



Council	Tuesday, 05 September 2017	Matter for Information and Decision
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Title: **Potential Developments at Parklands Leisure Centre
and Brocks Hill, Oadby**

Author(s): **Anne Court (Director of Services / Monitoring Officer)**

1. Introduction

- 1.1 This report follows on from the Budget Options report presented to Council on 6 July 2017 which set out a range of future policy budget options for Members to consider, one of which was reducing the revenue costs of the running of the Brocks Hill Centre, Oadby ("the centre"). A comprehensive explanation of the financial situation was provided to Members together with strategic options for the future of the centre. The most viable of these options which anticipates significant revenue efficiencies and most importantly, will substantially retain the ethos of the existing Centre and the park itself, was considered to be the proposal of the Council's existing Leisure Contractor, Sports Leisure Management Ltd (SLM). Members requested a further report and presentation be brought to this meeting on the proposal together with an update on the proposals for enhancing car parking facilities at the Parklands/Brocks Hill site and enhancing pedestrian access to the site from both Oadby and Wigston.
- 1.2 There will be a presentation by Mr Dan Hicks, SLM's Area Manager, at the meeting to provide further details of the proposal and costings; a summary of which is provided within this report. Mr Hicks will explain how the combination of the existing leisure facilities across the Parklands/Brocks Hill site and new facilities will substantially enhance the whole site making it a unique "one stop shop" leisure destination for families, creating a flagship "leisure park" which will enhance the health and wellbeing for all.
- 1.3 In addition, the report sets out the progress that has been made to enhance access for users of the site in terms of car parking but also pedestrian access through the creation of new footpaths from both Oadby (B582 Wigston Road, Oadby) and from Wigston (Tendring Drive).

2. Recommendation(s)

That Members consider the proposals within this report and approve the schemes, including the capital borrowing requirement of £1.2 million including contingencies.

3. Information

3.1 The Country Park ("the park") surrounding the Centre

As emphasised in the report of 6 July, the park and its facilities will continue to be directly managed by the Council through a combination of the Park Warden, the grounds maintenance team and significant input from volunteers. This will ensure the expertise will ensure biodiversity and conservation elements continue to flourish and nationally accredited standards are maintained. The park and centre will continue to be open to all and events such as the annual garden party will continue to be held and promoted. SLM's proposal includes working in partnership to increase

awareness of the park and support the Council with events which will provide increased resources and to put on more events.

3.2 **The Centre**

3.2.1 As explained in the report of 6 July, despite a significant amount of effort and initiatives in recent years to increase the revenue of the centre, it continues to run at a significant loss of approximately £100,000 per annum. A comprehensive explanation of the major sources of income and expenditure over recent years was set out in the report which fall short of coming anywhere near meeting the running costs of the centre (it is understood that cost neutrality has not been achieved by any country park service in the UK, particularly one that does not charge for car parking and entrance). In particular, and by far the largest element of costs, are staffing costs due to the centre being open all but four days a year.

3.2.2 A comprehensive account of the strategic options for the future of the centre was also set out in the report of 6 July with the advantages and disadvantages of each option. These included demolition or sale; charging for admission and for car parking; continuing in-house provision; operation by a Not for Profit Organisation / Charity / Community Group; redevelopment of the site for an alternative use or operation by a Private Profit Making Organisation/Existing Partner which will substantially retain the ethos of the existing centre.

3.2.3 The advantage of the existing partner and their proposals is SLM already has a track record of delivery and working well in partnership with the Council. The recent Local Government Association Peer Challenge report specifically commented on this being an example of best practice partnership working, delivering effectively one of the core priorities of the Council. It added *"OWBC's private sector provider makes strong links between leisure, health and wellbeing agendas in its delivery and this aligns very well with the Council's own wellbeing aspirations"*.

The proposals in more detail would involve:-

3.2.4 **Council relieved of all asset responsibility** – SLM to run the centre on the Council's behalf through a contract variation to the existing leisure contract. The existing contract provides for an extension of the arrangements. SLM to run the centre on a lease and full repair basis. There will be agreement in the spirit of partnership working on which remedial works arising from the condition survey will be carried out prior to SLM taking on the lease.

A more comprehensive service provision and efficiencies by merging the management of the two centres on the site are likely to be achieved.

The monitoring by the Council of SLM's performance in managing the centre would be in the same way as the existing leisure contract operates and the regular updates to the Service Delivery Committee demonstrate the success of this approach in ensuring delivery.

Profit share arrangements will be in line with the existing contract.

