

Report of the Director of City Development

Report to Executive Board

Date: 13th February 2019

Subject: Design and Cost Report for Proposed new Gym at Middleton Leisure Centre

Capital scheme number: 33055 / 000 / 000

Are specific electoral wards affected? If relevant, name(s) of ward(s): Middleton Park	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Designs and cost estimates have been developed to RIBA Stage 3 for a proposed new build gym at Middleton Leisure Centre. This report seeks authority to spend £1.146m from Capital Scheme 33055 to take the proposals forward to completion, subject to the award of planning approval.
2. Members should note that there is a separate report on the Revenue Budget Proposals and Capital Programme for 2019/2020, on the agenda of this meeting seeking an injection of £1.146m into Capital Scheme 33055
3. The proposals in this report contribute to the Best Council Plan 2018/19-2020/21 and in particular the priority area of Health and Wellbeing by supporting healthy physically active lifestyles.
4. This will be achieved by increasing the overall number of leisure centre users in Middleton by providing facilities that are affordable, offer value for money and increase participation.
5. This scheme is pivotal to the Active Leeds budget position over the next couple of years whereby the Council continues to reduce the service subsidy level.

Recommendations

6. Executive Board is requested to:

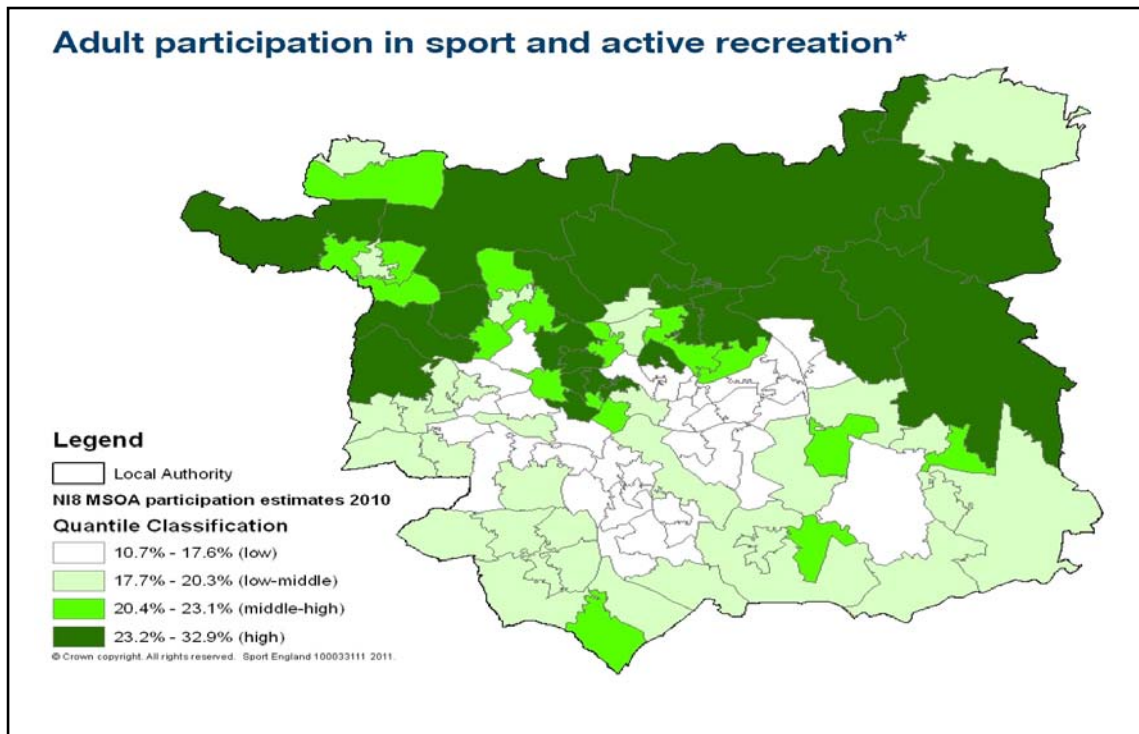
- i) Provide Authority to Spend £1,146,000 against Capital Scheme 33055 on the further design and construction of the proposed new gym inclusive of construction costs, fees and contingencies, subject to the award of planning consent for the proposed works.
- ii) Note that the Head of Active Leeds is responsible for the implementation of these proposals through existing delegated authority.

1. Purpose of this report

1.1 The purpose of the report is to outline the proposals to develop a new gym and re-modelled entrance area at Middleton Leisure Centre and to seek Executive Board's Authority to Spend £1.146m on the further design and construction of the proposed works at Middleton Leisure Centre.

