

WHITE OAK LEISURE CENTRE: NEW BUILD AND OPERATOR PROCUREMENT

Improvement & Innovation Advisory Committee - 27 February 2020

Report of	Chief Officer, Communities & Business Chief Officer, Finance & Trading Chief Officer, People & Places
Status	For consideration and recommendation to Council
Also considered by	Improvement & Innovation Advisory Committee - 27 February 2020 People & Places Advisory Committee - 3 March 2020 Finance & Investment Advisory Committee - 24 March 2020 Cabinet - 16 April 2020 Council - 21 April 2020
Key Decision	No

Executive Summary: This report seeks approval, subject to the decision of the Development Control Committee (on 13 February 2020), to construct a new leisure centre, demolish the existing White Oak leisure centre and to appoint an operator for the new centre. The report also seeks approval to use income from the operator and the proceeds of identified Council-owned developments in Swanley to fund the cost of the works.

The report sets out the proposed facility mix, the need for the Centre and programme for the works. It includes the detailed costings and funding sources.

The report also seeks approval to provide some enhancements to the Orchards Academy sports hall in Swanley to accommodate sports clubs who need a 4 court sports hall.

The construction of the new leisure centre and demolition of the existing leisure centre cost, together with fees and charges, is due to be £20m. That is provided the works contractor is appointed by May 2020. A delay of one year would represent an increase in cost of some £919,000 using the BCIS All-in Tender Price Index.

Funding sources for the scheme are planned to be a combination of:

- Community Infrastructure Levy (CIL) funding;
- Capital receipts from several Council owned assets in Swanley;
- External funding paid for by income from the operator of the new leisure centre.

The funding is therefore identified to undertake the construction of the new leisure centre and demolition of the existing leisure centre, with a margin for contingency.

This report supports the Key Aim of safe and caring communities, green and healthy environment and a dynamic and sustainable economy.

Portfolio Holder Cllr. Peter Fleming, Improvement & Innovation

Cllr. Lesley Dyball, People & Places

Cllr. Matthew Dickins, Finance & Investments

Contact Officers Lesley Bowles, Ext 7335

Adrian Rowbotham, Ext 7153

Sarah Robson, Ext 7430

Recommendation to Improvement & Innovation Advisory Committee, People & Places Advisory Committee and Finance & Investment Advisory Committee: That comments on recommendations (a) to (e) below are passed to Cabinet.

Recommendation to Cabinet: That recommendations (a) to (e) below are recommended to Council.

Recommendation to Council:

- (a) Enter into a Development Management Agreement with Alliance Leisure Services Limited (ALS) for the construction of a new leisure centre and demolition of the existing White Oak Leisure Centre, at a cost of £19,852,464 including improvements to the 4 court sports hall at Orchards Academy; in addition, the sum of £147,536 to be used by the Council for any ancillary work outside the ALS contract, making a project total of £20m as set out in Table 3.
- (b) Enter into a Leisure Operating Contract with Sport and Leisure Management Ltd (SLM), the preferred operator, to operate the new White Oak Leisure Centre providing income of £7.623m over 15 years. The income from that Leisure Operating Contract is to be used to service the loan taken out for the purposes of building the leisure centre.
- (c) Approve the development and subsequent disposal of sites in Swanley as set out in paragraph 46, the proceeds of which will be earmarked within the Council's capital receipts to fund the cost of the leisure centre.
- (d) To approve the funding for the of the scheme as follows:
 - CIL funding £0.9m

- Capital receipts £10.63m
- External borrowing £8.0m
- Total £19.53m

It is recognised that the split of funding may change due to actual development and disposal proceeds, also the cost of borrowing at the time loans are taken out. Additional funding may be required if the above amounts are not achieved.

- (e) To delegate authority to the Chief Executive in consultation with the Leader of the Council to make necessary changes to the Development Management Agreement with Alliance Leisure Services (ALS), to the Leisure Operating Contract and to the funding of the project provided that such changes do not place any financial burden on the Council other than the use of those sources mentioned in this report.