3.2.5 **Significant revenue savings** for OWBC (overall expected savings of approximately £100,000 per annum). The variation to the existing contract will run co-terminus so over the remaining 17 years of the contract the predicted revenue savings will be £1.7 million over that period.

- 3.2.6 **Country park service maintained at current level by Council** with SLM signposting to Council led programmes from their 50,000 database of leisure cardholders such as the Corporate Volunteering, Volunteer Conservation Team, Park Warden's educational activities.

The focus on service delivery would be:-

- 3.2.7 **Education** – continuing the centre as an education facility for schools, increasing participation by utilising SLM's existing extensive database to promote use of the activity space for self-led educational classes based around an environmental/outdoor/Country Park/activity theme. In addition the existing holiday activity camps held at Parklands will link into this, offering a more varied and educational experience. The Park can also be utilised for outdoor based fitness classes linked to Parklands leisure contract programme.

- 3.2.8 **Activity – encouraging greater activity and addressing health and wellbeing issues across the whole spectrum of ages** - a percentage of the existing activity sessions held in the sports hall at Parklands (eg. curling, tumble tots, exercise classes during the day; cheerleading, gymnastics, martial arts in the evening) to be held in a new activity space at the centre.

This would be facilitated by knocking the meeting room and exhibition hall together to make one large activity space. Building surveys have been undertaken and this would cause no structural concerns.

The above transfer of some of the existing activity sessions from Parklands to the centre will enable part of the sports hall at Parklands to be converted to a combined "soft play" and "clip n' climb" facility. The scale and quality of this will be a unique facility in Leicestershire, for both children and adults and can generate additional income through corporate events.

The above is expected to maintain current (sports hall) participation rates, but spread across both activity spaces and with the soft play, the facility should significantly increase participation opportunities (80,000 per annum).

- 3.2.9 **Café** - Maintain provision with enhance decor including catering for conference/meetings (which the centre can still be used for). Users of the Country Park will still be able to use the Cafe.

- 3.2.10 **Job Security for existing staff** and increased opportunities with TUPE applying (3: 1 x full time and 2 x part time posts).

- 3.2.11 **Project Timescales** - SLM timeline is for the project to be completed by February 2018.

- 3.2.12 **Risks That Were Previously Identified**

- At the time the outcome of a building condition survey was awaited as to the extent of remedial works necessary, this is now completed and there are no immediate "priority" works that may have been an issue in terms of agreeing a hand-over
- The Realisation of predicted participation rates for soft play & "clip n climb". These predictions are based on facts of the significant popularity of these type of activities when introduced at two of SLMs other sites elsewhere in the country,

With the already far exceeding stretch targets for increased participation at the new facilities at Parklands and South Wigston (over 2,000 visits per day) there is every indication that enhancing the leisure activities available on site will continue this trend.

- Ability of SLM to increase income generation at Brocks Hill. With the proposed partnership working and expertise SLM will bring in event management this should be achievable, for example greater use of the amphitheatre.
- Reduced capacity for 5-a-side (but mainly casual bookings and can be accommodated elsewhere).

3.3 **Enhancing the Availability of Car Parking on the Site**

Due to the success of the new leisure contract significantly increasing visitor number and hence increase in vehicular traffics. it has become apparent over the last 18 months of the need to increase car parking spaces for Parklands Leisure Centre and officers have been exploring the viability of this within the restricted available space across the site and adjacent land in order to future proof the site.

The outcome of the viability exercise is that the area of green space between Wigston Road (B592) and Parklands Leisure Centre (opposite to the Cedar Suite entrance) is the only area that has the potential to provide any meaningful additional car parking space. It is envisaged this will only act as an overflow car.

SLM have been seeking pre-application advice from the Planning Policy and Control service. In planning terms the identified area is acceptable in principle, subject to specified recommended surveys being undertaken and additional planting of trees for screening purposes. A full application will be submitted once the surveys are completed, and the application will follow the normal process of consultation and consideration before the Council's Planning Control Committee. The full detail of the application will be a matter for the Planning Committee.

Costs are currently being finalised and will be subject to the outcome of the planning application requirements but are expected to be approximately £300,000.

3.4. **Enhancing the Availability of Pedestrian Access to the Site**

3.4.1 The outstanding scheme for a footpath access from Wigston Road (opposite the entrance to the Civic Amenity tip and Council depot site) to the Parklands Leisure Centre for ease of use and to encourage walking to the site will be incorporated within the above car park extension and application for planning permission. The costs of the proposed footpath are incorporated into the above figure for the car parking.

