



CABINET – 11TH DECEMBER 2012

SUBJECT: LEISURE CENTRE PROVISION IN THE CAERPHILLY BASIN

REPORT BY: CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with information relating to Leisure Centre provision in the Caerphilly basin and to recommend the development of a new facility.

2. BACKGROUND

- 2.1 The Leisure Industry is changing in terms of customer demand and our provision of facilities, services and initiatives needs to change to meet this demand.
- 2.2 In addition to this change in demand, the Authority has a number of Leisure Centres which are ageing and consequently represent a significant maintenance burden in terms of the Authority's Asset Management costs.

3. LINKS TO STRATEGY

- 3.1 The need to get more of the population active has recently been underlined in the annual report of the Chief Medical Officer for Wales where inactivity is recognised as a key contributory factor to poor health in the population of the County Borough.
- 3.2 In addition to the links between poor health and inactivity across all age ranges, the Borough's Sport & Leisure facilities play an important role in delivering corporate objectives across a range of Cabinet portfolios including Health/Wellbeing, Education & Regeneration.

4. THE REPORT

- 4.1 Caerphilly Leisure centre is the second busiest Centre in the County Boroughs portfolio of 11 Leisure Centres with circa 285,000 visits per annum.
- 4.2 The facility is circa 40 years old and a recent update of the property condition survey has revealed that expenditure of £934,000 is required to deal with Priority 1, 2 & 3 maintenance liabilities (the highest amount required in all of the Leisure Centres).
- 4.3 In terms of property condition, the associated maintenance liabilities are categorised as Priority 1,2 or 3. These are defined as:-
- **Priority 1** – Maintenance required to deal with items that are life expired or have a serious risk of imminent failure.
 - **Priority 2** – Maintenance required to deal with items that are showing major problems and/or not operating adequately.

- **Priority 3** – maintenance required to deal with items that are performing adequately but showing minor deterioration.

Obviously, where lower priority items are left, there is the potential for them to deteriorate and becoming a higher priority.

- 4.4 It should also be noted that if the costs of the priority 1, 2 & 3 maintenance were met and the relevant works completed, the Authority would still have a 40 year old facility which does not meet modern Leisure customer demands. However, it is important to stress there is no funding in place (capital or revenue) to address this significant maintenance liability.
- 4.5 The Priority 1, 2 & 3 maintenance costs comprise £226,000 Priority 1, £568,000 Priority 2 & £140,000 Priority 3 with the largest elements including roof (£200,000), Mechanical (£356,000), Floors/stairs (£120,000) and Electrical (£82,000).
- 4.6 In addition to the stark reality of the maintenance liability, Caerphilly Leisure Centre is an inefficient facility in terms of energy usage and energy conservation due to the age of the plant and structure/fabric of the building.
- 4.7 The Caerphilly basin is also served by a Leisure Centre (without a swimming pool) at St. Cenydd School and a swimming pool adjacent to Bedwas comprehensive School. The Centre at St. Cenydd is the youngest of the 3 facilities and requires a fairly modest investment to deal with Priority 1, 2 & 3 maintenance issues (approximately £10,000). The St. Cenydd facility costs circa £120,000 per annum to run. In comparison, the swimming pool at Bedwas requires an investment of circa £91,500 to deal with Priority 1, 2 & 3 maintenance liabilities. The Bedwas facility costs circa £250,000 per annum to run.
- 4.8 As a result of the recent decisions made by Council relating to its 21st Century Schools programme (and subsequent approval by Welsh Government) an opportunity exists to include new Centre provision as part of the St Ilan development. The facility to be developed will not only replace what exists at present but will enhance the leisure offer made to the residents of the County Borough. In this regard, it is anticipated that the full facility package at the school site will include:-
- Modern Leisure Centre catering for a full range of indoor sports (including swimming)
 - All weather playing surface
 - Running track
 - Tennis courts or multi use games area.
- 4.9 Given the progress being made with the works on site, the timing of a decision relating to the Leisure centre is key. An early decision will allow effective site planning to ensure that the new facility is completed by 2015.
- 4.10 In order for a new leisure Centre to be developed on the St. Ilan Site, a financial package will need to be agreed such that rationalisation of other facilities within the Caerphilly basin will need to be realised to contribute to the costs of prudential borrowing to fund the capital cost of building a new centre. The financial package is covered in more detail in section 6 below.