Introduction and Background

- 1 White Oak Leisure Centre has served generations of Swanley residents for more than 50 years. Predominantly built in 1967, the centre, due to its age and condition, has now reached the end of its serviceable life.
- 2 Following consideration by Members of the significant ongoing and expected asset maintenance requirements for the Centre, options to invest in the existing building, to do nothing or to close the leisure centre were all dismissed in favour of replacing it with a new modern, high quality centre.
- 3 During 2015 and again in 2016 during the Master Vision for Swanley work a number of sites were identified and considered for the location of the new centre. Four sites were identified as being deliverable in terms of planning. These included 8 further sites were investigated and considered to be undeliverable in planning terms. This work concluded with the site next to the current White Oak Leisure Centre being the only available and practical solution.
- 4 Community engagement in Swanley and the surrounding areas took place in 2016 as part of the Master Vision for Swanley and reaffirmed the need for a leisure and swimming facility. Retaining a central location was important to people. Household surveys, also as part of the Master Vision, of 9,403 households and 397 businesses, identified that retaining leisure facilities was important to 96% of respondents.
- 5 In July 2017 a report by Strategic Leisure Ltd also identified the need to consider future provision of the White Oak Leisure Centre.
- 6 In 2018, Alliance Leisure Services Ltd (ALS) were procured via the UK Leisure Framework to scope:
 - The needs of the local area, including population projections.

- How the existing centre is performing.
 - The mix of facilities that meets local needs and the feasibility that demonstrates it will help pay for and maintain a new leisure centre.
 - The land use, size and configuration of a new leisure centre, including the need to keep the existing centre open while the new one is built.
 - Maximising space for car parking.
 - Providing land for new housing to help pay for the new centre.
- 7 In putting forward proposals for the new Centre, ALS had to take into account the physical constraints of the site and the need to maintain the existing centre in operation until the new centre was built. In order to sustain the Centre into the future and to help fund the capital cost, ALS had to find a mix of facilities that would attract an operator able to provide enough income to pay the Council a sum sufficient to support the required borrowing to fund the centre.
- 8 ALS also had to take into account the need to provide multi-use space that would offer flexibility for the future and which could broaden the appeal of the centre to a wider audience. There was a need to continue to support older people, and those recovering from illness, for example through the Feel Good studio. There was also a need for a ‘destination’ element.
- 9 The resulting design of the new centre was used as the basis for the public engagement in March 2019 in Swanley. Feedback from these sessions has been used to improve the mix of facilities for users, providing spectator seating and a deeper pool to assist swimming lessons and water polo. The new plans provide a sports hall, 4 flexible multi-use rooms and studios, Tag Active, soft play for young children, a 25 meter, 6 lane pool and learner pool, a hundred station fitness studio and spin space, a Feel Good studio for those who need help in maintaining or become fit or recovering from illness and a café area.
- 10 Discussions are taking place with Orchards Academy regarding improvements to their 4 court sports hall to accommodate sports such as netball and roller hockey and clubs requiring larger areas and funding for this work is included in the scheme’s financials.
- 11 There will be a Changing Places area for people with disabilities, and pool pods, which provide a modern, dignified way for swimmers with a wide range of mobility difficulties to access the pools.

Development Proposals - Leisure Centre

Scope of Works

- 12 The scheme entails construction of a new leisure centre, adjacent to the existing White Oak Leisure Centre to the south of the site. The existing leisure centre will be kept operational during the construction of the new leisure centre to maintain continuity of leisure operation for the local community.

