



Report of the Director of City Development

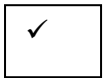
Executive Board

Date: 13th May 2009

Subject: Design and Cost Report - Leisure Centre Refurbishment & Free Swimming Capital Modernisation – pot 4 round 1

Electoral Wards Affected:

Chapel Allerton, Pudsey, Crossgates & Whinmoor



Ward Members consulted
(referred to in report)

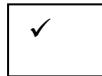
Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In



Not Eligible for Call In

(Details contained in the report)



EXECUTIVE SUMMARY

1. This report seeks injection into the capital programme of £572,300 consisting of the Department of Culture, Media and Sport (DCMS) Free Swimming Capital Modernisation Programme pot 4 (£410,000), Prudential Borrowing (£30,000) and City Council budgets (totaling £132,300).
2. The report also seeks the authority to spend
 - a. £512,300 on the refurbishment of the changing rooms at Scott Hall Leisure Centre.
 - b. £90,000 on the installation of sound and light systems in the pool halls at Scott Hall, John Smeaton and Pudsey Leisure Centres, thus achieving the criteria set by DCMS for the award of this funding.
 - c. £30,000 on the extension of the Bodyline Gym at Scott Hall Leisure Centre.

1.0 Purpose Of This Report

- 1.1 To seek injection of £572,300 for the DCMS Free Swimming Capital Modernisation Programme and Leeds City Council budgets.
- 1.2 To seek authority to spend of £602,300 on capital works at Scott Hall, Pudsey and John Smeaton Leisure Centres to achieve the aims of the funding.
- 1.3 To seek authority to spend for the unsupported borrowing of £30,000 on the conversion of a squash court to Bodyline Gym at Scott Hall Leisure Centre.

2.0 Background Information

- 2.1 In December 2008, the Council was invited to apply for funding to pay for capital works related to pot 4 of the Free Swimming Capital Modernisation Programme.
- 2.2 On 30th March 2009, the Council received notification from Sport England that applications for the refurbishment of the changing rooms at Scott Hall Leisure Centre (£340,000) and the installation of sound and light systems for Scott Hall, Pudsey and John Smeaton Leisure Centres (£70,000) have been successful.
- 2.3 To qualify for the external funding, match funding is required from the Council. This has been found from internal budgets: £20,000 revenue from within City Development and £60,000 from within Corporate Property Management. A further £112,300 has been identified through Council budgets to enhance the changing room refurbishment at Scott Hall Leisure Centre.
- 2.4 Further works are proposed at Scott Hall Leisure Centre, in converting one squash court to further Bodyline Gym space.

3.0 Main Issues

- 3.1 Design Proposals / Scheme Description

The funding will allow Sport and Active Recreation to:

- a. Refurbish Scott Hall Leisure Centre – stage 1. Following a feasibility study carried out by SDA, the cost of the following works will cost £442,882, plus fees of £69,481.
 - New disabled changing room
 - Removal of the current male and female changing rooms
 - Replacement with 'village' style changing rooms
 - New toilet and shower areas
 - New changing cubicles – family, double and single sized
 - Associated mechanical and electrical works.
- b. Refurbish Scott Hall Leisure Centre – stage 2. For £30,000, conversion of one squash court to extend the existing Bodyline Gym space, allowing an extra 17 pieces of equipment to be accommodated.
- c. Install sound and light systems in the pool halls at Scott Hall, Pudsey and John Smeaton Leisure Centres at a cost of £90,000. This will allow for enhanced facilities for the younger customers (parties and discos) and for disabled

swimmers (sensory sessions), as well as atmospheric lighting and music for older swimmers wishing for a less competitive environment in the pool.

3.2 Consultations

An extensive consultation has recently been carried out through the 'Vision for Sport'. Findings of this consultation highlighted a general level of dissatisfaction with the level of quality in Council Leisure Centres, and a requirement to provide more exciting pools for young people to swim in.

Inner East Area Members have also been consulted regarding the Scott Hall works.

3.3 Programme

One of the requirements of the external funding is that it is spent by 31st March 2010. There will be a requirement to close Scott Hall Leisure Centre whilst the works are completed. This time will be kept to a minimum to reduce disruption to centre users.

4.0 Implications For Council Policy And Governance

4.1 Leeds Strategic Plan:

Strategic Outcome: 'Increased participation in cultural opportunities through engaging with all our communities.'

Improvement Priority 'By 2012 we want to enable more people to become involved in sport and culture by providing better quality and wider ranging activities and facilities.'

Improvement Priority: reduce emissions from public sector buildings

4.2 'Vision for Sport': Scott Hall and Pudsey Leisure Centres were both identified in the Vision for Sport executive report of December 2008 as requiring refurbishment.

4.3 John Smeaton Leisure Centre has recently been rebuilt on the John Smeaton Community High School site, with a new sound and light system adding significant value to the site.

