

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

7 MARCH 2023

Title:

Cranleigh Leisure Centre new build tender

Portfolio Holder: Cllr Liz Townsend, Planning and Economic Development

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

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 This report provides an update on the current position of the Cranleigh Leisure Centre new build project and presents recommendations for approval to award contracts for the design team (as specified in 3.6) following completion of the procurement process.

2. Recommendations

It is recommended the Executive:

1. Approve the award of contracts to the design team and other professional services required to reach RIBA stage 5, following completion of the procurement processes; and
2. Delegate authority to the Strategic Director for Transformation & Governance to complete all required contractual documentation and approve execution of the contract documentation.

3. Reason for the recommendation

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 conclusions from the earlier, pre-pandemic Options Appraisal.
- 3.4 At full Council on 14 December 2021, it was approved:
- 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;
 - 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;
 - 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
 - to ask officers to report back to members when final costs, design, preferred contractor, and precise funding arrangements are known.
- 3.5 A Project Working Group (PWG) was duly formed to deliver a new leisure facility for Cranleigh that will meet the demands of the local community, in terms of facility mix, but also deliver a low carbon building in accordance with Waverley's net zero carbon by 2030 commitment.
- 3.6 The PWG have worked on drafting a lead designer (Architect) brief who will act as Project Manager/Lead Consultant to RIBA stage 4. This role will manage the design team comprising of, but not limited to;
- a. Energy consultant
 - b. Cost consultant
 - c. Quantity Surveyor
 - d. M&E consultant

Leisure Management Contract specification

- 3.7 The PWG have made excellent progress and are on programme to deliver the new Leisure Management Contract (LMC) and associated specification, which includes the Cranleigh Leisure Centre new build as an integral part of the business plan investment strategy.
- 3.8 The new Contract commences in July 2023. The tender is currently out to the market with revised returns due in early February. The programme for the new build project is therefore inextricably linked and informed by the LMC process.
- 3.9 The successful leisure operator will manage the current leisure centre and play a critical role in the detailed development of the new leisure centre design and specification from July 2023.

4.0 Relationship to the Corporate Strategy and Service Plan

- 4.1 The Leisure Management Contract 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.

5. Implications of decision(s)

- 5.1 **Resource (Finance, procurement, staffing, IT)**
Budget for the design team and other professional services required to reach, and include, RIBA stage 4 has been provided within the project budget. The total approved budget provided for professional costs related to the project is circa £2.5m. This budget is included in the project costs of £19.95m and the £250,000 identified in paragraph 3.4 above.
- 5.2 **Risk management**
A comprehensive Risk Log is in place, which is monitored by the PWG and CLC new build Project Board.
- 5.3 **Legal**
The current leisure management contract expires on 30 June 2023, with no provision or ability to further extend. The procurement process will comply with UK procurement legislation and the Council's procurement procedure rules. External solicitors are assisting with the procurement.
- 5.4 **Equality, diversity and inclusion**
There are no Equality and Diversity implications associated to the matters raised in this report.
- 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 could be significant, potentially reducing the carbon emission and energy cost of the new build by 60%-70%.

6. Consultation and engagement

- 6.1 Project Board have approved the Architect brief, which was shared with Well North Enterprises as part of the potential wider master planning project in collaboration with Surrey Heartlands Integrated Care Systems.
- 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 Formal Executive approval is being sought in advance of the tender outcome being known, so as to not delay the Contract award.

Annexes

There are no annexes.

Background Papers

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

- 1. Executive report, dated 30 November 2021, Title: Cranleigh Leisure Centre Investment
 - 2. Cranleigh Leisure Centre Building Survey - Condition Appraisal (July 2022)
 - 3. The Sport, Leisure and Culture Consultancy – Cranleigh Leisure Centre Feasibility Study Update (September 2021)
 - 4. Cranleigh Leisure Centre energy efficiency and carbon reduction review (February 2020)
 - 5. The Sport, Leisure and Culture Consultancy – Cranleigh Leisure Centre Options Appraisal (July 2019)
 - 6. Indoor Leisure Facilities Strategy (May 2017)
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Agreed and signed off by:

Legal Services: Stephen Rix, Executive Head of Legal & Democratic Services (Interim) & Monitoring Officer, 19/01/23
Head of Finance: Rosie Plaistowe, Financial Services Manager, 25/01/23
Strategic Director: Ian Doyle, Joint Strategic Director for Transformation & Governance, 26/01/23
Portfolio Holder: Cllr Liz Townsend, Planning and Economic Development, 25/01/23