- 13 The new leisure centre will have a facility mix as follows:
- 25m, 6 lane, 2 meter deep, community pool with moveable floor
 - Learner pool
 - Poolside spectator seating (100 seats)
 - Café / seating area
 - Tag Active zone
 - Soft play area
 - Multi-purpose sports hall
 - Multi-purpose rooms (2 rooms with connecting doors to enable 1 larger room)
 - Studio spaces (2 rooms with connecting doors to enable 1 larger room)
 - Feel Good studio - with equipment for those who need extra help to exercise
 - 100 station fitness gym
 - Wet and dry changing areas, including a Changing Places area for disabled people
 - Parking provision for 144 vehicles and coaches
- 14 The new building is being designed to enable the new leisure centre to meet the Building Research Establishment Environmental Assessment Method (BREEAM) 'very good' standard and will incorporate an air source heat pump system as well as other energy efficient features such as water consumption monitoring, leak detection, flow control and responsible sourcing of construction products. The car park will also have electric charging points.
- 15 The existing leisure centre will be demolished and the new car park constructed, once the new leisure centre is open and operational.
- 16 Enabling residential development will be constructed on the site of the demolished leisure centre to partly fund the new leisure centre, following the above works. The residential development will have accommodation as follows:
- 35 to 40 residential units
 - Residential mix to be either 1, 2 or 3 bed units, with either integral or on-street parking
 - Units to be either 2 or 3 storey high

Phasing

- 17 The proposals will be phased in three parts to maintain continuity of leisure operation for the local community:
- a) Construction of the new leisure centre
 - b) Demolition of the existing leisure centre and construction of new car parking
 - c) Construction of the residential development

Planning

- 18 A hybrid planning application (reference [19/02951/HYB](#)) was submitted in October 2019 for the following:
- Full application for a new leisure centre and associated parking at White Oak Leisure Centre site in Swanley
 - Outline application for enabling residential development on the site of the current White Oak Leisure Centre.
- 19 Determination of the application by the Development Control Committee is expected by 13 February 2020.

Procurement

- 20 The ALS project team was procured through The UK Leisure Framework and includes experienced leisure architects Saunders Boston and contractor ISG. Following the project scoping business planning and feasibility, ALS progressed the design to 'Cost Confidence' stage and then to pre-construction 'Cost Certainty' stage.
- 21 A budget of £550,000 was approved by Council on 26/02/2019 as part of the Capital Programme to develop the new White Oak Leisure Centre scheme design, undertake site surveys and planning application submission to the pre-construction stage of Cost Certainty which is now completed.
- 22 Draft terms have been agreed with Alliance Leisure Services Limited to enter into a Development Management Agreement for the construction of a new leisure centre, the provision of certain equipment and demolition of the existing White Oak Leisure Centre. A summary is given in Appendix A.

Programme

- 23 The key indicative programme dates are shown as follows in Table 1.

Table 1 Key Indicative Programme Dates

Stage	Detail	By when
Design and cost		COMPLETE
Statutory approvals	Planning consent	February 2020
Building Control	Building Regs approval	March 2020
Project approval	Council project approval process	April 2020
	Development agreement	April 2020
	Instruct contractor	April 2020
Construction	Mobilisation	May 2020
	Start on site	May 2020

	Phase 1 complete	November 2021
	Centre handover	November 2021
	Fit out and training	November 2021
	Asbestos R&D of existing centre	December 2021
	New Centre opens	November 2021
	Existing centre strip out	December 2021
	Phase 2 - Demolition and car park works	May 2022

Appointment of a Future Operator

- 24 The ALS team were procured through The UK Leisure Framework and includes Max Associates, market leader in leisure management contract procurement, and Trowers & Hamblins LLP Solicitors. The team have managed the EU Operator Tender process with the District Council team.

Operator Tender Evaluation

- 25 The procurement followed a 3 stage process:
- (i) Selection Questionnaire (SQ), to demonstrate applicants' experience and ability to meet SDC's minimum technical and functional requirements in respect of delivering the contract;
 - (ii) First Stage Tender, applicants invited to submit detailed solutions (ISDS); and
 - (iii) Final Tender, applicants invited to submit final tenders (ISFT) following a period of dialogue.
- 26 The evaluation team comprised of 11 people. Two Members, seven Council Officers, and representatives from Max Associates and Trowers & Hamblins LLP Solicitors.
- 27 At the SQ stage applicants were permitted to express interest in the contract and were required to submit information regarding their organisation, capacity, financial standing and history with similar schemes. Applicants had to meet specified minima and where more than four applicants are left then only the four highest scoring would proceed. In this case all except one applicant satisfied the minimum criteria. The four highest scoring applicants were shortlisted and invited to submit tenders by ISDS (Invitation to Submit Detailed Submission).

