

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	30 NOVEMBER 2015	AGENDA ITEM:	13
TITLE:	REVIEW OF LEISURE FACILITIES AND FUTURE PROVISION		
LEAD COUNCILLOR:	PAUL GITTINGS	PORTFOLIO:	CULTURE, SPORT & CONSUMER SERVICES
SERVICE:	LEISURE & RECREATION	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Council has been undertaking a review of leisure facilities in the Borough with a view to considering options for the modernisation of the leisure estate into the future. Over 750,000 people use our sports and leisure facilities across the town each year. Our facilities provide a vital public service for leisure use and contributing to improving health outcomes. Over recent years we have explored how we can secure more investment to improve these facilities particularly considering the budget position of the Council. Some of our facilities are nearing the end of their design life. It would not present value for money to undertake significant refurbishments for some of our facilities only to extend their operational life for short periods of time.
- 1.2 We are proposing a number of options for the Committee to consider to ensure (as far as possible) that our facilities can remain open whilst we invest in our facilities, undertake feasibility work and secure additional funds and support to undertake improvements and provide new leisure facilities within the town.
- 1.3 The purpose of this report is to outline a proposed strategy for Members to consider.

2. RECOMMENDED ACTION

- 2.1 That Committee endorses in principal the key recommendations of the Leisure Review as outlined in paragraph 4.1.
- 2.2 That Committee notes the proposed works to Central Pool as set out in paragraph 4.1.
- 2.3 That Committee approves the proposal to develop a temporary demountable pool at Rivermead as set out in paragraph 4.2: Proposal 1.
- 2.4 That Committee delegates the finalisation of procurement arrangements and the negotiations with Greenwich leisure limited (GLL) and gives delegated authority to enter into any necessary contracts that are required to deliver a temporary pool at Rivermead to the Director of Environment and Neighbourhood Services in consultation with the Lead Councillor for Sport, Culture & Consumer Services, the Head of Finance and the Head of Legal & Democratic Services.

- 2.5 That Committee approves the proposal for officers to undertake detailed feasibility work for the provision of a new swimming pool at Palmer Park as set out in paragraph 4.2: Proposal 2.
- 2.4 That Committee welcomes the proposal to develop a new leisure facility to replace Central Pool and approves the proposal for officers to undertake further feasibility and planning work to take this proposal forward as set out in paragraph 4.2: Proposal 3.
- 2.5 That Committee approves the commencement of a procurement process to seek external support and investment to secure the improvement of the Borough's leisure facilities as set out in paragraph 4.2: Proposal 4.

3. POLICY CONTEXT

- 3.1 Reading has a range of leisure facilities that are of mixed quality and the Council has identified the need for investment to modernise the leisure estate. The Council recognises that the provision of suitable and readily accessible sports facilities underpins participation in sports and physical activity and supports the delivery of the social and economic benefits that can be attributed to an active community. Reading needs a leisure offer that reflects its status as a sub-regional 'capital' and that aligns with the Council's wider policies and priorities, including public health objectives and tackling inequality.
- 3.2 The Council's Corporate Plan 2015-18 specifically identifies a review of the current leisure offer as a priority in order to deliver key objectives regarding improving quality of life and health and well-being, especially as regards reducing inequality and poor outcomes for some of our residents.

4. THE PROPOSAL

4.1 Current Position:

The Council has had a long standing aspiration to re-provide for Central Pool with the development of a new facility. In recent years the Council had sought to secure provision of a new pool linked to the Chatham Street redevelopment proposals but changes to economic conditions and the resulting viability of the development meant that this was ultimately not deliverable. The Council has commissioned the current review of leisure facilities in the Borough with a view to considering and taking forward new options for the modernisation of the leisure estate into the future. This review has included all indoor sports provision but has had a particular focus on swimming facilities because of the acknowledged need to re-provide Central Pool which is the Borough's only competition standard pool. The Leisure Review has been supported by consultants undertaking two linked pieces of work:

- An indoor sports facilities needs assessment; and
- An options appraisal and feasibility study for the development of new leisure facilities.

These pieces of work are still being finalised but the findings of the draft facilities needs assessment are that whilst there is sufficient pool space in the Borough the quality of provision needs upgrading. The draft needs assessment also indicates a requirement for a new 5 court sports hall. The draft options appraisal recommends the replacement of the most outdated facilities with more modern cost-effective leisure facilities that would also offer a much better service to residents and users. Specific proposals include: a new competition standard pool and related indoor leisure provision, including sports hall, to replace Central Pool; a new 'neighbourhood' pool

at Palmer Park to replace Arthur Hill Pool; and investment in other retained facilities (Meadway Leisure Centre and Palmer Park Stadium).

