London Borough of Sutton
The Executive – 8 June 2009
Report of the Executive Head of Leisure & Libraries

LEISURE FACILITIES STRATEGY - IMPLEMENTATION PLAN

Ward Location:  Not Applicable

Author(s) and Contact Phone Number(s):
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Area Served:  Borough Wide

Executive Councillor:
Councillor Graham Tope, Lead Member for Leisure & Libraries

Key Decision Report

Summary
Following the completion of a Leisure Facility Strategy in 2008 an Implementation Plan has been prepared. It sets out a provisional programme that could see Cheam Leisure Centre replaced by a new leisure centre in the west of the borough in 2015. Westcroft Leisure Centre is in need of major refurbishment and it is hoped that a phased refurbishment/upgrading programme takes place in 2012 and 2013. These major areas of work will be subject to the availability of funding and planning considerations.

Recommendations
I recommend the Executive to:

a)  Agree that Cheam Leisure Centre be replaced by a new leisure centre in the west of the borough with a target opening date of 2015, subject to available funding and planning considerations.

b)  Agree that Westcroft Leisure Centre be refurbished over an eighteen month period (as part of a phased development, 2012–2013), subject to available funding.

c)  Agree the Refurbishment and Replacement Plan set out in the report, subject to available funding and planning considerations, noting that Cheam Leisure Centre will remain open until a new Centre is built.

d)  Note the Outline Implementation Plan set out in this report.

1. Background
Leisure Facilities Strategy

1.1  In January 2008 the consultants Capita Symonds completed a detailed and comprehensive ‘Leisure Facilities Strategy’ for the Council. The study had set out a strategic planning approach with options, looking at the future provision of sport and recreation facilities.

1.2  The key findings of the Leisure Facilities Strategy were presented to the Executive on 7 April 2008. The Executive resolved:

   i.  To note the key findings of the Leisure Facilities Strategy and recognise the complex issues that need to be addressed.
ii. To agree that an implementation plan is prepared, based on the information within the Leisure Facilities Strategy, and the findings/ details reported to The Executive.

iii. To agree to extend the Leisure Management contract with GLL until 31 December 2009, under the existing service and financial arrangements, with an option to extend for a further year to 31 December 2010 if required, to allow time for a revised procurement strategy to be completed.

1.3 The study prepared by Capita Symonds is a thorough and extensive strategy. It contained a wealth of research data; financial information; revenue and capital projections; procurement and management options; trends and statistical information; technical guidance and facility development considerations.

1.4 Over the last few months the key high level issues have been investigated and analysed and an Outline Implementation Plan has been prepared. The process has been made a little more complex and difficult due to the current economic climate and associated cost fluctuations.

Leisure Centre Procurement Programme

1.5 Also linked to the work undertaken by Capita Symonds are the issues surrounding the future management of leisure centres. The London Borough of Sutton has the responsibility for four leisure centres (Westcroft, Cheam, Sutton Arena and the Phoenix Centre). They are all currently run and operated by an external social enterprise organisation called GLL. The Council exercised the option to extend this contract until the end of December 2010. To let a leisure centre contract of this size requires a 15 month period, so work on this project needs to commence as soon as possible. (See the report ‘Future Management of Leisure Centres’ elsewhere on the agenda).

2. Issues

Leisure Facilities Strategy

2.1 The Leisure Facilities Strategy has primarily concentrated on three areas:

- The future of Cheam Leisure Centre and possible replacement
- The investment needed at Westcroft Leisure Centre
- Future management of the leisure centres.

(a) Cheam Leisure Centre/ New Provision

2.2 Cheam Leisure Centre is over seventy years old and is not meeting the needs of the local catchment. It is proposed that the centre is replaced by another leisure centre, serving the western areas of the borough. A suggested schedule of accommodation for a new centre, based on local needs is set out in Appendix ‘A’.

2.3 A site for the new centre has not, as yet, been identified. It is suggested that it should not be the existing Cheam Leisure Centre site as the footprint is really too small to accommodate a new facility. Additionally the capital receipt from the sale of this land is needed as a financial contribution towards the new build. Also, Cheam Leisure Centre can be kept open whilst a new centre can be built, so there will be no loss of service.

2.4 Set out in Appendices ‘B’ and ‘C’ is an outline plan of work needed to be undertaken, with timescales, to build and operate a new centre and the closure period for Cheam Leisure Centre. However, Cheam Leisure Centre will remain open and operational to at least 2015.
2.5 Westcroft Leisure Centre (WLC) is a large facility generating annual income levels in excess of £2.2 million. This sum is vital to the Council and must be protected, where possible. At the moment, WLC is looking tired and dated. It is not meeting modern standards and expectations. The Capita Symonds study identified that in excess of £8 million is needed to improve the centres plant, structure, mechanical and electrical services as well as radical improvements to public and leisure areas. Appendix ‘B’ sets out an outline timetable for a refurbishment/ upgrading programme for WLC.

2.6 A Refurbishment and Replacement Plan is set out in Appendix ‘C’ for future leisure centre provision. Due to the current economic climate and the time needed to bring together a finance package to undertake this programme, there will be a three year period before works commence.

2.7 Subject to available funding and planning considerations, it is hoped that Westcroft Leisure Centre will be refurbished, as part of a phased programme, over an 18 month period in 2012/13 and from the start of 2014 a new leisure centre will be constructed and open to the public in 2015. During this period Cheam Leisure Centre will remain open.