- 28 At the ISDS stage three applicants submitted tenders. One withdrew from the procurement process due to prior commitments with other partners.
- 29 In order to assess the tenders, Officers were guided by the results of a Members' consultation evening on 25 July 2019. This showed that, for example, Members were as interested in quality outcomes as they were in value for money. Tenders were appraised by the evaluation team and scored based on the predetermined weighting, Commercial 50% and Quality 50%. The two highest scoring applicants were invited to submit final tenders.
- 30 Final tenders were received on 20 December 2019. Applications were appraised by the evaluation team using a detailed scoring system that demonstrated each of the bidders:
- Viability of their financial model
 - Proposed amendments to the Contract
 - Ability to meet the Council's strategic outcomes
 - Operational Performance & Building Maintenance Proposals
 - Pricing Policies
 - Use of Information Technology
 - Staffing & Volunteering Proposals
 - Mobilisation
- 31 The highest scoring applicant demonstrated the best value for money for the Council whilst also meeting the key quality outcomes. The proposed preferred bidder was identified as Sport and Leisure Management Ltd (SLM).

Operator Contract & Expected Revenue

- 32 The preferred operator will enter into a bespoke Leisure Operating Contract with the Authority for an initial period of 15 years with an option, at the agreement of the parties, for a further period of five years giving a total possible term of 20 years.
- 33 The Leisure Operating Contract is a full repairing lease with clear asset maintenance systems and targets that gives the Council assurance that the new facility will be maintained to a high standard. The proposed preferred operator will deliver high operational standards which will be assessed through a number of means including the Quest accreditation standard. Trowers & Hamblins, our expert legal advisers, have worked alongside SDC's legal team to ensure the contract provides SDC with the full confidence in the contract terms. The key terms of the contract are highlighted in Appendix B.

- 34 If the preferred operator is approved then the net payment to the Council over the duration of the contract is £7,623,720 with an average annual payment of £508,248.

Operator Programme

- 35 The following table highlights the key stages and their timescales.

Table Table 2 Key Operator Programme Dates	
Start practical engagement between operator and clubs	May 2020
Give notice to Sencio (6 months prior to Centre opening)	May 2021
Operator Mobilisation (12 weeks prior to centre opening)	September 2021
Centre Handover (2 weeks)	November 2021
New leisure centre opens	November 2021
Existing leisure centre demolished and new car park completed	May 2022

The operator will work with the Council and the existing leisure provider as soon as possible.

Risk Assessment

- 36 A table outlining the key risks relating to the construction, operator procurement and financial aspects can be found in Appendix D. The table highlights the mitigating controls that have been put in place to limit their impact.
- 37 Whilst there is a transfer of risks relating to the construction to ALS as set out in their Cost Certainty report (App A), there may be risks which sit outside of their responsibility. This is the case with any contract of this nature regardless of who the contractor might be. These could include such risks as utilities issues outside the control's control, prolonged extreme weather conditions leading to delay, planning conditions imposed, for example requiring archaeology, changes to national building regulations, unexpected ground conditions that could not have been identified in the surveys. These are all covered in the Council's risk assessment in Appendix D.

Key Implications

Financial Cost

- 38 The total cost of the construction of the new leisure centre and demolition of the existing White Oak Leisure Centre is £20m, made up as shown in table 3:

Table 3 Cost details	
Construction Costs (ISG)	£17,336,000
Tag Active & Toddlers Play Equipment (Play Revolution)	£600,000
Fitness Suite Equipment (Technogym)	£327,205
Feel Good Suite Equipment (Shapemaster)	£70,550
Misc Furniture, Fittings & Equipment	£54,803
ALS Delivery fee	£284,919
UK Leisure Framework access fee	£57,405
Project Management fee	£424,810
Clerk of Works	£35,000
Principal Designer fee	£22,000
Client Contingency	£509,772
Orchards Academy sports hall work	£130,000
Ancillary works and contingency outside main contract	£147,536
Total	£20,000,000

