

WAVERLEY BOROUGH COUNCIL

COUNCIL

14 DECEMBER 2021

Title:

Cranleigh Leisure Centre Investment

Portfolio Holder: Cllr Liz Townsend – Economic Development, Leisure and Dunsfold
Cllr Mark Merryweather – Finance, Assets and Commercial

Head of Service: Kelvin Mills, Head of Commercial Services

Key decision: Yes

Access: Part Exempt

Note pursuant to Section 100B(5) of the Local Government Act 1972

Annexes 1 and 4 to this report contain exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

ANNEXE 1 - SLC FEASIBILITY UPDATE REPORT 2021
ANNEXE 4 - INVESTMENT APPRAISAL

1. Purpose and summary

1.1 This report provides an update on the Cranleigh Leisure Centre investment project. Focusing on the outcomes of the Options Appraisal conducted in 2019 and the Feasibility Update Report completed in September 2021 (Exempt Annexe 1) allowing for the impact of the pandemic on any potential business case.

2. Recommendations

It is recommended that the Executive considers the findings of this report and recommends to Council:

2.1 that a capital budget of £19.95m be allocated to deliver a low carbon new-build Cranleigh Leisure Centre, to a minimum of Passivhaus standard;

2.2 that officers appoint a project manager and specialist energy consultant as part of the professional technical services team, to be supported by an in-house client

team and to approve an associated budget of £250,000;

- 2.3 to approve a new-build leisure centre on Village Way car park, subject to planning, (Option 1, to the north of the existing centre) as the preferred location, as set out within Annexe 1 of the report; and
- 2.4 to ask officers to report back to members when final costs, design, preferred contractor, and precise funding arrangements are known.

3. Reason for the recommendations

Project background

- 3.1 Following Council commitment to a multi-million-pound investment in leisure facilities in Cranleigh, the Sport, Leisure and Culture Consultancy ('SLC') were appointed to conduct an Options Appraisal to explore the alternative site options for development of a new leisure facility for Cranleigh.
- 3.2 In March 2020 the Council put all corporate projects on hold due to the Covid-19 pandemic.
- 3.3 In September 2021 a Feasibility Update Report was undertaken by SLC to test the conclusions from the earlier, pre-pandemic Options Appraisal. The report can be found in Exempt Annexe 1.

Leisure centre background

- 3.4 Cranleigh Leisure Centre was built in 1969 with an expected lifespan of 40 years. The Centre was refurbished in 2009 at a total cost of £1.67m. The works did not include any structural work or the replacement of any mechanical and electrical plant or any structural work to the pool tanks.
- 3.5 Cranleigh Leisure Centre is one of five leisure centres within the Waverley contract and runs at an annual deficit with a payment of c£150,000 p.a. paid to the contractor to operate the centre.
- 3.6 Due to the age of the leisure centre (52 years) major maintenance and repair costs, on the mechanical plant and structure, are now unavoidable. There have been several unforeseen closures due to the failure of plant and roofing. A high risk of further issues and plant failure is likely to impose partial facility closure. The longer the delay before further investment is made, the greater the investment required to simply maintain and keep the centre open.
- 3.7 Independent building surveys have concluded that to sustain the current building and facilities as they are (with no improvements) will cost the Council c£6m over the next 5 years. It is important to note that this maintenance work will offer no return on investment and further significant investment would be required to retain provision.
- 3.8 Within the Indoor Built Facilities Strategy Cranleigh Leisure Centre was graded as 'below average', in terms of the condition of the building. This significantly

increases the importance of finding a solution for this site as a matter of urgency.

- 3.9 Cranleigh is experiencing a significant number of new housing growth. In addition, planning consent has been given to build 1,800 new homes at Dunsfold Park, and a total allocation within the Local Plan of 2,600 homes by 2032. Planned developments will increase demand and as the main facility the leisure centre no longer meets the needs of the local community. The latent demand analysis has identified an undersupply for health and fitness (gym), as well as children's swimming lessons.
- 3.10 SLC developed a recommended facility mix for the new centre by building on the findings of the Indoor Built Facilities Strategy and through supplementary supply and demand analysis, which considered future population growth linked to housing development. Subsequent consultation with Places Leisure and the Council, and SLC's industry knowledge of the current market, helped to explore the potential concept facility mix as;
- 25m x 6 lane main pool
 - 13m x 7m teaching pool with moveable floor
 - Spectator seating – 100 for main pool and 20 for teaching pool
 - 110 station gym
 - multi-purpose exercise studios
 - 1 indoor cycling studio
 - squash courts (with moveable wall partition)
 - Soft play area (120 sqm on two levels)
 - Consultation / Treatment rooms
 - Sauna / Steam
 - Café (50 covers)
 - Reception and office space.
- 3.11 Potential space for 'health provision' has also been considered. A separate options report working with the Health Alliance will explore this option more fully and be reported back to Council.

