

Information requested by the Community Wellbeing O&S Committee of the call-in decision taken by the Executive 3 March 2020 regarding the Farnham Leisure Centre

- Committee papers – original decision July 2018 including full financial appraisal and business case
Capital expenditure scheme to show where the original budget sat
- Research and evidence – financial breakdown of increasing the soft play and café including capital and revenue impact, particularly compared to the original proposals. Where will this difference in finances be felt?

Did the developments in Farnham (Brightwells etc) feature in the consideration (if so have we got papers on this?)
- Places for People – information regarding who instigated the decision. Is this a Waverley led change?

Can we be sure the number of users of the crèche reflects the number of potential users (e.g. Cllr Deanus’ point about business decision to shrink the facility before changing it)
- C&C – where is their evidence/policy on not having two facilities within X number of people?
- Consultation – how were the users of the crèche consulted if at all and how was the decision communicated?

	Request from Committee	Purpose	Response
Official/ committee papers	<ol style="list-style-type: none"> 1. July 2018 approved capital scheme 2. Copy of 2018 Council papers including full financial appraisal 	To understand exactly what was agreed in July 2018.	<p>Full information is detailed in the Leisure centre investment Executive report – July 2018, which included that the Executive recommends to Council that:</p> <ol style="list-style-type: none"> 1. A capital budget of £3.22m is agreed and officers 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 are funded as per the table included in the financial implications section and the final funding arrangement be delegated to the Strategic Director (S151 Officer) and the Deputy Leader

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Research undertaken/ evidence	3. Full financial breakdown of proposed changes and cost benefit for each.	To judge if the Executive came to the right decision (if not, O&S can make a recommendation to this effect)	The business risk sits with Places Leisure, whilst we benefit from secured increased management fee and in addition indirectly if profits exceed projections on the 50:50 split. We base all investments upon the guaranteed management fee uplift excluding any profit share. As per recommendation 1 officers had negotiated the same overall management fee improvement, regardless of the slight change in facility mix. Therefore the business case remained the same as July 2018 report. Full costings would be explored during the design phase and detailed procurement process.
	4. Details of cost savings not having the climbing wall, both in terms of capital and revenue.	To understand the full impact (short and long term) of the change to facilities	
	5. Any variances (particularly financial) between the original proposal and the report dated 3 March. If so where does this saving/expense sit?	To understand the immediate cost implication between original and proposed and to understand where this saving/expense goes to/comes from.	This element would become clearer within the detailed procurement process, which follows the formal recommendation. In discussions with Places Leisure it felt prudent to maintain the outline budget. The removal of a climbing facility would be replaced by a larger enhanced soft play offering and it was felt that the overall saving within the build costs would be minimal, if any. The saving, if any, would be on the build costs and therefore would reduce the overall costs to Waverley.
	6. Details of SWOT analysis (or similar) where the 300 dwellings from Brightwells and additional workers have been considered.	To show that the decision was informed by full consideration of the long-term impacts of developments in the town	The SLC Options Appraisal for Future Leisure Centre Investment 2017 and the Indoor Leisure Facilities Strategy 2017-2027, informed the decision to invest in the leisure centres, took in to consideration the estimates for new houses based on the dwelling controlled statistics 2013-2032 as per the Local Plan. Both documents helped inform the original concept proposals, reflecting on the latent demand analysis and taking into account Brightwells and all housing developments in the Farnham area. Key elements relating to this decision in the Strategy:

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			<p>Page 20 – which summarises current Farnham leisure offering with the recommendation of ‘improving the facility mix at Farnham Leisure Centre’</p> <p>Page 22 – Recommendation ‘to consider extension and enhancements to Farnham and Godalming Leisure Centres to contribute to the wider health and wellbeing needs.....’</p>
	7. Evidence to show that increasing the size of soft play will increase profit and evidence to justify increases to the café.	Evidence to support the claim that the proposed change will deliver the benefit claimed.	<p>As the business risk lies with Places Leisure WBC were able to secure the same guaranteed return with the new layout, as compared with the original which included climbing.</p> <p>The negotiated increased management fee was based on the increased size of the soft play, so we would be guaranteed to see the benefit.</p>
Places for People	8. Business case proposal from Places for People that supported the Council decision in 2018	To understand why the original decision was made to allow the Committee to judge if the change is in line with this	<p>Full information is detailed in the Leisure centre investment Executive report – July 2018, which included that the Executive recommends to Council that:</p> <ol style="list-style-type: none"> 1. A capital budget of £3.22m is agreed and officers 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 are funded as per the table included in the financial implications section and the final funding arrangement be delegated to the Strategic Director (S151 Officer) and the Deputy Leader. <p><u>Business Case</u></p> <p>Projections for the additional income generated by the proposed investment at Farnham Leisure Centre were based upon anticipated visitor numbers for the soft play and ‘clip and climb’ facilities. They also included assumptions regarding the number of children’s parties and the secondary spend associated with such facilities.</p>

