

CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the **CHILTERN LIFESTYLE CENTRE SCRUTINY SUB-COMMITTEE** held on **18 FEBRUARY 2019**

PRESENT: Councillor N Varley - Chairman

Councillors: J Burton
M Harker
P Jones
V Martin
D Phillips
N Rose
L Smith

APOLOGIES FOR ABSENCE were received from Councillors C Ford, J Gladwin and G Harris

ALSO IN ATTENDANCE: Councillors I Darby and M Stannard

1 ELECTION OF CHAIRMAN

It was moved by Councillor D Phillips, seconded by Councillor N Rose, and

RESOLVED:

That Councillor N Varley be elected Chairman of the Chiltern Lifestyle Centre Scrutiny Sub-Committee.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES OF RESOURCES AND SERVICES OVERVIEW COMMITTEE MEETINGS

It was noted that at its previous meeting, the Resources Overview Committee had suggested exploring other naming options for the centre.

RESOLVED

That the minutes of the Services Overview Committee held on 27 November 2018 and the minutes of the Resources Overview Committee held on 4 December 2018 be noted.

4 TERMS OF REFERENCE

The Terms of Reference as previously agreed by the respective Overview Committees were attached to the agenda pack.

RESOLVED

That the Terms of Reference be noted.

5 CHILTERN LIFESTYLE CENTRE UPDATE

The Sub-Committee received a report which provided background to the current position as to the development of the Chiltern Lifestyle Centre and advised Members on the appointment of contractors and operator to inform the final business case. The report also had an appendix setting out the key meetings/decisions in the progress of the project so far.

A presentation was also appended to the report and covered the current state of play, reasoning why the project was initiated, the current design, and the current draft business plan.

Prior to consideration, Members were advised that the Head of Healthy Communities had been unable to attend the meeting and as such, where required detailed responses would be circulated post meeting. The following items were highlighted:

- In relation to the future provision of water flumes within the new facility, specific consultation had been undertaken with a specialist flume supplier which resulted in a calculated payback period of 49 years. Consultation with the Amateur Swimming Association (ASA) identified a preference for an early years water offer such as a splash pad which contributed to water confidence in young children. Excluding flumes would allow for a larger swimming pool and inclusion of further opportunities for young children to play in the pool environment such as water features and soft play slides as used by similar leisure centres.
- There was limited soft play provision locally and this offer would help to attract young children and families to the centre. Independent analysis had identified this as being a much needed provision in Amersham and beyond.
- Specialist spa operators had been consulted as to the potential income and expenditure estimations and the opportunities for market development. A 15 minute drive analysis had shown limited facilities nearby and the spa proposed was a high end offer with extensive facilities. As the procurement process was underway, potential operators had already reacted positively to potential income generation of a spa

provision, with many having operated similar facilities across the country which had proven successful.

Key areas highlighted to the Sub-Committee as issues to consider included:

- The potential leisure operators were currently bidding to operate all 3 of the Council's leisure centres, including the new Chiltern Lifestyle Centre, Chesham and Chalfont. Each is bidding for a 15 year contract with the option of a 5 year extension. The procurement process also includes a variant option if the Lifestyle Centre is not developed in which operators are required to bid on running the existing Chiltern Pools centre along with Chesham and Chalfont for a fixed 15 year period only.
- The future operation fee estimated for the operation of Chiltern Pools in its current form, as part of a 10 year variant contract bid that was being requested as part of the procurement, was £600k per annum, plus 100k capital investment. Following a condition survey additional expenditure per year would be needed to be invested in the Chiltern Pools over the next 10 years to address the condition of the building and replacement of mechanical and electrical plant to enable the Chiltern Pools to continue to operate as now.
- Initial feedback from potential operators had been encouraging and as part of the procurement process, operators had been requested to include plans as to how they would invest and mitigate the risks to the existing Chesham and Chalfont Leisure Centres. Ideas put forward to differentiate the centres included internal alterations and target marketing. Further information would be presented to the next meeting as the procurement progressed, and would include details on potential investment to those facilities.
- The Hub concept, delivering a number of services in one centre, had worked well at other similar local authority projects in Warrington, Crewe and St Albans and had helped attract a wide range of people.
- Extensive consultation had been undertaken. In total across the three consultation periods, 4,500 responses had been received with 86% in support of plans. Consultation had not only been online, but community groups had been visited along with local schools, current users had been asked for views and information had also been provided in heavy footfall areas such as the train station.

Comments on the report and presentation were welcomed from Members. These included:

- The £4M gap in funding noted on page 21 of the reports pack indicated that this would be met through enabling development on the Chiltern Pools site, however page 61 noted the present value of land with outline planning permission was £2.4M, leaving a £1.6M differential. It was explained that the project was in an evolving phase and a feasibility study

was underway looking at the enabling development opportunities and what the different options could yield, which meant clear figures were not yet available. Funding was also being sought from Sport England. The costs would need to be considered in line with the outcome of the main contractor and leisure operator procurement, which would confirm the size of borrowing that could be sustained by the operating budget. Members requested that full clarification of these figures be presented at future meetings as £1.6M was a significant amount to appear unidentified.

