intrusive surveys to the pool (summarised in Appendix 1) the recommended option for the Peter Mason Leisure Centre is the construction of a new pool and pool hall in conjunction with a refurbishment of the dry side offer.

- 2.2. Officers are authorised to commence the procurement of a strategic leisure development partner (Development Partner) to explore finance options and deliver the new and refurbished facility.
- 2.3. In consultation with the Leader and Portfolio Holder (Open Spaces), delegated authority to be given to the Chief Operating Officer and the Director of Legal Services to decide on the appropriate procurement route to appoint a Development Partner and enter into and finalise the agreements required to deliver the new pool and refurbished leisure centre and such documentation that is required for the Everybody Sport and Recreation Trust (ESAR) to operate the leisure centre.
- 2.4. Cabinet note that once a preferred Development Partner is identified officers will return to Cabinet for the authority to appoint that Development Partner and proceed in delivering the facility.

### **3. Other Options Considered**

- 3.1. Condition surveys carried out in relation to the integrity of the pool have shown that a refurbishment of the pool could be feasible. However, within the recommendation summary an indication on lifespan for the pool is given as 10 – 15 years as a reasonable reflection of the condition of the tank. Professional Indemnity does not permit a more definitive outcome.
- 3.2. Furthermore, the findings from the survey recommend that in order to maintain the integrity of the pool fabric, any new finishes are completed with minimal disruption to the existing finishes.
- 3.3. A range of options have been considered including traditional design and build, procured through a mini competition under the North West Construction Hub High Value Framework or other Framework.
- 3.4. Grant Aid Support, though there would appear to be few significant grant aid sources available for a scheme of this size looking to provide a diverse range of facilities.

### **4. Reasons for Recommendation**

- 4.1. Significant investment is required to enhance the leisure centre; whilst a refurbished pool would appear to be within the current budget envelope, there is inherent risk to this approach which could incur greater expenditure and in turn delay to the project if the integrity of the pool slab were to be compromised during any refurbishment.
- 4.2. When comparing the potential levels of investment against the whole life span of the facility, a new pool construction would represent a more economical solution in the longer term to secure modern and efficient facilities for leisure customers for many years to come.

- 4.3. A new pool and pool hall construction permits better use of circulation space for a changing village, potential for a spa offer and incorporate accessible pool side viewing, whilst improving and increasing the parking provision on site. A refurbished pool would not afford these improvements to the same level.
- 4.4. The decision to seek authority to explore the procurement of a Development Partner is based upon the risk that a traditional design and build procurement may produce a sub optimal outcome for the residents of Congleton, Cheshire East Council and the Trust in terms of the impact of the facility mix on the ongoing subsidy required to operate the facility. It is recognised that this project presents a much more commercially focused leisure opportunity than in Crewe where the Lifestyle Centre required a more balanced approach to service provision which also included a range of statutory services such as Adult Social Care and Childrens Services.
- 4.5. A Development Partner will place greater emphasis on building a business plan and subsequent design that works for all parties using their specialist experience to provide facilities that are relevant for the 21<sup>st</sup> century but also significantly contribute to reduced operational costs and improved performance, driving down the operating subsidy towards full cost recovery over time.
- 4.6. Having a Development Partner in place will offer challenge to both the Council and Trust potentially opening up opportunities for new and innovative ways of delivering across the existing leisure portfolio and open spaces. It offers the possibility of being able to develop facilities that become destinations in themselves.
- 4.7. Having conducted pre procurement soft market engagement there is strong evidence to suggest that partnering with a leisure development partner will offer the best chance of building a fit for purpose facility within the available budget and of identifying alternative funding mechanisms to limit the capital outlay.
- 4.8. There is an increased possibility of minimising disruption to the existing site and thereby maintaining a leisure offering to the residents of Congleton by working with an experienced leisure development partner. This will minimise the impact of any compensation event.

## **5. Background/Chronology**

- 5.1. The Leisure Centre comprises of two distinct elements built at different times with a number of separate power plants running different parts of the building.
- 5.2. The plant is nearing 40 years old, so suffers from poor energy efficiency. The current layout does not comply with current design standards (Sport

England, Equality Act) which makes it an extremely inefficient building and presents construction challenges for some design options.

- 5.3. There is the potential to utilise elements of the surrounding open space during the construction phase but this would be subject to an agreement with the requisite statutory agencies including Sport England as appropriate. Discussions continue with users of Hankinson's Field adjacent to the leisure centre and include Congleton Rugby Club and Friends of the Park.

## **6. Wards Affected and Local Ward Members**

- 6.1. Primarily it affects the residents using the existing facilities in Congleton, though users could be resident in any area of the Borough.

- 6.2. The local wards in Congleton East, represented by:

Cllr Geoff Baggott

Cllr David Brown

Cllr Glen Williams

The local wards in Congleton West, represented by:

Cllr Paul Bates

Cllr Gordon Baxendale

Cllr George Hayes

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

7.1.1. As an early part of the regeneration plan for Congleton, this project will provide a much needed and visible investment in Congleton. This will contribute directly to the regeneration of the town and improve participation in active leisure and sport activities.

7.1.2. The Leisure Centre is already established as a well used and important community facility, with a specific focus on the provision of wet and dry leisure facilities for the local and wider population. The existing land footprint has the potential for limited expansion to provide an improved leisure facility and the potential for some lifestyle focused space designed to a high standard. Facility improvements will invariably bring increased income and usage benefiting improved health outcomes for local residents.