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			<p>The additional expenditure included staffing and other associated operational costs together with proportionate additional central costs and operator profit. The figures were also inclusive of professional fees and contingency.</p> <p>The 15-year revenue business plan shown in Exempt Annexe 3 also included an indicative repayment for the £1.475M development cost. These repayments assume the capital funding for this development will be taken from Waverley reserves and no borrowing charges will apply. The extended facilities at Farnham Leisure Centre were estimated by SCL to generate an average operational surplus. The figure is detailed within Exempt Annexe 3 and is subject to negotiation and agreement with the operator PfP.</p>
	<p>9. Details of correspondence between P for P and Waverley Borough Council where the proposed changes were discussed</p>	<p>To understand if the change was instigated by Waverley or Places for People</p>	<p>The Farnham leisure investment was instigated by Waverley to meet our corporate and service priorities. As per Council approval in July 2018 we have worked with Places Leisure to develop the proposals outlined in the report.</p> <p>It may be possible to highlight key emails but the negotiations were instigated by WBC when it became apparent that we could not deliver the original facilities detailed within the 2018 report. As the recommendations were only specific to the business case the decision was made that it did not need further scrutiny however the PfH was keen to ensure the decision was discussed publically hence the decision to take the report to Executive.</p>
	<p>10. 'Audit trail' regarding the closure of the crèche – who requested this? Documentation to show how this came about/was proposed</p>	<p>As above</p>	<p>As detailed in the report Places Leisure proposed the closure of the creche during discussions regarding the facility mix.</p> <p>Despite Places Leisure marketing the creche to centre users the figures in the O&S report show that the usage has been declining for a number of years and that this is not a quick demise due to Places Leisure trying to 'shrink it'.</p> <p>The implementation of the Government offer of 30 hours free childcare</p>

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			<p>funding for children aged 3 and 4 years old has significantly decreased the demand for creche services due to a wide range of free childcare providers in the area.</p>
	<p>11. Details of communication or proposals where the viability of a climbing wall was considered and the evidence of any impact assessment of the climbing walls in Fleet and Alton (to include any viability assessment)</p>	<p>To understand the evidence behind the reasoning of having X many climbing walls in X population</p>	<p>Clip 'n Climb are the leading climbing supplier and a company that Places Leisure use in other facilities. Due to new installations in Alton and Fleet, Clip 'n Climb would not approve a facility in Farnham as they feel that the market is not sufficient enough to ensure the success of three franchises in such close proximity. The new local installations have been agreed and implemented post Council approval in July 2018 and unfortunately fundamentally change the 'territory available'. Places Leisure have over 100 leisure centres across the country and have a vast amount of specialist industry knowledge. They share the view of Clip 'n Climb and that there is not enough demand to justify another climbing facility.</p> <p>Extracts from two conversations/emails; <i>11/10/19 – 'We have just heard that unfortunately the Clip n Climb did get approval at Fleet therefore it cannot be included at Farnham'</i> <i>24/05/19 – Phone call received from Clip 'n Climb stating that our territory is not available</i></p> <p>As Places Leisure take the business risk on these decisions it is ultimately their decision. Negotiations between WBC & Places Leisure secured the same payback as agreed at Council with a slight change to facilities, this was felt to be in line with the original recommendations approved in July 2018.</p>

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	12. What is the carbon impact of people from Farnham driving to Fleet/Alton rather than using a climbing wall at Farnham?	To enable to Committee to consider the Executive's decision in light of the Climate Emergency declaration	This is extremely difficult to calculate as any climbing facility would have people travelling to and from different locations. The only certainty is that there is no climbing provision in Farnham at present, so no increase from 'as is' due to it being omitted from the concept design.
	13. What proactive work did P for P do to improve the use of the crèche before the decision was made?	To understand if the lack of users was genuine or part of a wider business plan	As detailed in the report Places Leisure proposed the closure of the creche during discussions regarding the facility mix. Despite Places Leisure marketing the creche to centre users the figures in the O&S report show that the usage has been declining for a number of years and that this is not a quick demise due to Places Leisure trying to 'shrink it'. The implementation of the Government offer of 30 hours free childcare funding for children aged 3 and 4 years old has significantly decreased the demand for creche services due to a wide range of free childcare providers in the area.
Consultation	14. Details of consultation taken place with crèche users prior to 3 March	To understand what consultation exercises and results were used to inform the decision	Due to the very small number of customers utilising the service (average of 4.5 per day) consultation was not considered. However, a full Equality Impact Assessment was completed to identify any matters for consideration and submitted to O&S as part of the original report.
	15. Details of any post decision communication with those users of the crèche	To understand how the decision was communicated to crèche users	As with all Executive decisions, no action was taken within the 5 days after the decision was made in order to allow for the call-in process, therefore no post-decision communication has taken place.