2. Background information

- 2.1 In December 2016 Executive Board approved the Vision for Leisure and Well Being Centres. This included proposals to develop a new 75 station gym and re-modelled entrance area at Middleton Leisure Centre as part of the commercial offer.
- 2.2 The leisure market is substantial, and increasing revenue now offers the service a much more significant contribution to sustainability than further cost reductions, though this does remain an ongoing focus. The proposed works at Middleton will contribute to improving the service wide revenue position.
- 2.3 In defining the Vision for Leisure and Wellbeing Centres, a need for the development and refurbishment of leisure centres including Middleton was clearly articulated.
- 2.4 Councils typically provide leisure centres due to market failure and ultimately one of the key reasons for providing leisure centres should be to support those most in need, supporting the health and wellbeing of the city by providing access to activities which offer value for money and encourage participation.
- 2.5 Middleton Leisure Centre is ideally located within the Middleton Park ward, which is an area of high population density, including a new, private housing development within 10 minutes travel time. Levels of physical activity are low as shown below.



2.6

2.7 The proposals contained in this report apply the substantial learning/insight we have about physical inactivity in order to ensure that the proposed new gym at Middleton has programmes and staff interactions that encourage an even broader range of participants.

2.8 There is evidence that being active leads to better health outcomes (mental and physical wellbeing), especially for those that are from our most deprived communities, but equally it can support other Council ambitions such as raising educational attainment levels; providing a hub for social interaction and cohesion (working jointly with other services); and supporting economic growth e.g. through the provision of a network of facilities that support local communities and help project Leeds onto the world stage.

2.9 Approximately 21.6% of the Leeds population are obese and 23% are inactive (taking 30 mins or less of physical activity per week). These rates are higher than the national average and there is a correlation between living in deprived areas and obesity and inactivity levels. In addition there is the increasing prevalence of other long-term conditions such as diabetes. There are now 39,635 people in the city with diabetes, a rise of over 14% in the last three years (compared to a national average of 6%)

2.10 The role of physical activity in delivering city outcomes is increasingly being recognised and valued across Leeds suggesting it is time to harness this enthusiasm and commitment to drive forward a bold and transformational approach to its delivery. Physical activity is well placed in key city-wide strategies and policy documents.

2.11 By increasing throughput and therefore income, the centre will be being accessed by more people from the local area who will also get the associated health benefits from physical activity.

3. Main issues

3.1 Design proposals and full scheme description.

- 3.1.1 The design proposals are driven by the opportunity to provide enhanced facilities which will raise income and provide greater access to healthy physical activities through the provision of a new 300 square metre 75 work station gym which exceeds Sport England Standards. The attached Appendix 1 shows a 3D visualisation of how the proposed extension will be added to the existing building.
- 3.1.2 The proposal for a new gym at Middleton is pivotal to helping deliver the service savings proposals over the next two financial years. Active Leeds will be developing an entirely new offer at Middleton Leisure Centre which will attract new forms of income and help to reduce the subsidy level for the service.
- 3.1.3 The entrance area will be re-modelled to provide a more welcoming entrance, removing the physical barriers between staff and users and encouraging greater, more informal interaction.
- 3.1.4 The office provision will be remodelled to provide an office for four desks based on changing the workplace dimensions. This will reflect the needs of the service and encourage greater levels on interaction between staff and users. A new site manager's office will be provided adjacent to the entrance providing space for confidential meetings and security infrastructure.
- 3.1.5 The external elevations will be designed in such a way that the appearance of the proposed elevation and the interface with the existing building are complementary. Natural daylight will be provided through the inclusion of high level windows which also maintain a level of privacy for users.
- 3.1.6 Some modifications will be undertaken to existing electrical and mechanical systems to ensure the operation of the gym is fully integrated with the rest of the Leisure Centre.
- 3.1.7 Signage and branding will be reviewed by the service. This sits outside the scope of the contract works and will be undertaken separately from but coordinated with the main works.
- 3.1.8 NPS Leeds have been appointed to complete the design, develop tender documentation and manage the subsequent contract for the development of the Gym. Middleton Leisure Centre will remain open and operational throughout the work, with alternative entrances to be provided whilst the new entrance is developed.

3.2 Programme –

- 3.2.1 Key dates in the current strategic development programme are as follows;
Mid April 2019 – Secure planning consent

End of April 2019 – RIBA stage 4 design complete

Late May 2019 – Tenders out

Early July 2019 – Tender returns

Mid July 2019 – Contract award

Mid August 2019 – Start on site

Mid April 2020 – Completion

The programme is based on a traditional single stage tender process.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Executive member for Environment and Active Lifestyles was consulted on 17th December 2018 and is supportive of the proposals contained in this report.
- 4.1.2 Ward members for Middleton Park were consulted on 21st December 2018 and are supportive of the proposals contained in this report.
- 4.1.3 The proposals have been shared with Sport England and their comments and advice have informed the proposals contained in this report.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An Equality Impact Assessment document has been prepared, and will be developed following further consultation. The full document is attached to this report as Appendix 2, but the main issues are as follows:
 - A requirement to keep the building open for users during the construction period
 - A need to keep the prices the same as other leisure centres in the city
 - Detailed consultation to be carried out with users including Aspire who have a base at the centre
 - Information to be shared with the local community and users to keep them informed of progress.