3.4.2 In addition to enhancing pedestrian access to the site from Oadby, temporary planning permission is in place to implement footpath access for the general public from Wigston, via Tendring Drive connecting the existing footpath into the Brocks Hill Country Park. This again will realise the Council's key priority of improving the health and wellbeing of its local residents and reduce the need for some vehicular use to/from the site.

The footpath is in the ownership of Glenmere School, which provides access for school use only, at present. The school cannot afford to continue to maintain the extensive pathway (300 metres) and are looking for the Council to take the footpath over subject to an acceptable legal agreement.

Officers have been working with the school and looking into the works required to connect Tendring Drive to the hard surfaced paths at Brocks Hill and relocating and replacing the existing gate from the Tendring Drive entrance to a position that will maintain the security of the school entrance. The footpath is in poor repair but in view of the temporary planning permission in place until November 2018 it could be that only the immediately necessary repair works to the footpath and a "kissing gate" be located to gain access onto the country. These above works are envisaged to cost approximately £5,000 - £8,000.

The school has indicated it would like to see from the outset, lighting of the footpath, although this is not a condition of the temporary planning permission and ideally complete resurfacing of the path for which quotes for these two elements alone have been obtained for Members consideration of approximately £45 - 50,000. This is due to the extensive length of the path and the complications of providing an electricity supply to the location for lighting. If Members are not minded at present to install lighting and resurface the entire pathway, these considerations will need to be taken into account should permanent planning permission be sought in 2018 and will also be dependent on how the temporary permission operates.

Once Members agree to the way forward then negotiations on the legal agreement can commence with the school's legal advisors without delay.

A visual presentation of the layout of the car parking and footpath schemes will be available at the meeting.

4. Finance

- 4.1 The costs of the investment in soft play and climbing wall equipment, reconfiguration of the existing structures, building works, site works and associated costs, including expansion of the leisure facility car parks and footpath works is estimated to be £1.2M, including contingencies which can be funded through capital borrowing repaid over the lifetime of the contract. Funds can be obtained from the Public Works Loan Board with a notice of approximately one week. At present, the most cost-effective option would be to borrow on an annuity basis, as was done with the leisure facilities project. This would also be appropriate for accounting reasons, as the increasing repayments of principle would reflect the expected increasing revenues from the project over time. As of 25th August, a 17-year annuity loan at PWLB certainty rate stands at 1.80%, leading to an interest charge in the of £25.2K in the first year, and an MRP charge of £71.K; an overall charge of £96.3K, making the proposal revenue neutral.

At present, the borrowing strategy projects net borrowing by 2019/20 to be £33.614M, which is well within the £45M Authorised Limit for External Debt. As such, an additional £1.4M of borrowing would not put the Council in danger of breaching its Prudential Limits.

It should be noted that even if the Council did not chose to invest in this proposal, significant capital investment would still be required to bring the existing centre up to an acceptable standard.

Background Documents:

Report to Council on 6 July 2017

Implications Potential Developments at Parklands Leisure Centre and Brocks Hill, Oadby	
Finance	As set out in the body of the report.
Simon Ball (Technical Accountant)	
Legal	As set out in the body of the report.
Anne Court (Director of Services/ Monitoring Officer)	
Corporate Risk(s) (CR)	<input checked="" type="checkbox"/> Decreasing Financial Resources (CR1) <input checked="" type="checkbox"/> Key Supplier/Partnership Failure (CR2) <input checked="" type="checkbox"/> Effective Utilisation of Assets/Buildings (CR5) <input checked="" type="checkbox"/> Organisational/Transformational Change (CR8) <input checked="" type="checkbox"/> Economy/Regeneration (CR9)
Anne Court (Director of Services/ Monitoring Officer)	
Corporate Priorities (CP)	<input checked="" type="checkbox"/> An Inclusive and Engaged Borough (CP1) <input checked="" type="checkbox"/> Effective Service Provision (CP2) <input checked="" type="checkbox"/> Green & Safe Places (CP4) <input checked="" type="checkbox"/> Wellbeing for All (CP5)
Anne Court (Director of Services/ Monitoring Officer)	
Vision & Values (V)	<input checked="" type="checkbox"/> "A Strong Borough Together" (Vision) <input checked="" type="checkbox"/> Teamwork (V3) <input checked="" type="checkbox"/> Innovation (V4) <input checked="" type="checkbox"/> Customer Focus (V5)
Anne Court (Director of Services/ Monitoring Officer)	
Equalities & Equality Assessment(s) (EA)	An initial EA screening has been completed
Anne Court (Director of Services/ Monitoring Officer)	<input checked="" type="checkbox"/> Initial EA Screening (<i>Appendix 1</i>)