

SUBJECT:	<i>Chiltern Pools</i>
REPORT OF:	<i>Cllr Mike Stannard, Support Services Portfolio Holder Cllr Liz Walsh Community, Health and Housing Portfolio Holder</i>
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WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

To advise members on the detailed feasibility study to re-provide a combined community and leisure facility in Amersham, to seek agreement to enter in to a land swap with Amersham Town Council to enable any proposed development and to proceed to the detailed design stage of the project

RECOMMENDATIONS

1. **To note the findings of the feasibility study to re-provide a combined community and leisure facility in Amersham and to progress the project to the next decision point, this is the Stage 2 refinement of brief.**
2. **To note the current facility mix identified in the feasibility plan and detailed in Appendix 1**
3.
 - (a) **To agree to place the necessary statutory advertisements and undertake public consultation together with Amersham Town Council in relation to the proposed disposal and acquisition of land as detailed in private appendix 2 to support the redevelopment of the facility.**
 - (b) **To delegate**
 - a. **consideration of any duly made objections during the advertisement period; and**
 - b. **the decision whether to acquire and dispose of the land referred to above and the detailed terms thereof****to the Chief Executive in consultation with the Head of Legal and Democratic Services and the Leader of the Council**
4. **To delegate authority to the Director of Services**
 - (a) **to agree heads of terms with current lease holders to secure the surrender of their leases to enable the Council to take possession of the Community Centre, Youth Club, and Library buildings as part of the redevelopment; and**
 - (b) **to agree the terms of new leases to commence when the new facility is available for occupation.**

5. To delegate the decision to the Director of Services to agree final transitional arrangements with the Community Centre, and Buckinghamshire County Council as necessary to allow the development to proceed
6. To delegate authority to the Director of Services, in consultation with the Support Services Portfolio Holder, the selection, through an appropriate Framework, of
 - (a) a Project Manager and Quantity Surveyor to manage the project through the key decision points to develop a replacement facility; and
 - (b) the architectural and professional services required by the project design team.
7. To delegate authority to the Director of Services, in consultation with the Head of Legal and Democratic Services, to undertake a procurement process to select the lead construction company for the project, subject to final agreement by Cabinet.
8. To authorise Head of Healthy Communities, in consultation with the Support Service Portfolio Holder to draw down up to £1,500,000 of funding to enable the project to progress to the next key decision stage which is the Stage 2 Refinement of the design prior to Cabinet approval to proceed to the full design brief to the point of planning application. The first £1m to be taken from the earmarked leisure fund
9. To delegate authority to the Director of Services to appoint an Internal Project Manager to support the delivery of the next stage of the project, to be funded from the earmarked leisure fund.

2. Executive Summary

2.1 Public consultation involving 2,500 replies overwhelmingly supported the redevelopment of the Amersham leisure and community site to deliver a purpose built facility incorporating; community hall and meeting rooms, library, youth facilities, nursery, swimming, diving, climbing, health and fitness, squash, soft play, and café facilities.

2.2 Concerns raised through the consultation included; parking, accessibility, size and scale of the building close to residential areas, the provision of temporary facilities during any development and the protection of the historic barns. Following the initial feasibility study Members asked for a revised study addressing the consultation points and to also consider the provision of a Spa and leisure flumes in to the design.

The revised feasibility study addresses how the concerns may be mitigated and delivers the revised business plan. The feasibility study identifies that the operation of flumes would be uneconomic unless delivered as part of a specialist Water Park, so they have been omitted.

2.3 The feasibility study confirms the preferred approach to develop a single facility incorporating leisure and community facilities which through increased income generation would allow a loan to be repaid over a 40 year period. The increased range of community and leisure activities would support the District, County and Sport England's drive to increase physical activity across the population with particular attention on those who don't currently participate.

2.4 The centre would also support a range of activities assisting those at risk of social isolation, or with disabilities or aging to participate, assisting the aims of supporting a healthier community. The indirect benefit of a healthier lifestyle reduces the public sector costs arising from long term health conditions, loneliness and social isolation. A key target group for the centre would be to meet the needs of an elderly population whilst enabling physical activity across the generations.