4.3 Council policies and the best council plan

- 4.3.1 The proposals in this report contribute to the Best Council Plan 2018/19-2020/21 and in particular the priority area of Health and Wellbeing by supporting healthy physically active lifestyles.
- 4.3.2 Best City Plan (2015-20) – one of the 20 priorities is “promoting physical activity”.

- 4.3.3 The proposals also contribute to the Health and Wellbeing Strategy by tackling health inequalities.
- 4.3.4 Sport Leeds Strategy (2013 – 2018) – tackling health inequalities is firmly embedded as a key concern, their aim to support “the inactive” to become active.
- 4.3.5 Health and Wellbeing strategy (2016-2021) – physical activity is one of only 12 priorities for the Leeds Health and Wellbeing Board (and the only lifestyle risk factor identified individually within a specific priority) - “more people, more physically active, more often”.

4.4 Resources and value for money

4.4.1 Full scheme estimate

The full scheme estimate based on the scheme proposals developed to RIBA stage 3 is £1,146,000, as follows;

- Construction - £864,849
- Fees - £126,578
- Surveys - £45,000
- Risks and contingencies - £109,573
- **Total £1,146,000**

4.4.2 Capital funding and cash flow.

4.4.2.1 See table below.

4.4.2.2 Members should note that there is a separate report on the Revenue Budget Proposals and Capital Programme for 2019/2020 being tabled at this meeting, part of which is seeking an injection of £1,146,000 into capital scheme 33055 for the proposed development of the gym at Middleton Leisure Centre.

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2019 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 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 2019 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	974.5		328.5	646.0			0.0
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	126.5		126.5			0.0	0.0
OTHER COSTS (7)	45.0		45.0				0.0
TOTALS	1146.0	0.0	500.0	646.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2019 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 on £000's
LCC Supported Borrowing	1146.0		500.0	646.0			
Revenue Contribution	0.0						
Capital Receipt	0.0						
Insurance Receipt	0.0						
Lottery	0.0						
Gifts / Bequests / Trusts	0.0						
European Grant	0.0						
Health Authority	0.0						
School Fundraising	0.0						
Private Sector	0.0						
Section 106 / 278	0.0						
Government Grant	0.0						
SCE (C)	0.0						
SCE (R)	0.0						
Departmental USB	0.0						
Corporate USB	0.0						
Any Other Income (Specify)	0.0						
Total Funding	1146.0	0.0	500.0	646.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Revenue effects

The following table illustrates the alterations which will be necessary to the department's revenue budget:

REVENUE EFFECTS	2020/21 £000's	2021/22 SUBSEQUENT YEARS £000'S
EMPLOYEES	39.5	44.6
PREMISES COSTS	25.0	30.0
PRUDENTIAL BORROWING (GYM K	33.2	33.2
EXTERNAL INCOME GENERATED	-168.7	-200.6

4.4.3 The alterations illustrated in this table will be incorporated into the department's revenue budget.

4.5 Legal implications, access to information and call-in

4.5.1 The recommendations contained in this report constitute a Key Decision and are eligible for call-in due to the value exceeding £250,000.

4.6 Risk management

4.6.1 There is a risk that the tendered price may exceed the available budget. A competitive tender exercise will be held to mitigate this risk and an appropriate level of contingency and risk premium has been included in the cost estimates

4.6.2 A risk register will be maintained and managed throughout the project.

4.6.3 Because the site is operational only a limited number of surveys were undertaken, a budget allowance, including sufficient contingency, has been included to allow for; a demolition and refurbishment asbestos survey, CCTV drainage survey, Ground Investigation survey, and Utility scan.

5. Conclusions

5.1 The proposed new gym at Middleton Leisure Centre will contribute to improving the health and well-being of residents in the Middleton Park ward and surrounding areas.

5.2 The service estimates that proposals for the new gym will increase the income to the Active Leisure service by approximately £110k pa, reducing the overall revenue cost of providing this service.

6. Recommendations

6.1 Executive Board is requested to:

- i. Provide Authority to Spend £1,146,000 against Capital Scheme 33055 on the further design and construction of the proposed new gym inclusive of construction costs, fees and contingencies, subject to the award of planning consent for the proposed works.
- ii. Note that the Head of Active Leeds is responsible for the implementation of these proposals through existing delegated authority.

7. Background documents¹

7.1 None.

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.