5. EQUALITY IMPLICATIONS

- 5.1 The planned investments will benefit many different groups in the community and supports the commitments in the Council's Strategic Equality Plan, specifically under Objectives 3 and 4 (Physical Access and Communication Access).
- 5.2 All Leisure centres are subject to DDA related Building Regulations, covering physical access such as ramps, reception areas and access to facilities, as well as external and internal signage. A new facility will undoubtedly deliver equality related service improvements due to the current legislation and policy relating to the design and build of public buildings and facilities.

- 5.3 An Equality Impact Assessment will be undertaken at the time of proceeding with the project plan, should Cabinet approve this report's recommendations.

6. FINANCIAL IMPLICATIONS

- 6.1 As stated above, the cost of the new centre plus associated outdoor facilities is estimated at approximately £10.5 million. It is anticipated that approximately £3 million could be drawn down from the 21st Century Schools programme (based on anticipated schools usage and subject to WG approval) which would leave £7.5 m to be funded by Prudential borrowing.
- 6.2 The prudential borrowing costs would be £440,000 per annum based on current rates.
- 6.3 It is important for Cabinet to note that any funding package to be considered will exclude any potential capital receipt for the existing Caerphilly Leisure Centre site as current accounting practice dictates that speculative capital receipt income should not form part of the business case.
- 6.4 Cabinet are reminded that there is no provision in the capital programme for the Priority 1,2 & 3 maintenance liabilities outlined in paragraphs 4.2 & 4.7.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no significant personnel implications associated with the proposal at present.

8. CONSULTATIONS

- 8.1 This report reflects the views of the listed consultees

9. CONCLUSIONS

- 9.1 The development of a new leisure Centre on the St. Ilan site represents a unique and timely opportunity to drastically improve Leisure Facilities in the Caerphilly basin and to reduce future asset management maintenance liabilities.

10. RECOMMENDATIONS

It is recommended that:-

- 10.1 Cabinet agrees in principle to the development of a new Leisure Centre on the former St. Ilan School Site.
- 10.2 Officers work up proposals for Cabinet and Council to consider in respect of the prudential borrowing costs outlined in 6.2, above.
- 10.3 Officers include the relevant financial package in the annual budget report to Council in February 2013.

11. REASONS FOR RECOMMENDATIONS

- 11.1 To develop the most cost-effective strategy that deals with the issue of Leisure Centre provision in the Caerphilly basin and the significant maintenance liability that exists in Caerphilly Leisure Centre.

12. STATUTORY POWER

12.1 Local Government Act 1972-2003. This is a Cabinet function.

Author: Mark S. Williams

Head of Community & Leisure Services

e-mail: willims@caerphilly.gov.uk tele: 01495 235070

Consultees: Anthony O'Sullivan, Chief Executive

David Phenis, Sport & Leisure Services Manager

Nicole Scammell, Head of Corporate Finance

Sandra Aspinall, Corporate Director, Education and Lifelong Learning

Colin Jones, Head of Performance and Property Services

Nigel Barnett, Deputy Chief Executive

Bleddyn Hopkins, Assistant Director Our Schools Our Future

Councillor Dave Poole, Cabinet Member for Community & Leisure Services

Councillor Rhianon Passmore, Cabinet Member for Education & Lifelong Learning

Councillor Keith Reynolds, Deputy leader & Cabinet Member for Corporate Services

David A. Thomas, Senior Policy Officer (Equalities and Welsh Language)