2.5 To achieve a predicted centre opening in December 2020 the project plan would require appointment of a Project Manager and Quantity Surveyor in July 2017, responsible for the further development of the project through the design, planning and construction and demolition phases. It would equally be important to appoint a specialist leisure advisor to act as the Council's expert advisor to ensure robust challenge to the project as it develops.

2.6 To facilitate the early appointment of the Project Manager and Quantity Surveyor the Council has undertaken an OJEU compliant procurement process through the Bloom (previously NEPO) framework. The decision over the final appointment would follow any decision by Members to proceed to the next stage of the project. Any appointment of the Project Manager would be linked to key decision points enabling Members to review or proceed with the project.

2.7 The first key decision point would be to enable the Project Manager to recommend the further appointment of the core design disciplines (Architect, M+E, Civil, pool specialists) and surveys/consultations required to deliver a Stage 2 Refinement of the design prior to Cabinet approval to proceed to the full design brief to the point of planning application, Any final decision to move to planning application being made by Cabinet in 2018.

2.8 The project has currently been known as the Chiltern Pools redevelopment but has also been linked to other names including community hub, the Architect has decided to produce drawings now detailing the Chiltern Life Centre. Members are therefore asked to note the working title for the project.

3. Reasons for Recommendations

3.1 A key objective of the Health and Wellbeing Board is to increase opportunities for physical activity and active participation to enable healthier lives, reducing conditions such as diabetes and obesity amongst younger and older persons and to reduce social isolation. A new facility incorporating community and leisure facilities would increase the opportunity for younger and

older people to access activities to enable them to be healthier. This also directly supports Sport England an 'active nation strategy'

<https://www.sportengland.org/news-and-features/news/2016/may/19/sport-england-triples-investment-in-tackling-inactivity/>

3.2 The public consultation attracted a high level of support and provided a clear public mandate to provide modern replacements for the facilities in Amersham. However further discussions were required with stakeholders including the; current leisure provider, swimming clubs, CAB, Amersham Community Association, Gateway Disability Club, Linfield's Nursery, Amersham Youth Club and BCC Library Service to address long term leasehold arrangements and the business proposals to enable continued operation during the development phase.

3.3 The current Chiltern Pools has an operational life until 2020 following which significant capital investment will be required to the building structure, plant and equipment and internal facilities. Future operational and capital costs arising from the continued operation of the Chiltern Pools in its current condition are anticipated to be in excess of £540k/annum. Without significant investment the facility will be a drain on the Council's resources. The opportunity to invest in a new facility enables a significant return on investment reducing the future costs of leisure provision and allows income generation to the Council.

4. Content of Report

Background

4.1 Following a review the [Indoor Sport and Leisure Facilities Strategy](#) was adopted by Cabinet June 28th 2016 and a key recommendation was 'to undertake a detailed feasibility study' to consider the possibility of replacing the Chiltern Pools with a facility that would:

- be strategically located so as to optimise accessibility on foot and via public transport
- maintain and reconfigure existing water provision to help cater for unmet existing club swimming demand and future demand from the growing population
- provide a suitable District swimming gala venue
- provide replacement diving and ancillary dry diving facilities
- extend fitness and studio provision
- cater for sport, leisure and potentially commercial leisure, theatre and cinema need

4.2 The Options Appraisal and Feasibility study determined that there was a viable business case to develop a new multi-purpose leisure centre/community facility which could deliver a good return on the investment required enabling the facility to be delivered at no additional cost to the council tax payer. Over 80% of respondents to the consultation considered it appropriate for the council to prioritise investment in the development of new leisure and community facilities.

Business Case

4.3 The emerging business case has reviewed the needs of current stakeholders and secured their intentions to support the project including an identification of their specific requirements. The review has also addressed the opportunity to develop the site so as to mitigate most of the

concerns in relation to transitional arrangements, car parking, the protection of the historic barns, accessibility and massing of the site close to adjoining properties.