Location Options Appraisal - SLC report summary 2019

- 3.12 Consultation with Cranleigh Parish Council, Ward Councillors, and the Council in its function as Local Planning Authority revealed that there are no suitable locations beyond the boundary of the Village Way site and there is a strong desire to retain a central location for the new leisure centre to enhance the High Street.
- 3.13 SLC and officers attended meetings with Ward Councillors and Cranleigh Parish Council in January 2019 to provide an outline of the work undertaken previously as part of SLC's initial options appraisal and an update on the additional work being undertaken to explore options for a new leisure centre in Cranleigh. The meetings were also designed to obtain feedback on the emerging site options and to identify any alternative options.
- 3.14 Consultation with Ward Councillors and Cranleigh Parish Council did not reveal any alternative site options beyond those identified by SLC. Ward Councillors were of the view that the new build option 1 was their preferred location, to ensure continuity of service. Cranleigh Parish Council were of the view that the Village

Way site is the most appropriate and that the location of the existing centre is the optimal position for the new leisure centre. They also expressed a preference for a new build on this site rather than a remodel, despite the implications that this would have upon continuity of service

- 3.15 To maintain a village centre location officers identified and explored a number of potential sites. All locations have been summarised in Annexe 2.
- 3.16 A total of five development location options were further explored by SLC, two of which are situated in the same location as the existing centre and three which occupy alternative locations on the Village Way site.
1. New build on Village Way car park (to the north of the existing Centre)
 2. New build on current site
 3. Re-model of current site
 4. New build on tennis courts and car park (southeast corner of Village Way site)
 5. New build on east side of car park (eastern boundary of Village Way site)
- 3.17 The scheme for the new build on Village Way car park (option 1), shown in Annexe 3, has adopted a more holistic approach by enhancing the wider site through improved public realm, pedestrian access, landscaping and community space. Feedback from the Planning Authority on this revised scheme has been positive and the planning risks associated with this option have been reduced accordingly.
- 3.18 Option 1 has the added benefit of maintaining continuity of service throughout the development, thereby minimising disruption to users and avoiding the Council needing to pay compensation (if the centre were to close before the contract ends) to the Council's operating partner, Places Leisure. It also minimises the risk of existing centre users choosing to move to other providers during the build programme.
- 3.19 The options for the same location as the existing centre (options 2 and 3) are potentially the lowest risk in Planning terms; but would result in significant loss of service for at least two years whilst the new centre is being built.

Preferred location

- 3.20 SLC's shortlisting of options and subsequent evaluation has identified the new build on Village Way car park (option 1) as the preferred scheme for the following reasons:
- a. It avoids any loss of service to the community as the new centre can be opened before the existing centre closes
 - b. It provides the strongest revenue position for the Council and has no negative financial impact upon the remaining term of the existing management contract with Places Leisure
 - c. It has an optimal layout and provides an opportunity to contribute strongly to improvements to the wider Village Way site through a more holistic approach to master planning
 - d. The scheme has received favourable feedback from the Planning Authority which recognises the opportunity to improve the relationship with the High Street and provide a new community square
 - e. It can be designed, constructed and opened approximately four months sooner

than a new build on the existing site.

- 3.21 The preferred location would help to maintain all leisure centre services for the community, including heavily subscribed activities such as swimming lessons, swimming club and Friday Night Project. It will also have a less negative impact on secondary visitors to the high street and local employment.
- 3.22 Officers have met with the Cranleigh Market leaseholder who have confirmed that they have no issue with the potential of moving to another location during the works.