- 39 At Council on 26 February 2019, Members approved capital expenditure of £550,000 for pre-construction to the stage of cost certainty (RIBA stage 4). This included the following items:
- Pre-construction surveys/works: design to RIBA Stage 4 and Principal Designer role
 - Additional specialist design input for TAG Active, soft play, café & kitchen and Parkour
 - Quantity Surveyor
 - Project management and delivery fee
 - Client contingency
- 40 This work has been funded by capital receipts as approved by Council and the sum of £550,000 is included in the total cost of the construction set out in paragraph 37 above.
- 41 Approval is now sought for expenditure of £19.53m to complete the scheme.
- 42 A significant amount of work has been carried out to date to ensure that the scheme proposed in this report is the most appropriate and cost effective. The work has included:
- 43 **Options appraisal work regarding the future of the Centre**
- Option 1 - do nothing.
 - Option 2 - invest in the existing building.
 - Option 3 - build a new leisure centre
 - Option 4 - close the centre

- It was decided that the level of repairs and maintenance required over the next few years meant that Option 1 was not economically feasible in the future . Closure of the centre, Option 4, was not considered to be appropriate for Swanley. Options 2 and 3 were considered for further examination.
- Option 2 - invest in the existing centre. An independent conditions survey was conducted. The conclusion was that the centre had exceeded the expectation of the lifespan for this type of bulding. Refurbishment would require the closure of the centre for 45 to 50 weeks. Refurbishment would not allow any release of land for enabling development.
- Following investigation, Members confirmed their support for Option 3 and that several sites should be considered.

44 Consideration of sites

The existing White Oak site and the Olympic site were considered. Subsequently a Sequential Planning test was undertaken looking at 12 sites in and around Swanley and the existing White Oak site was identified as the best available town centre option.

45 Facilities mix options

Work to establish the facilities mix options identified 2 options that provided the best balance between the needs analysis and the need to provide the most viable and affordable options. These were a 6 lane pool, learner pool and fitness studio or a 6 land pool, learner pool, fitness studio and 4 court sports hall.

46 The procurement options available to the Council were considered.

- These included Design and Build working with a Framework, ie a framework of companies already tendered under EU procurement rules, an off the shelf centre also procured through a Framework, and an SDC contracted Design and Build. The Council also considered working with a large company on a Design, Build, Operate and Maintain approach (DBOM).
- The SDC Design and Build would provide full flexibility but the capacity of the teams involved would not be sufficient to support this.

- The off the shelf product was untested. The Council would have been the first customer and this was considered by the Property Manager to carry too much risk. The design would not fit well onto the site.
- The DBOM approach, whilst transferring much of the risk to an operator to build the centre as well as the enabling housing developments, required an ongoing revenue contribution in addition to passing over enabling development sites.
- The Framework Design and Build option was considered to be the most suitable, ensuring that correct procurement processes were in place and giving the Council maximum flexibility, whilst transferring the major part of the risk to the Framework partner.

47 **The following activities also took place to ensure value overall:**

- The use of a procurement framework to ensure that the contractors delivering the project have met stringent procurement requirements and accept the major part of the risk
- The completion of an EU compliant procurement exercise to identify the leisure operator who will operate the site upon completion.
- The selection of activities offered at the new Centre not only meets the needs of a modern leisure facility but provides sufficient income from an operator to fund the required loan
- Final value engineering to ensure that the final price represents the lowest available for the design

Income

48 The 15-year net income from the operator is expected to be an average of £508,248 per year. There is an option to extend the contract for a further 5 years with indicative income for that period remaining at the same level.

Funding

49 It is intended to use the following sources to fund the remainder of the scheme. Additional details are included at **Appendix C**.

50 **Community Infrastructure Levy (CIL):** At the CIL Spending Board held on 9 December 2019 the scheme was awarded £0.9m.

51 **External borrowing** is recommended to be taken over 20 years to fit in with the operator life cycle. This would be funded from the operator income. As an example, the current Public Works Loan Board (PWLB) rate is 2.42% (as at 13/02/20 including a 0.2% certainty rate reduction). The average annual

income of £508,000 would currently be able to fund borrowing of £8m over 20 years. In addition to the £8m loan it would be necessary to take short term borrowing to fund elements of the construction phase at an estimated net cost of £80,000.