4.5 The facility mix includes an eight lane swimming pool, dive facility/teaching pool, splash pool, dry diving facility, 150 station fitness studio, climbing wall, soft play, sports hall, café facilities, spin studio, 2 x dance studios, 2 x squash courts, community hall and meeting rooms, library and Spa facility with treatment rooms. Accommodation has also been included to support the Linfield Nursery and Gatehouse Disability Club which currently operate from the Youth Club. Increased parking has been identified through the development of underground car parking facilities built under the centre.

4.6 The current version of the combined leisure and community facility incorporating all aspects of stakeholder's requirements and the inclusion of underground car parking and the provision of a Spa together with additional accommodation anticipated to meet future needs is estimated at £35M which is in excess of the initial estimate of £24M. Further information gathering with stakeholders and detailed sensitivity analysis is to be undertaken to review the needs which will revise the final cost estimates. It is proposed that a further report to Cabinet detailing the brief and detailed costs is reported 12th December 2017 when certainty over the lease arrangements, fields in trust decisions and temporary facility requirements would be available.

4.7 The current facility mix, concept drawings, estimated income, potential land swap and estimated costs are detailed in the **Private Appendix 2**. The proposals enable a net financial return of circa £1.2M/annum to the Council together with wider range of activities meeting the requirements of the Chiltern Indoor Sports and Leisure Facilities Strategy, delivering a purpose built centre with more efficient operational costs. At the current fixed rate cost (2.59%) of prudential borrowing the income would sustain a loan amount of £30M over a 40 year period thereby delivering a new facility and a potential saving to the Council of £200k/annum against the current cost of leisure. The December report will contain further sensitivity analysis as to the potential of the facility being able to attract an annual net income of £1.2M.

Transitional Arrangements

4.8 Consultation with Amersham Town Council and the Fields in Trust supports the concept of a land swap enabling the Council to acquire a section of the current King George V Playing Fields to enable the new centre to be developed. The **Private Appendix 2** identifies the details of the proposed land swap which would be the subject of statutory advertisements and public consultation.

4.9 By undertaking this proposed land swap the Council would be able to mitigate the need to relocate the Community Association, Youth Club, Nursery and Disability Club from their premises during the build. The proposal would also enable the barns to remain in their current location and may allow for the settings to be enhanced through greening of the immediate vicinity. The Council would have to negotiate with BCC over the final terms of the lease arrangements and the costs of relocating the library in to alternative temporary facilities.

4.10 Should the outcome of the public consultation and application to Fields in Trust not facilitate the proposed land swap alternative arrangements would be required to be considered and would form part of a further report to Members in that eventuality.

4.11 The Heads of Terms for all the various lease holders currently needs to be finalised however it is proposed to delegate the decision to the Director of Services to agree heads of terms with current lease holders to enable the surrender of leases to enable the Council to take possession of the Community Centre, Youth Club, Library buildings as part of the redevelopment

Project Plan

4.12 Following a review of the proposed project time line by the Councils leisure consultants Knight Kavanagh and Page the project would aim to be completed December 2020 with key decision points being;

- Project Manager appointment – July 2017
- Appointment of core design disciplines - August 2017
- Stage 2 Refinement of the design prior to Cabinet approval – decision point 12th December 2017
- Client approval to proceed with planning application June 2018
- Contractor Tender – July 2018
- Contractor final appointment – January 2019
- Construction – March 2019 to October 2020
- Fit out and hand over – October 2020
- Opening – December 2020

4.13 These timelines are tight and based on the assumptions that;

- The project approval as far as the next key decision point is granted at the June meeting of Cabinet
- The appointments to the PM and QS roles are made in July following the Cabinet decision to proceed
- With limited contingency built in the programme that there is a quick decision making process built in to the project plan and delegated to the Project Board to progress within budget parameters
- That the procurement of the contractor is undertaken early to enable detailed input in to the final design stages
- That the design team is 'novated' to the construction contractor to complete stage 4 drawings
- That the contractor can deliver to the construction timescales
- That design is progressed in parallel with the planning application

Project Procurement

4.14 Advice from Sport England is that the project plan is ambitious but it may be achievable through early decisions on the procurement process. These appointments include the decision to appoint the main Contractor and Project Manager and Quantity Surveyor so that the design process can proceed to timescale and within cost.