Feasibility Update Report – SLC report summary 2021

- 3.23 The findings from the newly commissioned Feasibility Update (Exempt Annexe 1) confirmed that the facility mix, and preferred location identified within the 2019 Options Appraisal still stands.
- 3.24 Although the pandemic has had substantial impact on the operation on the leisure centres throughout the last eighteen months, the appetite of residents to return to use the leisure centres has given confidence to the market. The industry is recovering well, and Waverley leisure centres are recovering faster than many others. This results from previous investment into the leisure stock and the management of the sites by our contractor.
- 3.25 The pandemic and other global factors have hit the supply chain and the cost of materials. This additional cost has been estimated at c£1m and has been incorporated into the financial analysis carried out within this report.
- 3.26 Given the timescales involved in the construction of a new centre on this site, work will not start on the ground until after the current leisure management contract ends in June 2023 and will form part of the new contract period. These timescales will provide time for the market to fully recover and the inclusion of a ‘new build’ option within any tender documents increases the attractiveness to potential partners.

Project timescales

- 3.27 SLC has prepared an indicative delivery programme for the preferred option, which is set out below.

Delivery Stage	Period (weeks)	Date
Council approval to proceed		January 2022
Prepare brief and procure design team, undertake surveys and specialist reports	32	November 2022
Design up to detailed planning application and planning application period	33	July 2023
Detailed design, discharge of planning conditions and construction information	24	December 2023
Procure and appoint contractor	16	July 2024
Construction phase 1: construct new leisure centre	64	June 2025
All facilities open to community	169	June 2025

Construction phase 2: demolish existing centre and construct external works and additional car parking	16	
Total	185	October 2025

3.28 It is important to note that these are only indicative timescales at this stage and are likely to change when the design is developed, and the contract is procured.

Climate Emergency Implications

3.29 The Climate Emergency declaration, adopted in September 2019, commits the Council to aim to become carbon neutral by 2030 and take a leadership role in working with partners to achieve this. The Council recognises that business as usual is not an option, it is therefore essential that all opportunities to minimise the carbon impact of any new buildings are explored.

3.30 Leisure centres are by nature very energy intensive buildings and in 2015/16 accounted for 47% of Waverley's organisational greenhouse gas emissions. Cranleigh Leisure Centre is the most dated of our leisure portfolio and therefore the majority of the plant equipment will be less efficient. In terms of Waverley's carbon footprint, in 2019/20 Cranleigh Leisure Centre accounted for 11% (424 tCO₂) of the councils' total greenhouse gas emissions.

3.31 A new build leisure centre offers an exciting opportunity to maximise energy efficiency, show case innovative technologies and even become a flagship low carbon project. A Passivhaus leisure centre would offer a 60%-70% reduction in carbon emissions against a standard build leisure centre.

3.32 A significant carbon reduction which would not only support the climate emergency agenda but also result in a significant reduction in energy costs for the new building. The Passivhaus concept focuses on passive design, looking at the building orientation, maximising air tightness and fabric efficiency before incorporating the most efficient technologies and renewables to supply heat and electricity.

3.33 There are currently only two leisure centres in the UK designed to Passivhaus standards. The first one in Exeter was completed in July 2021 and claims to have achieved 70% efficiency in energy and 50% efficiency in water use. The second one, to be built by Spelthorne Borough Council, has just acquired planning permission, and is designed to achieve up to 60% energy efficiency.

3.34 A Passivhaus design would only take the building so far in terms of minimising carbon emissions. In order to achieve a net zero leisure centre, it is likely there would be a requirement to offset unavoidable emissions. This can be done through a number of options that will be better understood at the design stage of the project. It is not possible to identify the cost of reaching zero carbon this early in the process. Offsetting options could include:

- a) Connecting to a district heating system in the vicinity (for example a ground source heat pump). Cost per kwh of heat imported will apply.
- b) Connecting to a Solar Farm via a private wire if onsite renewable is not sufficient. Cost per kWh of electricity imported will apply.
- c) Offsetting through tree planting. According to the Woodland Trust it would cost £25/t CO₂/year to offset in UK tree planting. International tree planting schemes cost approximately £1.20/tCO₂/year

d) Allowable Solutions which is a financial contribution scheme made for each tonne of CO₂ that cannot be offset for a period of 30 years. This contribution is of the region of £95/tCO₂.