52 **Capital receipts** (proceeds from the sale of Council assets): Within Swanley there are a number of assets which have been evaluated by Savills for development and disposal. The potential receipts from these assets are shown in **Appendix C**. The level of receipts currently estimated from these assets are based on expert external appraisals by Savills. The Council's Finance and Property Officers have scrutinised and reviewed these figures and the capital receipts from the following schemes is currently estimated to be £11,327,561.

53 The sites are:

- White Oak Leisure Centre
- Bevan Place
- Alder Way
- Russett Way
- 27-37 High Street
- Woodlands (already received)

It should be recognised that the actual amounts received for these assets may vary for a range of reasons including the number of units on each site, the type and tenure of units and the timing of the project, particularly given that some of these projects may not be delivered within the next year.

54 A South East Local Enterprise Partnership (SELEP) **Growing Places Fund bid** for an interest free loan of £1.49m has been submitted but this process is in its early stage and no certainty can be given as to the outcome of the bid. The full amount would have to be repaid after five years. If the bid is successful, the total borrowing costs would be slightly reduced.

55 Based on the above information the table below details the proposed funding solution with further details included in **Appendix C**. The Council expects to make a contribution of £10.63million, funded from capital receipts.

Funding Source	£m
Capital receipts	10.630
External borrowing	8.000
CIL	0.900
Total	19.530

- 56 Any expenditure incurred prior to the funding sources being received will be funded by a mixture of internal and external borrowing until the approved funding is available. This would impact on interest receipts.
- 57 As mentioned earlier, the value of capital receipts (due to actual sale prices) and amount of external borrowing (due to borrowing rates at the time) included in the table above are not certain.
- 58 If the value of capital receipts exceeds the amount above, the excess could be used to fund other approved capital schemes.
- 59 If interest rates reduce and less operator income is required to deliver the external borrowing amount above, this will be revenue income and will be taken into account in future budget setting processes.
- 60 However, if capital receipts and/or the amount of external borrowing are lower than the figures above, additional funding will be required. Possible sources of additional funding are:
- i) Capital receipts from the sale of other Council assets. This may reduce the ability to deliver other approved capital schemes.
 - ii) Additional external borrowing funded from other revenue sources not directly linked to White Oak Leisure Centre. This may result in savings being required from other Council services.
 - iii) Request further funding from the CIL Spending Board.

Value Added Tax (VAT)

- 61 The treatment of VAT was key consideration for this project. A VAT registered business falls within the scope of partial exemption when it has supplies of both a taxable and an exempt nature. Output VAT cannot be charged on an exempt supply and equally any input VAT incurred directly in making the exempt supply, generally, cannot be recovered.
- 62 It is therefore necessary to split the lease for the building and right to trade. The lease for the building will be at a peppercorn lease so that it can be treated as a non-business activity, allowing the VAT incurred on construction to be reclaimed. The right to trade lease granted to the operator will be classed as a standard rated supply.
- 63 If HMRC disagree with the VAT treatment it could add approximately £2m to the build costs as it would put the Council outside tolerable limits on its partial exemption calculation and all VAT on all activities included within the partial exemption calculation would need to be repaid to HMRC.
- 64 VAT advice has been taken from 2 external VAT advisers.

Legal Implications and Risk Assessment Statement

- 65 The Council is required to achieve best value and is also required to comply with relevant regional, national, and local procurement rules.
- 66 The present operator procurement exercise was subject to the Concessions Directive as implemented in domestic legislation by the Concession Contracts Regulations 2016. The construction element was subject to the EU Public Sector Procurement Directive as implemented by the Public Contracts Regulations 2015. These set out the requirements for the Council, including to uphold principles of equal treatment, non-discrimination and transparency throughout the process.
- 67 Following a decision of the Council to award the contract then the Council would be obliged to give notice to all relevant parties. A mandatory standstill period of 10 days shall then apply in which other applicants can submit any legal challenge. The contracts may only be entered into after this period.
- 68 The legal implications are otherwise as set out in the body of the report.

