

King George V House, King George V Road,
Amersham, Buckinghamshire, HP6 5AW
01895 837236
democraticservices@chilternandsouthbucks.gov.uk
www.chiltern.gov.uk



CHILTERN
District Council

Chiltern Lifestyle Centre Scrutiny Sub-Committee

Wednesday, 7 August 2019 at 6.30 pm

**Large & Small Committee Room - King George V House, King George V
Road, Amersham, HP6 5AW**

S U P P L E M E N T A R Y A G E N D A

Item

3 Minutes (*Pages 3 - 6*)

To note the minutes of the meeting held on 31 July 2019.

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CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the
CHILTERN LIFESTYLE CENTRE SCRUTINY SUB-COMMITTEE
held on **31 JULY 2019**

PRESENT: Councillor N Varley - Chairman

Councillors: J Burton
J Gladwin
P Jones
D Phillips
N Rose
L Smith

APOLOGIES FOR ABSENCE were received from Councillor V Martin; Councillor J Gladwin apologised for lateness.

ALSO IN ATTENDANCE: Councillors M Harker, J Cook, G Harris, M Stannard and E Walsh

15 MINUTES

The minutes of the meeting held on 11 April 2019 were noted.

16 DECLARATIONS OF INTEREST

There were no declarations of interest.

17 WORK PROGRAMME

The Committee considered the work programme attached to the reports pack. Members were informed that the pre-construction site preparation would not be available for the meeting on 7th August, however this was covered by a planning condition.

RESOLVED

That the work programme be noted.

18 EXCLUSION OF THE PUBLIC

RESOLVED

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item(s) of

business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

Paragraph 3 Information relating to the financial or business affairs of any particular persons (including the authority holding that information).

19 FINAL CHILTERN LIFESTYLE BUSINESS PLAN

The Committee received a report which presented the final business case for the proposed Chiltern Lifestyle Centre and associated car park redevelopment. Officers highlighted the key points from the report and provided a detailed breakdown of the figures included in the appendices.

The design has been tested for its buildability and cost of build by the Council undertaking a Pre-Construction Service Agreement with BAM. BAM have confirmed a build programme and are continuing to work on the detailed building design to deliver a fixed cost for a Design and Build proposal for the centre.

The fixed price proposal has been slightly delayed but the current update from BAM is that the scheme will be brought in under an estimate of £36M.

Within that £36M is the cost of the

- Car Park £2.3M,
- Library and community facilities £5.13M and
- Leisure facility £28M

The business case considers the worst case on build costs of £36M and the worst case on income provided to the Council at an average guaranteed net income of £1.25M/annum over a 15 year contract.

Members were informed that the facility mix had attracted significant interest from leisure operators in the market and competitive bids had been received. The Committee would be updated at the meeting on 7th August with details of the highest scoring bidder following completion of the evaluation process. It was noted that the figures included in the supplementary appendix 4 were examples based on a worst case scenario, and it was expected that these would be exceeded by the appointed operator.

Questions raised by Members during the discussion included the following:

- It was queried whether surplus profit generated by the operator would be shared with the Council. Officers confirmed profits exceeding the

agreed amount set out in the contract would be shared 50/50 between the operator and the Council.

- A Member raised concerns regarding the fees and overheads charged to the existing community organisations leasing the existing community facilities when they move in to the new centre. It was clarified in response that organisations leasing the existing facilities would be in no worse position when taking in to account lease and overhead costs for using the new centre, although this could be reviewed as necessary going forward.
- A Member queried whether there would be other commercial outlets in the centre, in addition to the café. It was advised in response that the contractor would have a small commercial offering of sports equipment and there was provision for pop-up stalls and booths which could be used for promotions by the Council or community groups; however there would be no other commercial outlets.
- It was queried whether the contractors had carried out their own research into the expected number of visitors to the centre and if they would be able to walk away from the contract if these expectations were not met. Officers confirmed that the bidders had carried out their own extensive research into the expected number of visitors and were confident of reaching targets. Once the contract with the operator was signed they would be committed to delivering the agreed financial return to the Council for the duration of the contract.

A number of Members indicated their support for the business case and were pleased that the Council would be in a stronger financial position as a result of the project. It was also considered positive that the leisure centres in Chesham and Chalfont would benefit from the project. It was felt that the new centre would be important in attracting new visitors to Amersham and it was hoped that this would translate into more visitors to the high street.

A Member raised strong concerns regarding the environmental impact of the project on the area surrounding the new centre. These concerns included the negative effect that the increased number of visitors would have on residents living around the centre, the loss of a quarter of King George V playing field, and the overall size of the design.

RESOLVED to recommend to Cabinet

- 1. That the current position be noted.**
- 2. That the final business case and proposals for the Chiltern Lifestyle Centre project be agreed.**
- 3. That Cabinet agrees to utilise the £33m in the capital programme for the construction of this project and allocate £500,000 from reserves to the project to cover the contingency sum.**
- 4. Subject to the Full Council decision on the planning application for**

the Chiltern Lifestyle Centre, to authorise the Head of Healthy Communities, in consultation with the Portfolio Holder and Director of Services, to conclude the delivery agreement between BAM and the Council for the final construction phase.

- 5. That the Head of Finance be authorised to negotiate and conclude any necessary agreements to allow the development to proceed through to completion.**
- 6. That the loss in revenue income arising from the discontinuation of the Library car park from October 2019 be noted.**
- 7. To note and agree the re-phasing of the pre-construction costs of this project from £1,750,000 to £2,421,381 to avoid future costs arising from a delay to the build programme.**

Note 1: Councillor M Harker entered the meeting at 6.54pm

Note 2: Councillor J Gladwin entered the meeting 7.19pm

The meeting ended at 7.20 pm