

## **WAVERLEY BOROUGH COUNCIL**

### **COMMUNITY WELLBEING OVERVIEW & SCRUTINY**

**17 SEPTEMBER 2019**

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**Title:**

**LEISURE INVESTMENT PROGRAMME**

**[Portfolio Holder: Cllr Beaman]**

**[Wards Affected: Cranleigh, Farnham and Godalming]**

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**Summary and purpose:**

To receive an update on the project milestones of investment for Cranleigh Leisure Centre and the progress of investment in Godalming and Farnham leisure centres.

To consider how often to receive an update on the Leisure Centre Investment programme.

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**How this report relates to the Council's Corporate Priorities:**

The wellbeing and prosperity of our communities is a priority for the Council and the provision of leisure and recreational facilities will enable residents to be active, lead a healthy lifestyle and where appropriate progress their sporting ambitions.

Future investment in leisure facilities will be based on a robust feasibility assessment that offers value for money to the Council. External funding and developer contributions will be sought to supplement any capital cost.

**Equality and Diversity Implications:**

There are no direct equality and diversity implications in this report. Equality impact assessments are carried out when necessary across the Council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

**Financial Implications:**

All programme projects will have appropriate financial due diligence as they are developed with budget impact and implications clearly identified before decisions are taken.

**Legal Implications:**

The Legal Services team has supported all aspects of the investment programme and its associated officers groups since inception. This will continue throughout the life of the programme in relation to all three leisure sites.

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**1. Background**

As part of the continued improvement of our leisure facilities a feasibility study was completed in October 2017, by SLC consultancy, to identify viable options for future leisure investment across Waverley. The outcomes of the feasibility report were supported by a robust assessment of the need for improved leisure facilities in Waverley.

A summary of the viable options derived from the SLC report were presented to the Community Wellbeing O&S Committee in November 2017 and were received positively.

In July 2018 Council approved the following:

1. A capital budget of £3.22m, with officers to progress with more detailed specification and procurement of the Farnham and Godalming leisure centre schemes, subject to negotiations with Places for People on future management fee payments (PfP);
2. The Farnham and Godalming schemes to be funded as shown below, with the final funding arrangement be delegated to the Strategic Director (S151 Officer) and the Deputy Leader;

	<b>£ m</b>
Contribution from Brightwells Capital Receipt	2.5
Section 106 and other developer contributions	0.6
Other capital receipts	0.12
<b>Total funding</b>	<b>3.22</b>

3. That officers be given the delegated authority to negotiate the management fee terms for the remainder of the contract with PfP, on the basis that the extended facilities are delivered;
4. That authority be delegated to the Strategic Director in consultation with the Deputy Leader to enter into appropriate lease and/or contractual arrangements to enable the car park lease extension at Godalming Leisure Centre.
5. That the Council commits to a multi-million pound investment in leisure facilities in Cranleigh and that officers begin a detailed consultation, with the support of external consultants, to identify a potential location for the Cranleigh Leisure Centre and report back to Executive.

## **Conclusion**

### **Cranleigh Leisure Centre**

The current facility has exceeded the life expectancy of a building of this nature. Doing nothing will still incur significant repairs and maintenance costs projected to be £Ms over the next 5 years. These costs would merely be supporting a failing building to ensure a leisure provision exists in Cranleigh at which point further investment would still need to be committed.

Previous leisure investments have been funded by Waverley and have seen a positive financial return. The size of the capital investment for Cranleigh is higher than first envisaged in 2017 and will necessitate a loan which will have additional costs and risks. Despite additional borrowing costs, savings on current provision costs are forecast following

investment, however, a return on investment seen on previous projects will not be achievable.

It is important to recognise that this is not simply a financial investment. The substantial community benefits of a new leisure offering in Cranleigh must be taken into consideration when evaluating the investment in this scheme.

The Sport, Leisure and Culture Consultancy (SLC) has provided a final report with outcomes of the six-month location consultation, including detailed cost estimates and 15-year revenue business plans showing projected income and expenditure for the viable location options.

Further to the findings of the SLC report an Investment Appraisal (business case) for each viable location option has been carried out by our Accountancy team and with costings updated. Work has now started on reviewing differing funding models to understand if a financially viable scheme can be found.

In addition a detailed Communications Plan has been drafted and agreed with the Leisure Investment Programme Board.

### **Farnham Leisure Centre**

Contract terms have been agreed with Places Leisure, Project Manager, and Pozzoni, Architect, for an extension to the current leisure centre. This will incorporate a children's soft play and climbing facility, with the addition of a larger café area, to improve the offering to the local community.

Discussion with Places Leisure is taking place to explore the potential facility service opportunities to guarantee the management fee uplift projected by SLC.

### **Godalming Leisure Centre**

Contract terms have been agreed with Places Leisure, Project Manager, and Pozzoni, Architect, for an extension of the current site to increase the size of the gym by 35 stations, introduce a second dance studio and double the size of members changing facilities.

The scheme also includes an extension of the existing car park creating approximately 88 additional spaces on an unused corner of the adjacent Broadwater School owned by Surrey County Council.

The additional car parking is a key element to alleviate the existing parking issues and the discussions with both Broadwater School and Surrey County Council have been very productive and they are fully supportive of our project.

SCC have confirmed that we need to obtain Secretary of State Approval for the school land car park lease. We have drafted the necessary Secretary of State applications, which are now being reviewed and submitted by the SCC legal team to the Department for Education.

### **Recommendation**

That progress reports on the Leisure Investment Programme are brought to Overview & Scrutiny regularly as a standing item.

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#### Background Papers

- Options Appraisal for future leisure centre investment December 2017
  - Indoor Leisure Facilities Strategy 2017-2027
  - Executive Report - LEISURE CENTRE INVESTMENT: FARNHAM, GODALMING AND CRANLEIGH – 10 JULY 2018
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