Central Pool

In parallel with this review the Council has undertaken detailed condition surveys of the existing facilities. While the Council acknowledges the need to replace Central Pool, delivering a new facility will take time. Central Pool is extremely well used and home to a number of successful swimming and diving clubs as well as offering an extensive lessons programme and public swimming. A full refurbishment of Central Pool would cost an estimated £5m and this level of investment would represent very poor value for money given the intention to build a replacement facility. However, the current condition issues at Central Pool mean that there is a need for immediate investment to enable it to remain open. A schedule of works has now been identified that addresses immediate health and safety issues and that will limit further deterioration to reduce the likelihood of building or plant failure, thereby extending the life of the facility for a minimum of two years. The total cost of these works is £350k.

Due to the urgency and the diverse/specialist nature of the immediate work required at Central Pool, contract packages have been let for each area of work with a view to the completion of all work by early 2016. Some works can be undertaken with minimal lead in time and with the building remaining in operation. The works to the diving pool roof will require the diving pool to be out of use for the duration of the work and the works to poolside will mean a closure of the building for a minimum of two weeks. This closure is planned for December 2015 when the pool is quieter thereby minimising disruption to users. Pool users have already been informed of the planned closure.

The two year period of continued operation afforded by these works will enable alternative interim provision to be put in place (see below) and a planned closure of Central Pool in approximately two years-time.

4.2 Options Proposed

Taking forward proposals for the modernisation of leisure facilities involves significant complexity in developing and delivering detailed proposals. In part this relates to a need to resolve a preferred location for a new facility to replace Central Pool which requires further detailed feasibility work. This in turn has implications for the timescale over which new facilities could be delivered, acknowledging that this will also involve a complex procurement, design and build process. It is therefore anticipated that it will take a minimum period of 4-5 years to deliver a replacement facility for Central Pool.

Proposal 1

'Temporary' Pool

Without alternative provision the planned closure of Central Pool would result in an under-provision of swimming facilities in the Borough. The Council has been exploring the option to install a demountable pool as a more cost-effective means of ensuring continuity of provision than continuing to invest large sums in keeping Central Pool open. Similar demountable pools have been used in other parts of the country in very similar circumstances where a 'bridging' facility is required pending the development of new facilities. As illustrated by the image at Appendix 1, such pools are substantial buildings accommodating a good quality pool with a lifespan of at least 5 years. It is proposed that the Council procures a supplier to deliver a temporary demountable 25m pool and additional learning pool to be sited at Rivermead Leisure Centre. The inclusion of a learner pool as well as a main swimming pool will ensure that both an

extensive lesson programme as well as public and swimming club use can be maintained.

Rivermead has the physical capacity to accommodate such a facility and there are considerable advantages for users and the existing leisure centre to have an expanded range of facilities consolidated at the existing leisure complex. This will be further enhanced by improved access, including by public transport, once the work to the Cow Lane bridges is completed in early 2016.

There are very limited numbers of potential providers of demountable pools and it will be necessary to consult with GLL the Council's contracted operator of Rivermead to explore an appropriate procurement process and any such process will need to comply with the Public Contract Regulations 2015. Finalising the detailed arrangements for the specification and management of the temporary pool will also require negotiation with GLL. Subject to finalising the details regarding procurement it is envisaged that it will be possible to open the new pool at Rivermead within 18 months - two years. The estimated cost of such a facility is £1.6 - £1.8m, significantly cheaper than the sums required to upgrade Central Pool to a similar standard.

Proposal 2

A New Neighbourhood Pool at Palmer Park

Arthur Hill Pool is an old facility on a constrained site that has very little scope for significantly improving its offer to local people. The building is expensive to run and requires significant investment over the next few years if it is to remain operational and has a limited lifespan. Further work is required to fully assess the implications of the condition survey work that has been undertaken and issues relating to the condition of the pool will be reported back to Committee in due course. Nevertheless provision in the east of the Borough to ensure a good geographic spread of facilities and affording ease of access across Reading's communities is a key consideration in the Council's strategic approach to future leisure provision. In this context a better option is to look at its replacement with a new swimming pool that offers a better environment for users, has increased capacity and meets the needs of East Reading residents more effectively into the future. It is therefore proposed that officers undertake a detailed feasibility study in order to progress the potential provision of a new neighbourhood 25m 6 lane pool at Palmer Park linked to the existing leisure facilities.

Proposal 3

A New Competition Standard Pool

As outlined above the Council is committed to ensuring that Reading has a new competition standard swimming pool, incorporating provision for diving and a range of top quality indoor facilities. This would include for provision of a new 5 court sports hall to meet future levels of demand as outlined in the draft Facilities Needs Assessment. There remain a number of significant issues to address to enable this proposal to be progressed, not least identification of a preferred site through a thorough options appraisal. In addition developing deliverable proposals will require further consultation with stakeholders to inform the specification, detailed design work, full costing and the development of a procurement strategy. It is therefore proposed that officers undertake further detailed feasibility work to establish a preferred site and to work up a project delivery plan for what will be a major development scheme.