- 3.35 Each new leisure development is unique in its facility mix, location and aspiration. Equally the approach to an energy strategy is also unique. The carbon footprint of the current Cranleigh leisure centre in 2019/20 was 424 tCO₂. Although it is not possible to calculate the carbon footprint of a new Cranleigh Leisure Centre this early in the process, the Spelthorne Leisure Centre could be used as an example to demonstrate indicative carbon emissions of a new build. The Energy Strategy produced for Spelthorne Leisure centre, states that its baseline emissions would be 211 tCO₂. The incorporation of Passivhaus design principles, will reduce this by 55% to 98 tCO₂ per year. If there was an aspiration for it to be a zero-carbon building there would be a requirement to offset the 98 tCO₂.
- 3.36 The inclusion of a sauna is one of the facility elements that will need to be carefully considered in terms of its carbon intensity within the overall design. A sauna is run on electricity and would typically operate for 12hour per day, 362 days a year. This equates to approximately 43,500 kwh consumption and 10 tonnes of CO₂ per annum. However, if the electricity is supplied by onsite Solar PV, it could be carbon neutral.
- 3.37 Energy Consultants will be engaged as part of the design stage to produce an Energy Strategy, exploring all options to minimise the carbon impact of a new Cranleigh Leisure Centre to remain within the agreed budget including Passivhaus standard. Renewable energy generation should be at the heart of the strategy, exploring onsite renewables as well as the potential of connecting to a district heating system in the vicinity.

Finance and Budget Implications

- 3.38 Officers have carried out an Investment Appraisal based on the preferred option 1 - new build on car park (Exempt Annexe 4). These figures are based on SLC's detailed cost estimates, Sport England figures and Places Leisure costings.
- 3.39 The total budget requested for the new build project includes a 15% uplift in capital cost to deliver a low carbon/Passivhaus standard leisure centre. Building to this standard will benefit from significantly reduced energy bills over the lifetime of the centre. Based on information from the two Passivhaus leisure centres that are currently under construction in the UK, the payback on the additional investment is estimated between 10-14 years.
- 3.40 Waverley does not currently have sufficient capital funds available to finance this project. Currently there is up to £1.66m developer contributions identified which can be used to support this project. Further funding options will continue to be sought, both external grants and further developer contributions such as Community Infrastructure levy (CIL).
- 3.41 The shortfall in funding will require external borrowing. The investment appraisal includes costs of borrowing the additional funding required. Any further grants achieved will reduce the borrowing required and therefore the borrowing costs borne by the project.

- 3.42 Officers consider that this project would be eligible for Public Works Loan Board (PWLB) borrowing under the Treasury's new rules.
- 3.43 Borrowing costs do have risks associated as the Public Works Loan Board (PWLB) rates can change with little or no prior notice. To mitigate this risk officers will monitor rates to identify when may be most appropriate to borrow. A fixed rate, fixed term loan would be secured which would mitigate the risk of interest rate movements and give certainty to the council for financial planning.
- 3.44 The new build option identified provides an annual saving when looking at average revenue costs, compared to continuing with the current site as is, and will provide an improved service for the future.
- 3.45 A new build on Village Way car park, will have an impact on the Council through loss of parking, as areas of the car park will require closure during the build period. However, this will be minimal as current usage has been assessed and confirmed that there is sufficient capacity to allow works and still provide sufficient parking provision within the village.
- 3.46 This new location also includes additional external works (c. £400k) required to improve the wider Village Way site through the creation of the new community square, market area, open views towards Littlemead Brook and Snoxhall (recreation) Fields, improved pedestrian routes, landscaping and reconfigured car parking.
- 3.47 A new build on the existing site would have a substantial impact on service provision, with a complete loss of service for a two-to-three-year period. This will also impact customer usage upon opening a new centre, as it will take longer to attract members after a significant period of closure.
- 3.48 Additional staff support, specifically within the Leisure and Legal teams, is required to deliver this corporate project and costs for this have been allowed for within the financial forecasting.

Conclusion

- 3.49 The current facility has exceeded the life expectancy of a building of this nature. Doing nothing will incur significant repairs and maintenance costs projected to be in excess of £6m over the next five years. Those costs would merely be supporting a failing building to ensure a leisure provision exists in Cranleigh. Further significant investment would still need to be committed or the centre would have to close.
- 3.50 As referenced in this report, the operational closures, highlight the deteriorating condition of the building and potential unforeseen issues that could occur. Weekly maintenance problems are being reported by Places Leisure and are being rectified as best possible. However, this reinforces the conclusion that the building and services we provide are at very high risk of closure.
- 3.51 Previous leisure investments have been funded by the Council and resulted in 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. However, following investment, savings are forecast to help offset this.