- In relation to the library facility, the Committee was advised that negotiations with the County Council who were responsible for the operation of the library through a lease, were underway, although had yet to conclude. Discussions had been held at Leader, Chief Executive and Officer level. The outcome of these talks would be reported to Members and help inform the final business case.
- The estimated increase to membership by year 3 was highlighted by Members as an area to be treated with caution. The Sub-Committee believed that there were no indications this increase was justified and there did not appear to be a sound evidence base to base these figures on.
- The estimated usage of 800,000 users of the centre per annum was also highlighted as a concern as was the estimate of up to 14 fitness classes a day. Members were informed that once the operator contract had been agreed, this risk would lie with the operator. The Council would receive the sum agreed in the contract, regardless of membership size and professionals had assessed the latent demand. It was noted that growth at the current site was limited as the offer was not there to attract the level of growth included in the draft business case. Members requested clarity as to the current level of membership.
- Members highlighted that many of the predicted 800,000 users per annum would not be paying, with many visiting the library and community facilities. It was further noted by Members that other nearby facilities had their captive memberships who may not choose to leave to join a new centre.
- Concern was raised that the loan payback period had increased over the time since initial draft plans were presented to Members and was now estimated at 45 years.
- Funding provision from Sport England was raised as an uncertainty at this stage of the project, and Members were advised that Sport England had been involved in the process for three years. Sport England had invited the Council to submit an expression of interest to apply for facilities funding to help meet any budget shortfall. This can only be applied for through invite and whilst not a certainty, should the application be successful, funding received would be between £500k and £2m.
- The planning application that had been deferred by the Planning Committee on 14 February had seen Members and public speakers raise concern over the impact of the centre and lack of parking. Lack of parking was further highlighted as being a possible deterrent to potential users.

- Members were advised that the views of the Planning Committee would be taken seriously and these would be addressed. The Project Board would be meeting on 19 February to discuss all of the issues that arose from the Planning Committee.
- It was explained that parking revenues had not been included in the profit and loss figures in the draft business case as these were required to be accounted for separately in the Council's budget, and did not form part of the net cost of the facility historically.
- The 4,500 responses to the consultation events were considered low by some Members and it was said that not all areas of the District had been aware of the consultation. Other Members in attendance believed this was a positive number of responses. It was clarified that the 4,500 total were not necessarily unique responses and it was likely that some people may have responded at each stage of consultation. Definitive numbers of responses made at each consultation stage would be circulated to Members.
- It was raised that it would be highly likely that the new centre would impact on membership numbers at the Chalfont and Chesham centres and concern was raised that membership levels could reach a level which would not justify the centres being kept open. As part of the operator procurement, Members wanted a commitment that both would be kept open. It was noted that the procurement process was requesting an operator to operate all three centres and to provide plans how the potential loss of customer base could be mitigated.
- The importance of leisure facilities to residents and in particular families was highlighted and it was noted that had the provisional predicted figures been unrealistic, operators would not have come forward in the procurement process.
- Following concerns raised, Members requested clarification as to whether there was any break clause in the 15 year operator contract as this would bring a high level of risk were there to be. Further, if the contract was to be broken Members wanted clarification of where responsibilities would fall, it was explained that this would be made clear to Members during the final stages of procurement when the Sub-Committee are asked to consider the risks prior to a final decision being made.
- It was further agreed to be communicated to Members how much had been spent to date on the project.

It was affirmed to the Sub-Committee that due to the complexity and size of the project, final figures would not be available until the procurement process had completed and the final design costs known following planning permission. The whole process had been designed so that the final business case decision coincided with the awarding of the leisure operator and main contractor contracts. It was recognised that scrutiny of these figures was crucial to any final decision.

RESOLVED

That the report and presentation be noted.

6 WORK PROGRAMME

The Committee considered the work programme attached to the reports pack. Given the high level of detail that would be included in the items scheduled for the August meeting, Members requested that an additional meeting be arranged so that one meeting could focus entirely on the final business case including the enabling development opportunities, and the outcome of the operator procurement, whilst the final meeting would be for members to form an overall view of the project based on the information provided. This approach would allow Members time to properly consider the information before reaching conclusions.

The Committee was advised that there was an aim to have the two meetings as close to one another as possible which would mean that the summer 2019 meetings would likely be arranged in close proximity. The work programme would be updated and Members consulted on revised dates for the last two meetings.

The Committee requested an up to date work programme be circulated in advance of the next meeting in April.

At the meeting in April it was expected that there would be indication of what the leisure operator offer would include, although final figures would not be available. The impact on the Chesham and Chalfont leisure centres would also be discussed in further detail.

RESOLVED

That the work programme be noted.

The meeting ended at 7.51 pm