5.0 Legal And Resource Implications Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	562.8			562.8			
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	69.5			69.5			
OTHER COSTS (7)	0.0						
TOTALS	632.3	0.0	0.0	632.3	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012 on £000's
Government Grant	410.0			410			
Deptl Prudential borrowing	30.0			30.0			
RCCO	20.0			20.0			
Leeds CC	172.3			172.3			
Total Funding	632.3	0.0	0.0	632.3	0.0	0.0	0.0

- 5.1 £410,000 has been secured from DCMS as part of the Free Swimming Capital Modernisation Programme.
- 5.2 Prudential Borrowing will allow the Council to access £30,000 for the conversion of the squash court to Bodyline Gym at Scott Hall Leisure centre. Approval was given for this was given by FPG in February 2009. A business case is attached in appendix A.
- 5.3 Council funding is available through the following budgets:
- £112,300 from capital scheme number 14268.
 - £20,000 from Sport and Active Recreation revenue
 - £60,000 from Corporate Property Management

Scheme Number: 14268 SCO 000
Title : Scott hall refurbishment

Scheme Number: 14268 SCO SAL
Title: Scott hall sound and light

Scheme Number: 14268 PUD SAL
Title: Pudsey sound and light

Scheme Number: 14268 JSM SAL
Title: John Smeaton sound and light

Revenue Effects

Members are asked to note that there will be a period when the leisure centre at Scott Hall will be closed for a short period due to the changing room refurbishments. This time will be kept to a minimum to reduce loss of income and inconvenience to users.

Risk Assessments

Funding for this scheme has already been received by the Council from DCMS. There is a risk that it cannot be completed by 31 March 2010, this funding will be lost.

6.0 Recommendations

6.1 Members are asked to approve:

- a. Injection of £572,300 consisting of DCMS Free Swimming Capital Modernisation Programme pot 4 (£410,000), Prudential Borrowing (£30,000) and Leeds City Council budgets (totaling £132,300).
- b. Authority to spend:
 - £512,300 on the refurbishment of the changing rooms at Scott Hall Leisure Centre.
 - £90,000 on the installation of sound and light systems in the pool halls at Scott Hall, John Smeaton and Pudsey Leisure Centres, thus achieving the criteria set by DCMS for the award of this funding.
 - £30,000 on the extension of the Bodyline Gym at Scott Hall Leisure Centre through Prudential Borrowing.

Background Papers

DCMS Free Swim Guidelines for Under 16s and Over 60s

Appendix A

Report to Finance Performance Group Report from Head of Sport February 2009

Business Case for the Use of Unsupported Borrowing

Name of the Scheme

Scott Hall Leisure Centre – Bodyline Gym Expansion
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Objectives of the Scheme

By converting an under-used squash court into extra gym space at a cost of £30k, it is estimated we can increase the number of fitness stations from 47 to 65. Scott Hall has currently the highest visits per station of any Council gym in the city, has queuing at peak times and is in a relatively good catchment area some distance from serious competitors. We believe that increasing capacity will increase net income (after additional costs including additional leasing) by around £32k per year.

Departmental Priority for the scheme

Unsupported borrowing is considered appropriate for this scheme because the works will almost certainly generate additional net income. Each gym station in the city earns about £4k per year gross income. The current figure for Scott Hall is £4,519. We have allowed for an increase in income of £66k (£3.7k per additional station) and increased costs of £34k (half of which is higher equipment leasing cost).

We have nearly obtained around £500k of Free Swimming funding to improve the changing rooms and pool hall tiles at Scott hall, with a scheme proposed for August 2009. Doing this Bodyline gym extension at the same time reduces disruption to customers and cash flow.

We evaluated 5 potential gym extensions across the leisure portfolio. The one at Scott Hall was by far the best in terms of net income return, demand risk and competition pressure. We have obvious visible un-met demand there at present. Gym throughput for last 11 months is up 3.4% on the previous year while racquet throughput is down 12.0%.

Additional net income from Bodyline cards and casual bodyline admission charges of around £32k (after equipment leasing costs) will be available to fund the borrowing costs for the scheme and narrow the budget gap in Sport.

The reason for not going for a bigger extension is that parking on the Scott Hall site is restricted and will need continued careful management. The biggest risk is that the car parking limits restrict income increases; however income per car parking space is still below the busiest sites with small car-parks.

Revenue Implications

Total amount to be borrowed

Asset life (number of years for borrowing costs)

£30k

10 years

Year	Financial Year	Annuity Due
1		
2		
3		
4		
5		
etc.		

1.1 Resources to Complete**Financial Management Comments**

Comments on business case/savings proposal

Comments re proposed budget provision

Financial Development Comments**Source of scheme funding.**

This is additional spending not currently included in the programme.

Prudential Indicators

Confirm spend is within authorised limit for external debt and operational boundary for external debt

Confirm options appraisal conducted and acceptable