Proposal 4

Procurement

The scale of capital investment required to deliver new facilities as outlined in this report is estimated to be in excess of £25m. To secure this level of investment and to get best value it is proposed that the Council seeks a delivery partner to operate the Borough's leisure facilities. The leisure operator market is currently very competitive with a number of operators seeking to expand their operations and Reading is an attractive location because of the high potential levels of demand. In addition, provision of new facilities will further drive up demand and significantly reduce operating costs compared to the current operation. There is also an inherent saving on baseline operating costs via the charitable / trust model that all the operators bring to the table in one form or another. All these factors mean that through appointing a new leisure operator there would be a significant revenue improvement compared to the current costs of the Council's provision and that with new facilities income would exceed costs of operation. This additional income potential can be used to support the capital investment needed to deliver new facilities. It is therefore proposed that the Council commences a formal procurement process with a view to contracting with a partner leisure operator to run the Council's leisure facilities.

4.3 Other Options Considered

Do nothing is not considered to be a tenable option as the current state of facilities would mean that the Council would be forced into a position of either closing facilities or investing large amounts of money to refurbish and keep them open. This would not provide security over future provision or deliver the quality of facilities that Reading and service users require into the future.

The option to invest larger amounts for the complete refurbishment of Central Pool has also been considered. However, even at a cost of over £5m, this would still result in facility of limited potential on a constrained site with no opportunity to provide a modern offer with a vibrant mix of both pool based and dry-side leisure activities. Investment at this scale would extend the life of the facility by well over 10 years and would represent poor value for money given the Council's intention to develop a new modern facility to more effectively meet future needs. Relying on Central Pool as the Council's competition standard facility into the future, and not providing a new facility, is not considered to be the best strategic option.

Consideration has also been given to the siting of a demountable pool at Palmer Park as an interim solution to a planned closure of Central Pool. The proposed development of a permanent new neighbourhood pool at Palmer Park as a preferred option would preclude this option given the constraints of the site. If a demountable pool was provided it would need to be removed whilst the new facility was built resulting in an extended period when there was no replacement in place for the loss of water space at Central Pool.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The proposals set-out in this report for a major enhancement in the quality of the leisure estate and the attractiveness of local facilities for residents, employees and visitors in Reading primarily contribute to the following priorities in the Corporate Plan:

- Providing the best start in life through education, early help and healthy living;
- Keeping the town clean, safe, green and active;
- Providing infrastructure to support the economy.

5.2 A key driver for the provision of high quality leisure facilities is to promote the health and well-being of the population. New facilities generally result in increased level of use and participation in the communities they are located. In turn this provides more opportunities to target specific initiatives to increase engagement and participation from those on low incomes or who have a range of health conditions that can be ameliorated through exercise and well-being programmes.

5.3 Replacing ageing and outdated facilities with modern ones will also have significant benefits in reducing levels of energy use, contributing to both sustainability and cost-effectiveness.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Consultation with key stakeholders has been carried out as part of the work to develop the indoor sports facilities strategy, including a range of sports clubs and operators. This consultation has also involved the Amateur Swimming Association (ASA) and Sport England to ensure that lead governing bodies for a variety of sports have been able to directly influence the strategy and are confident that it reflects their interests and input. Further consultation with stakeholders and the public will be carried out in developing the detailed proposals for replacement facilities once further initial feasibility work has been carried out.

6.2 Proposed new facilities to replace Central Pool and Arthur Hill Pool will require planning permission and be subject to statutory public consultation at the appropriate time.

7. EQUALITY IMPACT ASSESSMENT

7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2 It is not considered that that an Equality Impact Assessment (EIA) is relevant to the decision at this stage. It is anticipated that an EIA will be relevant to the future decisions required regarding the provision and location of permanent new leisure facilities and this will be undertaken in parallel with the development of more detailed proposals.

8. LEGAL IMPLICATIONS

8.1 The provision of a demountable swimming pool is classified as a Works contract and the likely cost falls well below the threshold which would require an OJEU advertisement for a Works contract. The procurement of a demountable pool will be conducted in accordance with the Council's Contract Procedure Rules. It is proposed that finalisation of the procurement arrangements, the negotiation with GLL on specification and management arrangements and authority to enter into the necessary contract/s for the demountable pool are delegated to the Director of Environment and Neighbourhood Services in consultation with the Lead Councillor for Sport, Culture & Consumer Services, the Head of Finance and the Head of Legal & Democratic Services.