- 3.52 It is important to recognise that this is not simply a financial investment. The facility mix directly affects the customer experience, in turn increasing usage and driving membership which is paramount to a successful new build project. Therefore, the extensive social value, and community health and wellbeing benefits of a new leisure centre in Cranleigh must be taken into consideration when evaluating the investment in this scheme. An Impact Assessment has been carried out to highlight the substantial impact of having no leisure centre in Cranleigh (Annexe 5).
- 3.53 A new build leisure centre offers an exciting opportunity to maximise energy efficiency and reduce carbon emissions for the Council and even become a flagship low carbon project. Energy Consultants will be engaged as part of the design stage to produce an Energy Strategy exploring all options to minimise the carbon impact of the new Cranleigh Leisure Centre.
- 3.54 The new build on Village Way car park (option 1) is the preferred location from both service provision and revenue perspectives. There is an overall net positive impact on the cost of the service and would provide advanced facilities to serve the growing community for at least the next 40 years.

4. Relationship to the Corporate Strategy and Service Plan

- 4.1 The leisure investment directly links with Waverley's Corporate Strategy 2020-25 and our strategic priorities:
- Supporting a strong, resilient local economy
 - Taking action on Climate Emergency and protecting the environment
 - Effective strategic planning and development management to meet the needs of our communities
 - Improving the health and wellbeing of our residents and communities
- 4.2 The provision of quality leisure facilities will directly facilitate the Council's vision to promote:
- high quality public services accessible for all
 - a financially sound Waverley, with infrastructure and resilient services fit for the future
 - a strong, resilient local economy, supporting local businesses and employment
 - effective strategic planning and development management which supports the planning and infrastructure needs of local communities
 - a sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet
 - the health and wellbeing of our communities.
- 4.3 Future investment in leisure facilities is based on a robust feasibility assessment that offers value for money to the Council. External funding and developer contributions will be sought to support funding of any capital cost.

- 4.4 If leisure provision were not continued to be provided in Cranleigh this would have a negative impact on the health and well-being of the community and the local economy, as there would likely be a significant reduction in secondary visits to the High Street and on local employment.
- 4.5 The collaboration with Guildford Borough Council has been considered as part of this feasibility study. The leisure needs of the Cranleigh area are clearly identifiable and the number of increased housing within the area demands an updated leisure centre. Any future collaboration will not impact this, as a new leisure centre will only enhance the viability of the combined or separated leisure stock.

5. Implications of decision(s)

5.1 Resource (Finance, procurement, staffing, IT)

The view of SLC is that a new leisure centre is likely to see a significant uplift in management fee for the new leisure management contract commencing in July 2023.

Financial implications are detailed in the body of the report above. The investment is forecast to take Waverley from a current forecast annual average cost of £760k to a potential annual average cost of £328k once maintenance costs and financing costs are considered. Due diligence on this business plan will be undertaken at an appropriate stage.

Officers will seek external treasury management advice due to the size of the investment to achieve best value for money.

5.2 Risk management

A comprehensive Risk Log is in place, which will be monitored by a Leisure Investment Project Working Group who will meet weekly.

5.3 Legal

The Legal Services team is supporting this project as part of officers' leisure investment working group. Should the Council agree this report's recommendations from the Executive, 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.

The current leisure management contract expires on 30 June 2023, with no provision or ability for a further extension.

Future legal work on the contractual and land aspects involved with the site will be complex and multi-faceted, and the budget for that work is included within the financial section of this report.

5.4 Equality, diversity and inclusion

There are significant Equality and Diversity implications associated to a 'no leisure provision' option, which are clearly identified in the Impact Assessment

(Annexe 5).

5.5 Climate emergency declaration

A new build leisure centre is the opportunity to make a significant contribution to the council's commitment to become zero carbon by 2030. Cranleigh Leisure Centre accounts for 11% of the council's greenhouse gas emissions therefore the impact of a Passivhaus/low carbon building will be significant, potentially reducing carbon emission and energy costs by 60%-70%. Further detail is outlined in sections 3.27 to 3.34 of this report.

6. Consultation and engagement

- 6.1 Key stakeholders were involved in the location consultation: Ward Councillors, Cranleigh Parish Council, Places Leisure, and the Local Planning Authority.
- 6.2 Key stakeholders will continue to be involved at all relevant stages of the project moving forwards.