- 7.1.3. The preferred option will impact on service provision while any construction and refurbishment takes place.
- 7.1.4. The project team will work closely with ESAR in an effort to minimise the impact for users in Congleton and explore potential temporary leisure offers within the town. This process would be dealt with as part of the detailed business case, including detailed discussions with ESAR regarding financial implications.
- 7.1.5. This project will need the consideration of a number of 'key dependencies'. These include and may not be limited to Congleton Rugby Club, the Scout Hut (next to the leisure centre) and users of the public open spaces in particular users of the skate park and the local 'friends' group.
- 7.1.6. This project will also have dependencies on the following strategies underway in the council:
- a) Regeneration plan for Congleton - The Council is developing a Masterplan for Congleton. The benefits from this project will be fed into the wider master-planning activity.
  - b) Indoor Facilities Strategy. A new strategy is currently being developed in support of the emerging Local Plan.
- 7.1.7. Congleton Neighbourhood Plan, to be developed with the Local Partnership and will also feed into the Community Hubs project.

## **7.2. Legal Implications**

- 7.2.1. The procurement of a Development Partner must comply with the Public Contracts Regulations 2015. The procurement process followed will depend on the extent to which the Council is able to define its requirements. Once a specification is produced Legal Services and the Procurement Unit will advise on the appropriate process.
- 7.2.2. The Consultation with local stakeholders will be conscientiously taken into account in finalising the scope of the scheme.
- 7.2.3. The Council entered into a contract with ESAR for delivery of leisure and sports development services on 1st May 2014 ("the Operating Contract"). The Operating Contract is in force until 30th April 2024. The Operating Contract envisages that as future Lifestyle centres are developed ESAR will provide the services from those centres. Should the Council decide to offer the opportunity to deliver services from any redeveloped or new leisure centre to a third party then this would involve terminating ESAR's current lease and dealing with the resulting compensation claim.

- 7.2.4. The Council may be liable to compensate ESAR for loss in earnings during the refurbishment and a variation to ESAR's current lease may be required if the leased area changes
- 7.2.5. A report on title has already been produced in relation to the various legal interests in the Congleton Leisure Centre site and the Council will be required to investigate the remaining interests and if required reach an agreement with those existing at the refurbishment date or terminate any arrangements to enable the refurbishment to proceed.

### **7.3. Financial Implications**

- 7.3.1. The project has been allocated a budget of £8.8m within the Capital Programme for 2015/16 to support the redevelopment of this facility. The scheme will reduce the expected maintenance liability though this would not result in a direct 'saving' towards the business case of a redeveloped asset.
- 7.3.2. Procuring and subsequently appointing a Development Partner will enable alternative funding models and the facility mix to be comprehensively explored before a final determination of options is made so as to deliver a facility that is both fit for purpose and affordable for Cheshire East Council within the capital funding available.
- 7.3.3. The design stage will look at maximising the efficiency of the asset to reduce the future running costs.
- 7.3.4. A key component of the decision to procure a Development Partner will be to incorporate all the Councils objectives into the planning and design stage so that the outcome is a facility that residents want to use, is adaptable for the changing leisure landscape and is financially sustainable in the long term. Any facility should not be a copy of what has gone before as this will continue to require significant subsidy.
- 7.3.5. The business case and financing model will only come about once a Development Partner is in place and has worked with the council and Trust to understand objectives. The aim will be to provide an offering that is affordable and contributes significantly towards the investment cost. The focus will be to secure the long term sustainability of a redeveloped facility through the most economically viable solution, providing significant return on the investment.
- 7.3.6. Project management resource will be required as part of the ongoing project which will be funded from within the capital allocation.

### **7.4. Equality Implications**

- 7.4.1. Any refurbishment or new build on the leisure centre site will ensure that the site becomes fully accessible to all residents. In addition a range

of programmes and facilities will be developed to attract a wide range of user groups.

#### **7.5. Rural Community Implications**

7.5.1. 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.

#### **7.6. Human Resources Implications**

7.6.1. None

#### **7.7. Public Health Implications**

7.7.1. The provision of improved leisure facilities will enable the Council to continue to make a significant contribution to Outcome 5 of the Corporate Plan “ People Live Well and For Longer”.

#### **7.8. Other Implications (Please Specify)**

7.8.1. None

### **8. Risk Management**

8.1. There are significant risks with the delivery of this project which will be mitigated in detailed design and subsequent planning stage. These are highlighted below:

- a) Pre planning responses – An initial consultation has been had with Sport England. More detailed discussions will be required should the only option be for a replacement pool as the proposal will need to be compliant with current local and national policies in relation to public open space.
- b) The site sits within a Zone 2 flood plain, early engagement with the Environment Agency has confirmed that any refurbishment or new construction would require sufficient defence mechanisms to lessen the impact of any flooding should this occur. This may have some impact on scope and budget.
- c) There is a potential risk that the current budget envelope may not be sufficient to meet the aspirations of the project. Whilst the project team will robustly manage the project budget and mitigate this where possible, it may be necessary to seek a supplementary capital estimate. The project team will continue to work with finance colleagues to ensure

any such request, should it be necessary, is made through the appropriate means in a timely manner.

- 8.2. It cannot be assumed that the existing pool facility or dry side offer could remain open during any construction phase or refurbishment.

## **9. Access to Information/Bibliography**

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

## **10. Contact Information**

Contact details for this report are as follows

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