

**WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE**

**3 MARCH 2020**

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**Title:**

**Farnham Leisure Centre Investment**

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**Portfolio Holder:** Cllr D Beaman, Portfolio Holder for Health & Wellbeing

**Head of Service:** Kelvin Mills, Head of Commercial Services

**Key decision:** Yes

**Access:** Public

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**1. Purpose and summary**

- 1.1 In July 2018 Council approved a capital scheme to extend Farnham Leisure Centre and expand the facilities. This report provides an update on the Farnham leisure investment project and requests approval for some changes to the proposed facilities which will be met from the existing approved budget, namely extended adventure (soft) play, larger café and seating, new energy efficiencies and closure of the creche.

**2. Recommendation(s)**

It is recommended that the Executive:

- 2.1 Agrees the revised facility mix for Farnham Leisure Centre, including the closure of the crèche, reflecting the extremely low usage and the minimal impact identified in the Equality Impact Assessment;
- 2.2 Gives officers delegated authority to deliver the development project, including the procurement of the contractor;
- 2.3 Agrees that energy efficiency, carbon reduction opportunities are explored and where possible and subject to being within budget are embedded within the project, as part of the Council's Climate Emergency Action Plan.

**3. Reason for the recommendation(s)**

To progress the investment in facilities at Farnham Leisure Centre taking account of developments since the original approval of the facility mix and budget.

**4. Background**

- 4.1 In July 2018 Council approved a capital budget of £1.5M to progress with the more detailed specification and procurement of the Farnham Leisure Centre scheme,

subject to negotiations with Places Leisure on future management fee payments for the remainder of the management contract (until the end of June 2023).

- 4.2 The proposal included an extension to incorporate a children's soft play and climbing facility, with the addition of a larger café area. It involved the relocation of the current offices. The local supply of such facilities in the surrounding area was low, therefore offering an opportunity for Farnham Leisure Centre to improve and diversify the current offering.
- 4.3 Officers were given the delegated authority to negotiate the management fee terms for the remainder of the contract with Places Leisure, on the basis that the extended facilities are delivered.
- 4.4 It was also agreed that Places Leisure are employed to project manage the Farnham Leisure Centre project.

### **Developed proposals**

- 4.5 Following Council approval in 2018 the project proposals have been further explored. Unfortunately the specialist operator of the climbing facility, which formed part of the conceptual plan, is no longer an option as they have subsequently approved installations in Alton and Fleet and has therefore confirmed that such a facility at Farnham is not now available to the Council. Discussion with Places Leisure has concluded that due to a significant increase in local climbing provision since July 2018, it is now not financially viable to include a climbing facility as part of the project.
- 4.6 Consequently officers have explored other service opportunities with Places Leisure. New proposals include extending the adventure play offer with a much larger activity space and additional connected seating, while still retaining the original increased café area.
- 4.7 Further negotiation with Places Leisure has identified a number of options to deliver the enhanced facilities and improved revenue position. As per the 2018 delegation, Officers will continue to negotiate with Places Leisure to agree the best facility provision and associated revenue return.
- 4.8 Options to utilise technologies to make the facility more energy efficient are also being explored with the aim of reducing energy consumption and carbon emissions. Initial draft proposals indicate invest-to-save opportunities such as a new Combined Heat and Power (CHP) facility, boilers, shower units, pool covers, windows and plant. Some of these initiatives could have an additional initial cost but will improve the revenue position and are in line with the Council's Climate Emergency declaration.
- 4.9 Places Leisure have recommended closure of the creche due to the significant decline in usage and this will enable the revised new facility mix to be provided. In the past quarter the creche has had an average attendance of 4 children per day, which is an average of 15% capacity. Central Government funding is now available to parents, offering 30 hrs free childcare for children aged 3 and 4 years. In addition, the local area is well served by other childcare settings and the leisure centre provides a range of parent and child activities, and the new adventure play provision would be focused on children.

- 4.10 An Equality Impact Assessment has been carried out to assess the impact of having no creche provision in Farnham (Annexe 1). The conclusion being that there is minimal impact only on those parents or carers who have no other means of childcare and who will no longer be able to attend classes or activities at the centre.

## **Timeline**

- 4.11 The milestones for Farnham Leisure Centre facility improvement project are:
- Pre-construction phase completion (design, feasibility, planning process and procurement) = Spring 2021
  - Leisure centre extension construction completion = Spring 2022

## **Conclusion**

- 4.12 The leisure investment agreed by Council will put the Council in the best possible position for tendering the next leisure management contract in 2023 and will maximise the Council's revenue position up to that point. The Equality Impact Assessment regarding creche closure highlights the minimal impact on customers due to the low usage, but will contribute to the wider corporate objectives.

## **5. Relationship to the Corporate Strategy and Service Plan(s)**

- 5.1 The leisure investment in Farnham Leisure Centre directly links with Waverley's new Corporate Strategy and the vision to promote and sustain: a financially sound Waverley, with infrastructure and services fit for the future; high quality public services accessible for all, including sports, leisure, arts, culture and open spaces; and a thriving local economy, supporting local businesses and employment.
- 5.2 The provision of quality leisure facilities in Farnham will directly facilitate the Council pledge to: encourage affordable access to sports and leisure facilities and the arts for all; improve leisure services across the borough, focusing on health inequalities in the borough and seeking to ensure that no area is disadvantaged; and improve facilities for young people.
- 5.3 Future investment in leisure facilities is based on a robust feasibility assessment that offers value for money to the Council.

## **6. Implications of decision(s)**

### **6.1 Resource (Finance, procurement, staffing, IT)**

The July 2018 approval of funds for the Farnham Leisure Centre project remains, therefore no further funds are requested. The financing of this is as previously approved, using both S106 and developer contributions and capital receipts. Despite the loss of the climbing wall facility from the project, the proposed changes above ensure the improved management fee level is maintained and the business case remains feasible.

### **6.2 Risk management**

A comprehensive Risk Log is in place, which is monitored by the Leisure Investment Project Working Group whom meet weekly and Leisure Investment Programme Board whom meet monthly.

### **6.3 Legal**

The Legal Services team is currently supporting this project as part of officers' leisure investment working group and the Leisure Investment Programme Board. Should the Executive agree this report's recommendations, legal advice will be provided in respect of the renegotiation of any arrangements with Places Leisure under the current management contract, together with any other implications arising from a decision to proceed with this project.

### **6.4 Equality, diversity and inclusion**

An Equality Impact Assessment has been completed (Annexe 1) which concludes that the overall impact of the creche closure is likely to be very low.

### **6.5 Climate emergency declaration**

The leisure centre development is the opportunity to implement new energy efficiency options highlighted in the independent report to reduce the leisure centres carbon footprint.

## **7. Consultation and engagement**

7.1 The leisure investments were approved by Council in July 2018 and have subsequently been to Executive Briefing and Community O&S.

## **8. Other options considered**

7.1 The proposed scheme is based on the findings of the Indoor Leisure Facilities Strategy and increased need to meet future demand.

## **9. Governance journey**

8.1 This leisure investment report is going to Executive for update and approval.

### **Annexes:**

Annexe 1 Equality Impact Assessment for creche closure

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### **Background Papers**

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: 11 February 2020 (Dan Bainbridge)

Head of Finance: 19 February 2020 (Graeme Clark and Rosie Plaistowe)

Strategic Director: 19 February 2020 (Graeme Clark)

Portfolio Holder: Awaiting approval