7. Other options considered

- 7.1 All options considered have been incorporated into the report above.

8. Governance journey

- 8.1 The leisure investment report is going to Overview & Scrutiny Committee, Executive and Council.

Annexes:

- Annexe 1 SLC Feasibility Update report 2021
- Annexe 2 Location options
- Annexe 3 Preferred scheme plan
- Annexe 4 Investment Appraisal
- Annexe 5 Impact Assessment

Background Papers

There are background papers, as defined by Section 100D(5) of the Local Government Act 1972).

- 1. The Sport, Leisure and Culture Consultancy – Cranleigh Leisure Centre Options Appraisal (July 2019)
- 2. Indoor Leisure Facilities Strategy (May 2017)
- 3. Cranleigh Leisure Centre energy efficiency and carbon reduction review (February 2020)
- 4. Cranleigh Leisure Centre Building Survey (Condition Appraisal) (November 2019)

CONTACT OFFICER:

Name: Tamsin McLeod
Position: Leisure Services Manager
Telephone: 01483 523423
Email: tamsin.mcleod@waverley.gov.uk

Name: Kelvin Mills
Position: Head of Commercial Services
Telephone: 01483 523432
Email: kelvin.mills@waverley.gov.uk

Agreed and signed off by:
Legal Services: 13/10/21
Head of Finance: 28/10/21
Strategic Director: 13/10/21
Portfolio Holder: 13/10/21

Annexe 1 – SLC Feasibility Update report 2021 (Exempt)

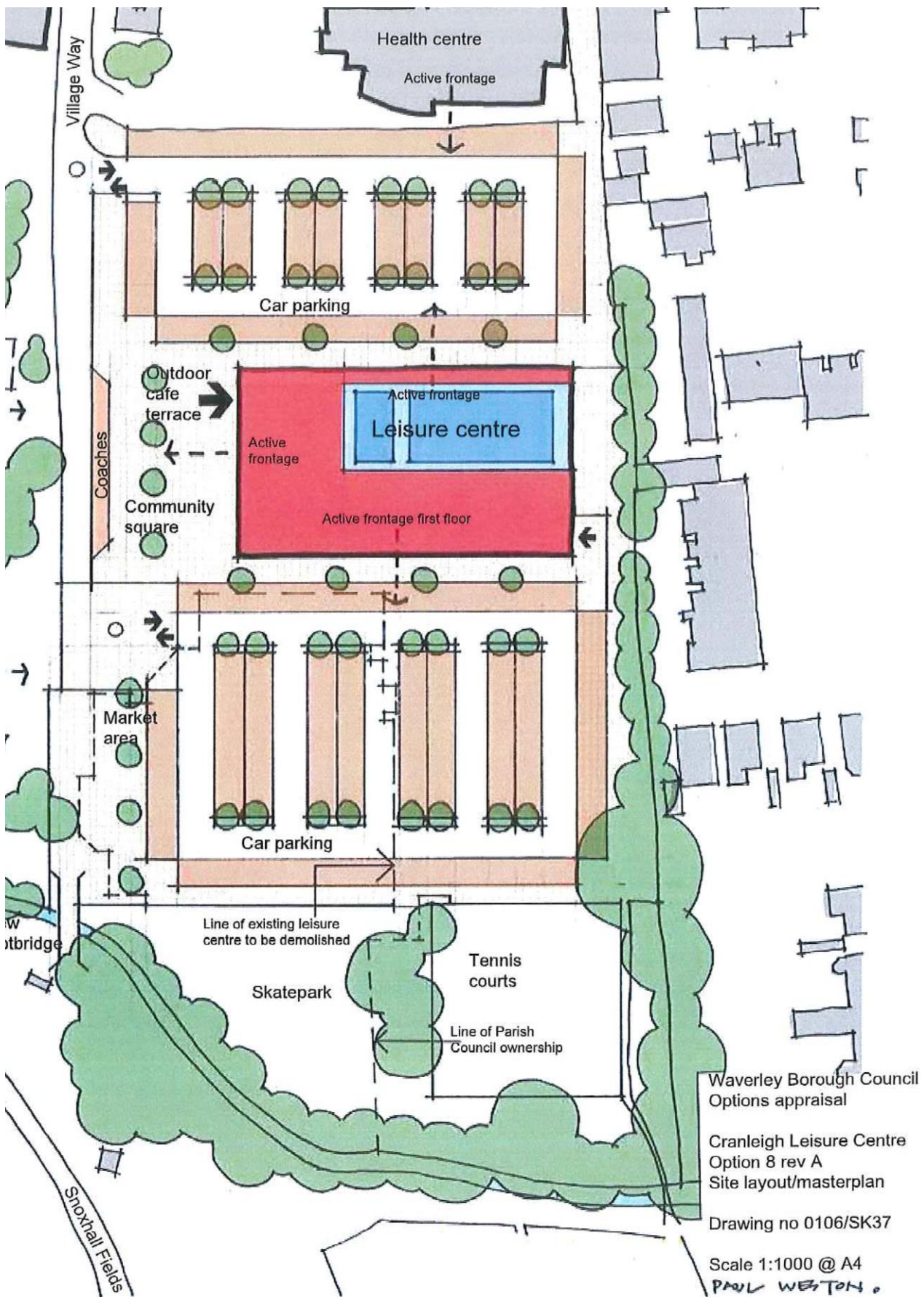
(Attached as separate documents)