4.15 The project board and leisure Members Working Group (LMWG) received procurement advice in relation to the project which included understanding the Council's views of the programme aspirations and appetite for risk. It was considered that the Council would wish to open the facilities at the earliest opportunity and no later than December 2020, due to the current leisure contract ending April 2020. Members have advised that any facility should be built to a high standard and that control over the design needs to be with the Council and its stakeholders and not the contractor. The Leisure Members Working Group considered that a design and build and operate contract would not provide the degree of control that members sought over the design and that the cost of finance would be greater than the Council could currently borrow at. Members also considered that the costs must be within the evolving business plan limits and that it was also important to note that the potential contractor for the delivery of the service is also a stakeholder in the design. Members wished to transfer the risk of cost to the contractor.

4.16 For these reasons it was recommended that a hybrid procurement approach is taken by the Council to appoint the main contractor. This process would enable a Design and Build contract to be issued with the Council undertaking a two stage OJEU tender and appointing two contractors to be involved in the design, costs and buildability decision making. Following which a final competition is held between the two contractors to appoint the most competitive organisation.

4.17 Sport England advice was to appoint via an OJEU compliant framework for the appointment of the professional services to avoid delays that could occur through an in-house tender process. Several frameworks have been provided by Sport England for consideration.

4.18 For professional services the Bloom framework lists Calderpeel the Council's current architectural consultant working with KKP as an associate on the framework and able to enter a mini competition. The Bloom framework, subject to mini competition, potentially enables the desire of the Project Board and Leisure Members Working Group to see the current concept design being taken into the next phase.

4.19 To progress the procurement process the project board in consultation with the Leisure Members Working Group agreed to utilise the Bloom (formally NEPO) professional services framework to appoint the Project Manager and Quantity Surveyor. This framework which is fully OJEU compliant and auditable allows the Council to employ the specialist team, through the use of external experts in procurement, releasing the resources to run a tender process in house. Whilst the appointment process allows either direct award of contract for professional services the mini competition route is to be used. The costs of procurement are 5% of the total professional services fee which is borne by the successful contractor and not passed on to the Council. Should the Council decide not to proceed with the appointment of the Project Manager and Quantity Surveyor there are no costs to the Council under the Bloom Framework.

4.20 In parallel with the feasibility study the Council has utilised the Bloom Contract to agree to the appointment of a Project Manager to manage the project through the key decision points to develop a replacement facility, including the appointment of the Architectural and professional services required by the project design team, the final appointment of the project manager delegated to the Director of Services in consultation with the Support Service

Portfolio Holder. The PM and QS would also undertake the hybrid OJUE Design and Build procurement process for the Contractor.

Budget

4.21 The estimated costs of professional fees for a development of the size and scale of the proposed leisure and community facility are £2.4M with costs to deliver the scheme to the key decision stage of a planning application are estimated at £1.5M.

4.22 Subject to Cabinet approval to proceed it is proposed to authorise the Head of Healthy Communities in consultation Support Service Portfolio Holder to draw down up to £1.5M funding to enable the project to progress to the next key decision stage.

5. Consultation

Not Applicable

6. Options

- 1) *To proceed to the next key decision point of the project*
- 2) *To decide not to proceed with the project*

7. Corporate Implications

7.1 Financial – The estimated costs of professional fees for a development of the size and scale of the proposed leisure and community facility are £2.4M with costs to deliver the scheme to the key decision stage of a planning application estimated at £1.5M. the contract with the Project Manager will contain the ability to halt further spend at any interim point should it prove necessary

The Feasibility study and emerging business case identifies a net financial return of £1.2M/annum to the Council together with wider range of activities meeting the requirements of the Chiltern Indoor Sports and Leisure Facilities Strategy, delivering a purpose built centre with more efficient operational costs. At the current fixed rate cost of borrowing the income would sustain a loan amount of £30M over a 40 year period thereby delivering a new facility and a potential saving to the council of £200k/annum.

There are opportunities for enabling development which can be the subject of a further report, such development could reduce the risks to the Council.

