

Report to: Cabinet, 20th June 2012

Report of: Cabinet Member for Safer and Stronger Communities

Subject: THE FUTURE PROVISION OF WORCESTER SWIMMING POOL - OPTIONS APPRAISAL

1. **Decisions Required**

- 1.1 To agree on the preferred delivery model, site and facility mix options for the future provision of municipal swimming facilities within Worcester City.
- 1.2 To approve expenditure from the proposed Swimming Pool earmarked reserve to enable the development of a full business case and funding options for the preferred option.

2. **Background - Facilities**

- 2.1 Worcester Swimming Pool was built in 1970 and consists of the following facilities:
 - L-shaped 25 metre pool with diving boards
 - Small splash pool
 - Teaching pool
 - Spectator gallery
 - Unisex changing village
 - Dance studio
 - Sauna suite
- 2.2 Initially managed by the City Council until the introduction of compulsory competitive tendering. It has subsequently been managed on behalf of the City Council by two private sector leisure companies, Glendale Leisure 1997 – 2002 and currently Leisure Connection Limited, who commenced on site 1st October 2002 and have a contract up until the 30th November 2013.
- 2.3 The contractual liabilities of the City Council as part of the arrangement with Leisure Connection are for the external fabric of the building, e.g. roof, concrete enclosed steel structure.
- 2.4 The swimming pool is an aging facility with much of its plant and equipment at the end of its life expectancy, and requires significant investment if it is to meet increased customer expectations or indeed to continue to function at all.
- 2.5 In 2009 the pool was closed for two weeks to undertake Health and Safety work to prevent pieces of concrete from the columns falling into the main pool or its surrounds. £15,000 was invested as a short term fix, towards a longer term problems with the concrete columns.

2.6 Perdiswell Leisure Centre was opened in 1981 and has been extended on two separate occasions due to external funding from the Football Foundation and investment from Leisure Connection. The complex currently comprises:

- Sports hall – 8 courts
- Dance studio
- Gym – 60 stations
- Creche
- Outdoor all weather pitch
- Bar
- Outdoor pitch changing facilities
- Golf course - 18 hole

2.7 The original foot print of the Perdiswell building is also showing its age, and over the last thirty years the building has been reconfigured internally on a number of occasions, adding to the overall feel of being outdated and increasingly costly to maintain. The internal spaces are dated and tired and do not lend themselves to efficient modern usage.

3. **Background - current project**

3.1 The Future Worcester exercise (2010) and the Simalto consultation (2011) both highlight the value of a comprehensive leisure offer for the citizens of Worcester. If we are to move towards our vision of "making Worcester a first rank Cathedral and University City", we must embrace the role that leisure facilities can play in the wider regeneration of the City and the local economy. The current investment in the wider leisure offer in Worcester through the Hive and Worcester Arena demonstrates the impact that the sector can have on influencing the perception of residents and visitors alike that Worcester is a "forward thinking" and developing City.

3.2 In order to develop a view of City Council leisure facilities, the Authority conducted both internal and external sports summits in 2010 to seek views from colleagues and partner agencies. Whilst not the focus of the summit a consensus view emerged that the City should seek to resolve the issue of redevelopment of the municipal swimming pool within the City, and to ensure that we can retain continuity of swimming provision within a redevelopment plan.

3.3 In order to consider the future of Worcester Swimming Pool a project team was created in late 2011 to consider the various issues relating to a project of this scale.

3.4 To enable Members to shape an informed decision on the future of the swimming pool, Sport England were commissioned to conduct an analysis of local provision using their facilities planning model (FPM LITE) to assess swimming pool and sports hall accessibility in Worcester City. This process took into account the development of the new Worcester Arena by Worcester University and its potential for Community Sports provision. The Sport England analysis examines supply and demand across catchment areas for each facility that extends to thirty minutes for three modes of travel – by car, by public transport and on foot. This was considered at Cabinet on 1st November 2011. At that time Cabinet agreed to progress the proposal to an optional appraisal.

3.5 A presentation was made to the Scrutiny Committee on Tuesday 17th April 2012.

3.6 Part of the process required the consultants to contact key stake holders for their views on future provision and they spoke to organisations such as the Amateur Swimming Association (ASA) Worcester Swimming Club, Sport England, The County Sports Partnership. (See page 5 of the consultants report for a summary of the key stakeholder consultation)

4. **Outline Business Case**

4.1 In January 2012 a detailed specification was produced in line with Cabinet's request and companies were then invited to tender for the task of producing an options appraisal for the end of April 2012. Following a procurement exercise and evaluation process, the Sports Consultancy was awarded the contract in February 2012.