Annexe 2 - Location options

No.	Site Option	Status	Strengths	Challenges
1	New build in centre of car park	Preferred Option	Existing leisure centre operation can be maintained with some external disruption. Waverley Borough Council land ownership. Highways: no strategic objection. Footprint of existing leisure centre can be replaced with additional car parking.	Planning requires building to have four active elevations. Loss of car parking during construction.
2	New build on current site	Option	Planning support in principle – building remains as focal point. Opportunity for additional car parking around building and entrance. Highways: no strategic objection	Loss of income during construction period of 2 to 3 years. Complete loss of service to customers and members for 2 to 3 years. Renegotiation of current contract with operator Places Leisure required.
3	Re-model of current site	Discounted due to building condition: Cost does not balance against life expectancy of building and structural risk too high.	Existing leisure centre can be refurbished/remodelled in phases. Waverley Borough Council land ownership Highways: no strategic objection.	Building structure: Major pool tank issues and primary structure risks. Loss of income during construction phases. Loss of service during construction phases.
4	Tennis courts and car park	Discounted due to planning risks: Loss of focal point in the “square”. Concern over visual impact on neighbouring properties. Loss of tennis court and skate park. Flood risk implications.	Existing leisure centre operation can be maintained with some external disruption.	Requires acquisition of Parish Council land. Mature trees would need to be removed. Service and coach access through car park “square”. Loss of car parking during construction.
5	East side of car park	Discounted due to planning risks: Loss of focal point in the “square”. Concern over visual impact on neighbouring properties. Flood risk implications.	Existing leisure centre operation can be maintained with some external disruption.	Mature trees would need to be removed. Service and coach access through car park. Impact on neighbouring properties. Loss of car parking during construction.
6	North side of car park (portrait)	Discounted due to planning risks: Not supported due to siting and impact on function, legibility and usability of central “square”. Requires building to have four active elevations.	Existing leisure centre operation can be maintained with some external disruption. Waverley Borough Council land ownership. Highways: no strategic objection. Footprint of existing leisure centre can be replaced with additional car parking.	Planning not supported. Impact on neighbouring properties. Service and coach access through car park. Loss of car parking during construction.

7	West side Parish Council land	<p>Discounted due to planning and highways risks: Loss of focal building on site, adverse impact on amenity of adjoining residential properties, significant change in built form compared to existing, flood risk concerns.</p>	Existing leisure centre operation can be maintained with some external disruption.	<p>Requires acquisition of Parish Council land. Mature trees to be removed. Insufficient site area unless Village Way land is encroached or over-sailed. Highways: require Construction Management Plan as part of formal planning submission. Vehicle and pedestrian movement management during construction is a concern. Parish Council buildings would need to be relocated prior to works commencing and consequent additional cost.</p>
8	Snoxhall Fields	<p>Discounted due to planning risks: Outside settlement boundary, impact on green belt and Area of Strategic Visual Importance, building and car parking would impact upon landscape, concern over connection with centre of village, flood risk concerns.</p> <p>Discounted due to Highways risks: Unacceptable due to lack of safe and suitable access onto Knowle Lane which could only be improved by bridge widening and new footpaths.</p>	Existing leisure centre operation can be maintained throughout construction.	<p>Requires acquisition of Parish Council land. Planning not supported. Highways not supported. Requires construction of additional car parking. Requires relocation of play area or pitches and consequent additional cost.</p>
9	Bruce McKenzie Memorial Fields	<p>Discounted due to planning risks: Outside settlement boundary, impact on green belt and Area of Strategic Visual Importance, building and car parking would impact upon landscape, concern over connection with centre of village, flood risk concerns.</p> <p>Discounted due to Highways risks: Unacceptable due to lack of safe and suitable access onto Knowle Lane which could only be improved by bridge widening and new footpaths.</p>	Existing leisure centre operation can be maintained throughout construction.	<p>Requires acquisition of Parish Council land. Planning not supported. Highways not supported. Requires construction of additional car parking. Requires services to the site.</p>