Equality Assessment

- 69 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed and does not vary between groups of people. The results of this analysis are set out immediately below.
- 70 The facilities and health & wellbeing interventions at the new leisure centre are open to all residents. The proposed operator has an equality and diversity policy that aims to provide equality of opportunity to all customers to participate in sport and leisure activities at all levels whether as a customer or member.

Sustainability

- 71 A sustainability checklist has been completed and a positive impact is anticipated.

Conclusion

The asset maintenance needs of the existing White Oak Leisure Centre cannot be met by the Council in a sustainable way.

The need for a leisure centre in Swanley is well-established both in the Sports Facility Report and through consultation with local people. The recommendations in this report are the culmination of considerable work to find a way forward for the Centre.

Work undertaken has included searching for an appropriate site in terms of planning, availability and access for the community, resulting in the identification of the existing White Oak site. It has involved finding a mix of facilities that not only makes the Centre attractive to as many local people as possible but provides sufficient income for the Centre to be sustainable in the long term. The income from the leisure operator will also help to fund the capital spend.

Work with an established Leisure Consultancy responded to the need to address the constraints within which the Council was working. Those constraints were that the existing leisure centre must remain open until the new Centre was operational and the site must also accommodate an enabling housing development. This meant that the space available on the site was defined. Secondly, the mix of facilities would have to provide at least one activity to encourage new people into the Centre and that the space should be designed with flexibility for the future in mind. Thirdly that there must be a space for a Shapemaster room to cater for the needs of older people, those recovering from illness and those with greater mobility needs. Fourthly, that there must be sufficient income to make the Centre financially affordable and sustainable.

The resulting design and mix of facilities includes not only fixed spaces but also a large area and 4 smaller areas suitable for mixed uses and where sliding doors can open up the spaces to enable a wider choice for users. Taking local views into account has led to changes in design including to the swimming area and the improved multi-use spaces provided. The resulting design is a modern facility that will adapt to future uses. All current sports and activities will be possible in the new centre, with the exception of very deep water sports such as diving and those requiring a large sports hall, such as roller hockey, basketball and netball. Following discussions with Orchard Academy a 4 court sports hall would be available for club based community sport use, outside school hours and at weekends and holidays. Some improvements to the hall are necessary in order to accommodate these clubs and these are included in the recommendation.

Discussions have taken place with Orchard Academy who have a 4 court sports hall and who are very pleased to welcome any club no longer able to use the proposed leisure centre. Some improvements to the Orchard Hall will be necessary in order to accommodate these clubs and this is included in the recommendation.

Alongside this work has been the procurement of an exciting new operator for the Centre. SLM Everyone Active were successful not only in offering the best income for the Council but also in their approach, which reaches out to the local community and works with schools and GP surgeries to encourage health and wellbeing. They offer modern ways for people to access their services and, as a major player in the leisure industry, offer resilience, expertise, excellent customer service and quality assurance standards.

Concurrent work has also taken place to assess the development value of other Council-owned sites in Swanley that will be needed financially to enable the new Leisure Centre to go ahead. Savills have been used to appraise each of these sites and values have also been tested with local estate agents so that the figures put forward in this report are reliable.

All of these pieces of work have now come together to enable Officers to make the recommendations in this report.

Appendices

Appendix A - Cost Certainty Completion Report Summary (January 2020) Alliance Leisure Services

Appendix B - Report on the draft Leisure Management Contract by Trowers & Hamlins

Appendix C - Funding Sources (Restricted)

Appendix D - Risk Assessment (Restricted)

Background Papers

Operating Contract

Sports Facility Report 2016 - 2035 (July 2017)

Equality Impact Assessment

Sustainability Checklist

<https://cds.sevenoaks.gov.uk/ieListDocuments.aspx?CId=360&MId=2485&Ver=4&J=2>

Lesley Bowles

Chief Officer Communities & Business

Adrian Rowbotham

Chief Officer - Finance & Trading

Sarah Robson

Chief Office People and Places