2.8 There is a detailed report elsewhere on this agenda – ‘Future Management of Leisure Centres ’, which covers this area of work.

3. Financial Implications

3.1 The main financial issue is the ability to fund these proposals. Given the current constraints on capital resources, it would be very difficult to fund a new leisure centre in the near future. It is uncertain when the property market may improve and sufficient capital receipts could be generated to be able to self fund this scheme.

3.2 The ability for a phased major upgrading of the Westcroft Leisure Centre from 2012 to 2013 is similarly constrained by the lack of capital resources. The report from Capita Symonds suggests that major work to improve this facility would cost in excess of £8m.

3.3 The Council is therefore currently examining the feasibility of establishing a Local Asset Backed Vehicle (LABV) that could be used both to finance the refurbishment of Westcroft Leisure Centre and to build a new facility in the west of the borough. A separate report seeking approval to develop a business case for setting up a LABV is due to be considered by the July meeting of the Executive.

3.4 The Capital Replacement Programme for 2009/10 includes a schedule of works at both Cheam and Westcroft to keep the facilities operational. This is mainly mechanical renewals and some associated electrical works. The works planned at Cheam total £205k and include replacement of one of the filters and upgrading of lighting. The work at Westcroft totals £253k and includes provision of mechanical extraction in both pools and improvement of pool lighting. Further work is planned for 2012/13.

3.5 Due to the way in which the leisure facilities contract operates there is a limit to the amount of works that can be undertaken on the Council’s leisure centres before VAT problems arise through the Council’s 5% partial exemption calculation. It is estimated that the cap on works being carried out in any one year is approximately £2m and this would need to be taken into account when phasing any planned work. If the limit was breached it could lead to a withdrawal of the exemption
costing the Council over £1m in any one year. Any plans would be subject to identifying sufficient and viable sources of funding as well as obtaining any necessary planning permissions. The partial exemption problem will not occur if the Council decides to use a LABV as a means of funding the improvements to its leisure facilities or alternatively is able to restructure the management agreement to avoid incurring costs that would be attributable to the partial exemption calculation.

4. Influence of the Council’s Core Values
4.1 This service contributes to the core values working in partnership with local people, making facilities accessible and providing high quality cost effective services.

5. Equality and Diversity Impact Assessment
5.1 Leisure has an important contribution to make to the well being of the community. Programmes at the centres can contribute to economic activity, support key areas of social policy (from education to social services); improve the health of residents; it can bring together local communities and introduce an identity; enable groups to represent themselves; the development of sport – elite and just for fun; help develop the skills of young people and provide opportunities for the voluntary sector and community activity.

6. Background Papers
Leisure Facilities Strategy (LFS) – Capita Symonds 2007/08
LFS File (1), (2), (3)
The Executive – 7 April 2008
LEISURE FACILITIES STRATEGY
OUTLINE IMPLEMENTATION PLAN

Schedule of Accommodation for a new leisure centre

- 6 – 8 lane swimming pool (with floating floor).
- Teaching pool.
- Pool spectator seating (to meet gala requirements).
- Sports Hall (4 badminton court size).
- Reception.
- Café / vending.
- Crèche.
- Children’s play facility.
- Fitness Gym (100 station minimum).
- Dance Studio x 2.
- Changing Rooms.
- Car Parking.
## LEISURE FACILITIES STRATEGY – OUTLINE IMPLEMENTATION PLAN

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<td>Awareness campaign for users/ public for new facility.</td>
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<td>Closure of Cheam Leisure Centre and secure site.</td>
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<td>Implement disposals plan and development of site.</td>
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<td>Refurbish/ Upgrade (phased programme).</td>
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<td>Identify changes to leisure/ public areas (and cost).</td>
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<td>Agree revenue implications of works and ongoing revenue position with contractor after work.</td>
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<td>Prepare phased programme of works with leisure centre operator.</td>
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<td>Inform public/ users of above programme.</td>
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<td>Relocate classes/ activities to other sites (if possible).</td>
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<td>Agree to replace Cheam Leisure Centre.</td>
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<td>Confirm schedule of accommodation.</td>
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<td>Review planning issues.</td>
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<td>Prepare design brief.</td>
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<td>Prepare revenue statement.</td>
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<td>Prepare operating plans/ targets.</td>
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<td>Agree revenue position with leisure centres operator.</td>
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<td>Marketing/ awareness/ ‘opening’ plan.</td>
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Leisure – Refurbishment/ Replacement Programme*  
2009 – 2015

(* excluding external planning conditions)

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<td>Westcroft Leisure Centre (WLC)</td>
<td>Keep WLC operational (1)</td>
<td>Close WLC on a phased basis for major refurbishment work (2)</td>
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<td>Cheam Leisure Centre (CLC)</td>
<td>Keep CLC operational with ongoing maintenance programme (3)</td>
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<td>Close CLC (4)</td>
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<td>New Leisure Centre</td>
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<td>Build new leisure centre (6)</td>
<td>New centre open and operational (7)</td>
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Notes:  
(1) Ongoing maintenance will continue to keep Westcroft Leisure Centre open.  
(2) A phased programme of closures (including possible total closures) will be needed to refurbish the centre.  
(3) Cheam Leisure Centre (CLC) will need to be kept open until mid 2015.  
(4) A closure and demolition programme will be needed for CLC.  
(5) Work to dispose of the CLC site will commence at the start of 2013.  
(6) A new leisure centre can be built in approximately 18 months.  
(7) The new leisure centre to open in 2015.