4.2 Sports Consultancy was asked to consider the following four stages in reaching the recommendations contained within their report:

- Stage 1 – Identify the most efficient delivery model
- Stage 2 – Identify the preferred site option
- Stage 3 – Identify the preferred facilities mix option
- Stage 4 – Identify the best model for delivery of the preferred facility option

4.4 In turn the following four options were considered for providing swimming pool facilities:

- Do nothing maintaining the status quo
- Refurbishment of the existing Sansome Walk site
- Extension of the existing facilities at Perdiswell Leisure Centre to include a new swimming pool and other additional facilities
- A new build containing a single wet and dry leisure centre on one of the eight sites considered under stage 2 above

4.5 The report is now available and the executive summary is attached at **Appendix 1**.

5. **Conclusions**

5.1 The production of the consultants report completes the options appraisal stage of the project.

5.2 Assuming Cabinet select a preferred option a comprehensive public consultation process will take place throughout the summer in order to provide residents and users with an opportunity to have their say on the future of Worcester Swimming Pool.

5.3 As can be seen from the executive summary the consultants have clearly identified the preferred development model and the preferred site location. These are:

Main pool

25m x 8 lane including accessible lift and stairs, minimum spectator seating capacity of 250

Learner pool	17m x 8m with moveable floor. The learner pool should be separated from main pool with full width drop steps, and a pool side spectator area for parents
Health and fitness suite	150 station health and fitness suite
Fitness/dance studios	A single studio area designed to be flexible and capable of being divided into 2 or 3 separate studios
Crèche	Permanent crèche facility
Sport Hall	Not included
2 x five a side football	Resurface and reconfigure the 2 existing five a side football pitches
Parking	Parking for circa 350 cars should be provided to service the leisure centre

Perdiswell Leisure Centre Preferred site

- 5.4 It should be borne in mind that the options approval process is a comparative process designed to consider the parameters and come to a conclusion. Changing the basis of the assumptions underpinning the process might change the result. For example the process has looked at the most efficient model for delivering the pool that the facilities planning model and stakeholders indicate we need. It did not consider the use of the existing site if the pool were to be closed as a critical component. Other sites were considered but it should be pointed out that any site not in Council ownership should cost considerably more and as efficiency was a key driver, combining the two facilities was likely to show the greatest value.
- 5.5 There is a significant amount of detail in the Options Appraisal Report and officers believe a good job has been done to weight the choices. It should be noted however that construction and revenue expenditure/income projections are just that. These represent a framework by which to compare data. They are not accurate estimates nor are they to be relied on as accurate or relevant outside of this options appraisal.
- 5.6 Significant further work will need to be undertaken to prepare a Final Business Case that does give comfort on these and many more points.

6. Next steps - Consultation

- 6.1 It is intended that the public and users would be consulted on the preferred option once selected. The Authority will also make available the other site considered and rationale used in selecting the preferred site.
- 6.2 It is proposed that this consultation will utilise the View Point Survey and secure detailed feedback from a representative sample of the public at large. This would be backed up by an exercise to consult users of the existing facilities - possibly by focus group or other targeted methodology. Finally we would expect to run a more

general consultation about the preferred facilities mix and site. This would enable anyone who wished to to feedback.

6.3 It would be expected to operate the general consultation over September and into October to avoid the summer holiday period.

7. **Next steps - Procurement**

7.1 In moving the project forward to full business case the Council require significant further work to be carried out. External support will be sourced to complete the full business case. This will include detailed viability modelling, procurement options and consideration of the best funding route.

7.2 Further to moving to tender stage the Council will need to secure outline planning permission and prepare a user specification and facilities requirement as well as the necessary tender documentation and contracts.

7.3 This work will require a broad range of specialist skills. It is envisaged that a lead contractor will be appointed to develop the Full Business Case and would engage relevant advisors as sub-contractors.