- 8.2 Future potential procurement processes for new leisure facilities will need to be compliant with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules and involve advertisement in the Official Journal of the European Union where applicable.
- 8.3 The Council provides its leisure facilities under the provision of Section 19 of the Local Government (Miscellaneous Provision) Act 1976.

9. FINANCIAL IMPLICATIONS

- 9.1 Particularly in the current financial climate and the Council's need to make significant budget savings over the next three years, any proposals to invest in the Borough's leisure facilities needs to be as cost effective as possible whilst delivering a significant qualitative improvement (short, medium and long-term).
- 9.2 The long term financial implications arising from the proposals set out in this report for the replacement of leisure facilities are not fully known at this point in time and require significant further work to be completed before they can be fully established, including the procurement process. The shorter term financial implications relating to the investment needed to keep Central Pool open and for the delivery of a demountable pool at Rivermead are set out below:-

Revenue Implications

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Expenditure				
Income from: Fees and charges (see note2)	0		50	100
Total Income			50	100
Net Cost(+)/saving (-)			-50	-100

The potential revenue savings identified above relate to the provision of a demountable temporary pool at Rivermead. A new demountable pool would have lower running costs than Central Pool, particularly as regards energy costs, and siting the pool at Rivermead would allow for efficiencies in staffing and management costs linked to the capacity at the existing leisure centre. Final revenue implications will be subject to negotiation.

Capital Implications

Capital Programme reference from budget book: page line	2015/16 £000	2016/17 £000	2017/18 £000	2018/19
Proposed Capital Expenditure - Central Pool(1) - Demountable	350			

Pool (2)		100	1,600	100
Funded by Grant (specify) Section 106 (specify) Other services Capital Receipts/Borrowing				
	350	100	1,600	100
Total Funding	350	100	1,600	100

(1) Central Pool costs enable it to remain open and to prevent further deterioration. The works are to be funded from the capital allocations in the approved capital programme for works to Council buildings: the 'Condition and Compliance Programme 2015/16' and the 'Health and Safety Programme 2015/16'.

(2) Costs relate to the development of a demountable pool at Rivermead Leisure Centre. Preparation costs will arise next financial year, a relatively short build time is anticipated with the bulk of the expenditure in 2017/18 to be operational in the late autumn of 2017. A retention payment on completion of the capital construction works will follow.

Value for Money (VFM)

The proposed investment in Central Pool is based on a technical assessment of the minimum required to ensure as far as possible that the pool can remain operational for at least 2 years. This investment is considered essential to ensure continuity of provision.

The proposal to build a demountable temporary pool at Rivermead is considered a more cost-effective solution to ensuring the medium term continuity of provision than investing a larger amount in a more comprehensive refurbishment of Central Pool. The rationale for this is outlined in section 4.3 of the report above.

Risk Assessment.

Given the poor condition of Central Pool there are risks that in implementing the proposed works in December additional costs might be incurred because of unforeseen items requiring further work. This has been mitigated as far as possible through the detailed condition surveys and ensuring that the Council's technical advisors have been closely involved in specifying the works required.

The poor condition of Arthur Hill pool means that there is a risk of a forced closure caused by significant failure of components of the building or plant. The building has had to close for short-periods of time over the last year to enable repairs to be undertaken but there remains a risk of a more extended closure if urgent major works need to be carried out. The building is subject to regular monitoring to ensure that health and safety requirements are met and that the pool is safe for users.

Cost estimates for the demountable pool are based on estimates and again there is a risk of additional costs being incurred. These could arise for a number of reasons including site specific ground conditions, particular requirements to integrate the new facility with the existing centre and any specific conditions linked to planning that might have cost implications. Current estimates are that the demountable pool, including a learner pool, will cost between £1.6 and 1.8m and the figures included above are at the upper end of this estimate to take into account potential exceptional additional cost.

10. BACKGROUND PAPERS

10.1 (Draft) Reading Borough Council Indoor Sports Facilities Needs Assessment - The Sports Consultancy, October 2015.

(Draft) Options Appraisal and Feasibility Study for the Development of Leisure Centres Across the Borough - The Sports Consultancy, October 2015.

(This document contains exempt information by virtue of Paragraph 3 of Schedule 12A (as amended) of the Local Government Act 1972 (as amended) and is not open to public inspection in accordance with the commercial sensitivity exemption contained within Part 2 Section 43(2) of the FOI Act).

Reading Borough Council Central Pool Condition Survey - Faithful Gould, April 2015.

Reading Borough Council Arthur Hill Baths Condition Survey - Faithful Gould, April 2015.

APPENDIX 1: Images of Demountable Pools