**Annexe 3 - Preferred scheme plan
(New build on Village Way car park, to the north of the centre)**



Annexe 4 – Investment Appraisal (Exempt)

Attached as a separate document.

Annexe 5 - Impact Assessment

Cranleigh Leisure Centre Impact Assessment – No leisure centre provision

The assessment is based on closing and demolishing the building and therefore having no public Council leisure provision from the end of the management contract in June 2023.

	Positive	Negative
Political	<ol style="list-style-type: none"> Under the current financial constraints Leisure is seen as discretionary and 'nice to have' and therefore expendable when faced with funding decisions. 	<ol style="list-style-type: none"> Leisure services rate highly with the public and cutting these can generate significant negative local media and public opposition.
Economic	<ol style="list-style-type: none"> Saving of annual management fee payment, circa £160,000 per annum, until June 2023 when contract terminates. Saving of ongoing maintenance costs, which are projected as circa £7M over next 5 years (based on building surveys). 	<ol style="list-style-type: none"> Loss of potential contract-wide profit share for the Council. Loss of a public facilities in Cranleigh with no direct like for like replacement for clubs, which is likely to result in the demise of the swimming club, gymnastics club and squash league. Places Leisure staff redundancies for those that cannot or do not want to be relocated. Three established sub-lets (including the Police) which will suffer severe disruption, potentially devastating, impact on their business. Loss of health & wellbeing services for the local community which prevent further illness and increased costs for the NHS. The leisure centre is a key component in this process providing facilities and services for the prevention and rehabilitation of individuals. Current concessionary rates provided for individuals on low income with no direct like for like replacement and who are less likely to access alternative provision due to transport costs.
Health & Social		<ol style="list-style-type: none"> Decrease in residents' physical and mental health activity, circa 354,215 visits/year. Increase in levels of health inequality for residents of Cranleigh in comparison to other Waverley main population centres – Godalming, Haslemere and Farnham, especially those of protected characteristics who may find it more difficult to access facilities elsewhere. Loss of club/group activity: <ol style="list-style-type: none"> 15.5 swimming club/club hours per week (775 hours/year) 6 squash club/school hours per week (300 hours/year)

- c) 1 specialist school per hour per week (50 hours/year)
- d) 13 schools throughout the year
- 4. Loss of services for young people that provide focus, distraction, and wellbeing opportunities which in turn also helps to reduce anti-social behaviour. Specifically, 2,615 visits for 11-17 year olds to the Friday Night Project.
- 5. Loss of delivery of targeted health activities with attendance circa 25,000 visits per annum. Including: poor health prevention and management (such as the GP referral, cardiac, dementia, stroke and cancer rehab programmes), preventing social isolation, diversionary Anti-Social Behaviour (ASB) activities, and supporting healthy lifestyles and people with disabilities.
- 6. Increased difficulty for residents to access services in a rural borough, with the lowest density of population in Surrey and the lowest Connectivity Index. Depression is a key concern in Waverley as the Borough has the highest rate (13.5%) of depression amongst residents in Surrey and above the national average.
- 7. Loss of wider benefits including local focus for creating a sense of place, opportunities for social contact and community cohesion and contribution to economic development objectives.

Legal

- 1. Negotiation required with Places Leisure to terminate contract early, with associated costs incurred (amount unknown at this time).
- 2. The Covenant on the current leisure centre land stipulates that it must be used for leisure/recreation provision.

Environmental

- 1. Demolishing the building will eliminate energy usage and therefore the direct carbon footprint.
- 1. Increased car journeys (circa 354,215 p/a) and therefore associated traffic and emissions for local residents to travel and access other public leisure facilities, which are a minimum of 10 miles away (1hr and £8 by public transport).