The following table provides a comparison of the cost of the current facility with the new proposed facility.

	18/19	19/20	20/21	21/22	22/23	23/24	24/245 Onwards
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost of Current Facility							
- Payment to contractor	100	100	100	540	540	540	540
- Annualised capital cost	100	100	100	100	100	100	100
	200	200	200	640	640	640	640
Running Costs of New Facility							
- Income			-3,717	-4,349	-4,728	-4,822	-4,919
- Expenditure (including operator profit)			3,252	3,363	3,446	3,513	3,582
Payment to Council			-466	-985	-1,281	-1,309	-1,337
Cost of New Facility							
- Payment from contractor			-466	-985	-1,281	-1,309	-1,337
- Annualised capital cost			148	148	148	148	148
- Servicing £30m 40 year annuity loan			1,213	1,213	1,213	1,213	1,213
			896	376	80	52	24

7.2 Legal – The Council has a duty to consider the health and wellbeing of its community, enabling leisure opportunities to support a healthier and active community would assist the Council in supporting this objective.

7.3 - Risks the current risks associated with the project include;

- i. Fields in Trust and Amersham Town Council not agreeing a land swap and/or a negative response to the public consultation, leading to the need to identify an alternative site and potential delays to the project.
- ii. Changes to design could have both negative costs and timescale implications
- iii. Stakeholders not agreeing the final heads of terms to relocate into a combined leisure and community facility leading to the need to identify an alternative site and potential delays to the project.
- iv. The final business case arising from the detailed design and construction process in stage 4 does not deliver the anticipated return on investment.
- v. The cost of borrowing increases adversely impacting on the business case. This could be mitigated by agreeing long term fixed rate borrowings.

- vi. *Planning consent is refused for the leisure and community facility extend the timeline for completion*
- vii. *Delays in appointing the specialist consultants and contractors would extend the timeline for completion*
- viii. *The contractor is unable to commit to the proposed timescale.*
- ix. *Site surveys including Geological and contamination surveys have not been undertaken for the site and could adversely impact on the timescale*
- x. *The emerging business case predicts an income of £4.9M which is a considerable increase in income on what the current facility generates.*

9. Links to Council Policy Objectives

Safe, Healthy and Active communities

Council has a duty to consider the health and wellbeing of its community, enabling leisure opportunities to support a healthier and active community would assist the Council in supporting this objective. Enabling the delivery of fit for purpose leisure facilities would support the councils objectives to reduce crime and disorder, address carbon management in relation to the use of fossil fuels used in the operation of the leisure centres, strengthen partnership working with Public Health, CCG, community groups and sports clubs and improve opportunities for greater community cohesion.

Next Step

- *Appointment of Project manager and QS*
- *Refinement of the design brief*
- *Site surveys and specialist appointments undertaken*
- *Public consultation on the land swap*
- *Public consultation on the current proposals*
- *Heads of terms agreed with leaseholders*

Background Papers:	It is a legal requirement that we make available any background papers relied on to prepare the report and should be listed at the end of the report (copies of Part 1 background papers for executive decisions must be provided to Democratic Services)
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**Appendix 1
Chiltern Leisure Centre**

- 1 – 8 lane 25m competition swimming pool with poolside seating
- 2 – Diving / training pool 12 x 17m with floating floor & Splash pad 5 x 5m
- 3 – Dry dive zone double height space
- 4 – 2 squash courts
- 5 – Village change and 2 group / kids changing rooms
- 6 – 4 Court sports hall
- 7 – 150 plus station gym allowing for possible further expansion
- 8 – Café / vending
- 9 – 3 no Multi-function / dance studios and a standalone youth zone
- 10 – Spin studio area
- 11 – Climbing wall area
- 12 – Adventure play / clip n climb
- 13 – Party rooms
- 14 – Soft play and catering zone
- 15 – Community room, large / theatre with removeable seating to seat 200 people
- 16 – Medium size and small community room
- 17 – Library zone
- 18 – IT suite and class rooms
- 19 – CAB / Council / Partners offices
- 20 – Spa with heat experience zone and treatment / relaxation room
- 21 – Pre-School Nursery