7.4 This support contract will be let in a competitive, open procurement process as per the Council's Procurement Code.

7.5 This work will develop the options appraisal completed to date into a Full Business Case for Members to consider. This would be in the form of a complete viability/cost model including:

- revenue cost/benefit analysis for each element of the detailed facilities mix supported by detailed capital cost estimates;
- complete revenue model for each facilities option showing all expected costs and operating budgets;
- data on expected user uptake/income and a sensitivity analysis with a range of scenarios for each option, and;
- a recommendation as to the optimized model.

7.6 To be prepared iteratively with the above there are the following elements necessary to allow the project to physically move forward:

- a comprehensive user specification and requirement schedule for the facility which will be the basis of the construction tender
- consideration of the best tender procurement route for the Council
- securing outline planning permission (if appropriate)

7.7 One of the procurement options which will be considered would be to let a contract to build and operate the new facility. This would not allow the Council bring together the management of our sports centres into one unified offer and it suggested that any options which offer operators rights are not favoured at this time. For the purpose of the viability model it is suggested that the new facility be run by our existing in-house team, at least for the present. Clearly the Councils ambition to operate as a commissioner of services would change such a position in the future.

7.8 Separately from the above the Authority will seek advice on the most appropriate funding model for the Council. This will include consideration of the revenue and

capital implications of funding the scheme and consider the Councils borrowing power and other potential sources of funding such as asset disposal.

This work will also feed into the consideration of procurement options for the project as external development capital will be available but at a premium price.

8. **Policy, Legal, Equalities, Financial and Risk Management Implications**

8.1 **Policy** – no policy implications at this stage.

8.2 **Legal** – no legal implications at this stage.

8.3 **Financial** – A significant element of the next phase of work is to identify the optimised facility mix to generate the best facility for users whilst securing the best value for money. The Council must consider how it could best fund the capital costs of such work taking into account the potential revenue implications of the project (expected to be positive). It is anticipated that an element of the project costs will come from further borrowing and the affordability of such borrowing needs to be fully understood.

8.3.2 Members should note that there is not, at present, any significant grant funding available from national lottery bodies (or others) for projects of this type. At present no significant sources of external funding have been identified. Whilst the next stages of the project will continue to look for such funding it was always expected that the Council would be the main if not sole funder of the project.

8.3.4 The relevant costs for this report are around the costs of developing the Full Business Case and associated elements as described above. Until such advice is tendered for it is difficult to estimate its cost. It has been recommended that a Swimming Pool Reserve be set up and that, subject to Council agreeing to do so, all the costs of the next stage of work, including securing outline planning permission (if appropriate), are funded from this Reserve.

8.4 **Risk management** – The City runs the risk of not providing a municipal swimming offer to residents, if the existing pool plant or building infrastructure breaks down before a viable alternative plan has been shaped, resourced and implemented.

9. **Comments of the Managing Director**

9.1 Given the age and condition of the building and plant at the current Sansome Walk site this project has grown in urgency in recent months with the recognition that any new development on an alternative site would require an 18-24 month build programme. However, this option provides continuity and a seamless service for customers who otherwise face an 18 month period without any alternative swimming provision, if the decision is taken to pursue the development of the existing site.

9.2 There is strong evidence that high quality sport and physical activity delivered effectively and in the right location can contribute to outcomes that the public consider to be high priorities:

- Healthy communities
- Economic vitality and workforce development
- Safe, strong and cohesive communities
- Meeting the needs of children and young people

9.3 The Options Appraisal report provides an in depth analysis of the situation and will support officers in shaping and rationalising the future leisure offer for the citizens of Worcester. The immediate need to resolve the future of the swimming pool offers us a window of opportunity to review sport and leisure provision across the city (including the facilities on the dual use sites).

10. **THE CABINET MEMBER FOR SAFER AND STRONGER COMMUNITIES, COUNCILLOR JABBA RIAZ RECOMMENDS:**

That the Cabinet approve:

- 1. The preferred swimming pool development model (including the mix of facilities) and the preferred site location.**
- 2. The development of a full business case including detailed viability modelling, procurement options, a user specification, outline planning permission, and funding options, to be funded from the Swimming Pool Reserve.**
- 3. The delegation to the Corporate Director in consultation with the relevant Portfolio Holder, authority to procure and appoint external advisers to develop the business case.**
- 4. The implementation of the consultation project as detailed.**
- 5. The outline project plan (Appendix 2).**

Ward(s): All
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Background Papers: