



# Northumberland

## County Council

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### **Cabinet**

**24<sup>th</sup> May 2019**

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### **Replacement of Berwick Leisure Centre**

**Report of: Head of Property Services and Capital Programming**

**Cabinet Member: Councillor Catherine Homer (Cabinet Member for Culture Arts, Leisure and Tourism)**

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### **Purpose of Report**

To seek agreement to the continued development of improved leisure facilities in Berwick in the form of a new leisure centre on the existing Swan Centre site.

### **Recommendations**

Cabinet are recommended to agree the following actions:

1. Submission of a planning application.
2. Completion of detailed design;
3. Procurement of a main contractor to construct the facility; and
4. Entering into a building contract for the construction of a new build leisure centre on the existing Swan Centre site in Berwick-upon-Tweed within an overall estimated capital cost of £20.5m.

### **Link to Corporate Plan**

This report is relevant to several key areas within the NCC Corporate Plan 2018-2021, including maintaining healthy lifestyles, access to facilities and supporting tourism in the northern part of the county.

## **Key Issues**

The key issue is whether approval can be given to move ahead with the leisure centre scheme in Berwick at the cost estimate and against the scope of facilities outlined in this report.

## **Background**

Cabinet considered a business case for a new leisure centre facility on 10<sup>th</sup> September 2018. The project was approved with the following agreed:

- *to approve the construction of a new leisure centre in Berwick as an integrated Council facility with services likely to incorporate learning disability day services;*
- *to recommend that Council approve an increase in the capital programme allocation for the leisure centre development, to a maximum budget of £20m.*

A design team was procured to enable design work to start in January 2019 with a pre-planning application submitted in March 2019.

Two public consultation exhibitions were held in March 2019 at the Swan Centre on 19<sup>th</sup> March and Berwick Workspace on 23<sup>rd</sup> March. Over the course of these two exhibitions, a significant amount of verbal feedback was received, with over 200 attendees and 34 written responses. In relation to the comments from the written responses, 14 were positive and 20 were neutral.

There were a number of positive comments about the swimming pool and spa proposals and the inclusion of lawn bowls and a 3G pitch. Parking numbers, electric vehicle charging points and cycling facilities were also referenced.

Only four other comments/suggestions are unable to be addressed in the current design and cost envelope, they are listed below with comments.

1. *Will the pool be suitable for holding competitions?*

The new pool at Berwick will continue to provide a like for like design based on the current 5 lane swimming pool. The pool would be suitable for non-licensed in house competitions. Appropriate lane rope fixings will allow the pool to be marked up to 6 lanes as and when required.

2. *Hope the new centre provides squash courts?*

Demand for Squash at the Swan Centre is very low. Squash courts are accessible at a local school which Northumberland County Council and Active Northumberland intend to open up dialogue with the school regarding the future use and condition of their courts.

3. *What about a skate park?*

The addition of a skate park could be considered separately but is not within the scope or cost envelope of the scheme currently.

4. *A bar in the indoor bowls area would generate extra revenue.*

A café will be provided in the ground floor entrance area adjacent to the soft play and pool viewing area. Bar facilities are both costly to install and operate. There may be options to provide additional catering services as and when required which could include portable bar options for larger events and functions.

The design is currently at RIBA Stage 3 with a full design report and updated cost plan being completed in June.

### **Objectives for a New Build Leisure Centre**

- A landmark facility that incorporates inclusive services designed to support physical active lifestyle and wellbeing, being a leading example of seamlessly integrated leisure, health and social care.
- To replace the existing ageing and uneconomical Leisure Centre with a new modern and self-sustainable Leisure Centre, without the need for public subsidy.
- To optimise income generating potential whilst also enabling services that deliver social value in accordance with NCC's requirements of the leisure provider.
- To become a tourist destination attracting visitors from Northumberland, Borders, South Scotland and beyond.
- Widen access and increase the overall participation in sport, leisure and entertainment in Berwick and North Northumberland
- To provide a mix of fun, exercise and relaxing facilities.
- To be sustainable and considerate of environmental issues, such as the use of energy and non-sustainable resources and the control of pollution.
- Improve standards of performance for sport.

### **Proposal**

A new build leisure centre on the existing Swan Centre site would comprise:

- Swimming Pool - 25m, 5 lane.
- Teaching Pool - with moveable floor.
- Leisure Pool - with slides and children's splash activity area.
- Spa Facilities - comprising spa pool, sauna, steam room, relaxation area.
- 4 Court Sports Hall - Sports hall to support a wide range of recreational sports and activities, and to provide a base for local sports clubs generating pathways into organised community sport for young people and adults.
- Fitness Suite - 100 station gym to house a variety of modern equipment and with spacious functional training areas.
- Fitness Studios - 2 dedicated fitness studios.
- Spinning Studio.
- Changing Areas – to service swimming pools, sports hall, fitness suite and outdoor sports.
- Changing Places Facility – to improve accessibility to the building and the town in general.
- Café/Refreshment Area including soft play and pool viewing area.
- Flexible Adult Care facilities including sensory room.
- Indoor lawn bowls.
- External 3G full size playing pitch.
- External area incorporating play park, trim trail, and hard and soft landscaped areas.
- Car Park - 175 space car park.

Indicative floors plans are enclosed in Appendix A.

## Key Programme Dates

Activity	Date
Submit Planning Application	28 May 2019
Main Contractor Procurement completes (SQ Stage 1)	10 June 2019
Main Contractor Procurement completes (ITT Stage 2)	13 September 2019
Start On Site	November 2019
Phase 1 Completion	March 2021
Phase 2 Completion	January 2022
Phase 3 Completion	July 2022

The work will be carried out in phases to ensure that the existing facility continues to operate at all times until new facilities open to replace them. The components of each phase are shown in the following table:

Phase	Component
Phase 1	Swimming pools (main, leisure and learner pools), spa, fitness suites, changing areas, lawn bowls, café and external 3G playing pitch.
Phase 2	Sports hall.
Phase 3	External works, including new car park.

## Project Scope and Costs

The current estimated capital cost of the project is £20.5m. This includes construction, demolition, fees, and equipment as shown in the following table:

Cost Element	Cost Estimate
Demolitions and Site Clearance	£500,000
Building and Equipment	£14,012,204
External Works	£1,800,000
Sports Pitch (external full size 3G pitch)	£800,000
Site Infrastructure	£200,000
Contingency (5% of construction cost)	£865,610
Inflation Cost Uplift	£908,891
<b>Construction Cost Total</b>	<b>£19,086,705</b>
Fees and Surveys	£1,413,295
<b>Total Development Cost</b>	<b>£20,500,000</b>
Funding Source	Budget Element
NCC Capital Programme	£20,000,000
Football Foundation Grant (assumed but as yet not guaranteed)	£500,000
<b>Total Projected Funding</b>	<b>£20,500,000</b>

The budget cost plan assumes a £500,000 capital contribution from the Football Foundation for a 3G pitch. A grant application is due to be submitted in October 2019 and early discussions with the Football Foundation have been extremely positive. Active Northumberland are working closely with the Football Foundation on the application to ensure success. However, it should be noted that were the grant application to be unsuccessful then the project would be projected to be £500,000 over budget in which case the provision of the 3G pitch would need to be reviewed.

Estimated costs will continue to be reviewed and refined as the design progresses. A final pre tender cost estimate report will be prepared prior to issue of the Invitation to Tender for the construction contract.

It should be noted that the actual cost is subject to tender returns.

## **Revenue Impact**

Both usage and income of the current facility reduced from March 2018 to March 2019.

Key to increasing participation will be a good quality swimming offer, as well as a larger fitness suite, more studios, and a café; designed and managed appropriately, investment in such facilities will also benefit revenue generation, including secondary spend.

The brief and subsequent mix of facilities recognises the main income generating factors as follows:

- (a) Fitness Suite with an increased capacity of 80 from 65 will be provided.
- (b) A teaching pool will be provided to grow learn to swim programmes
- (c) Leisure water to attract locals and tourists
- (d) A café will be provided to maximise 'secondary spend' in the facility
- (e) A soft play area adjacent to the café
- (f) A spa facility for both Active Northumberland members and ad-hoc visitors alike.
- (g) Potential rental income from Adult Care rooms when not in use by that service.

The provision of lawn bowls is unlikely to be profit making without a substantial increase in participation. However, it was added to the brief due to lack of equivalent facilities in the north of the County.

The building design will be energy efficient prioritising a thermally efficient building envelope and also reducing running costs and carbon consumption through a range of energy saving measures with an estimated 20% of energy generated on site.

The proposed selection of air source heat pumps rather than a gas CHP as primary heating source recognises the long term trend of de-carbonised grid electricity and likely increase in gas prices over time.

## Implications

<b>Policy</b>	This scheme will modernise and improve leisure facilities for residents and visitors to the Berwick area
<b>Finance and value for money</b>	The scheme is estimated to be deliverable within current financial allocations if a grant application to the Football Foundation is successful. The accelerated delivery timelines bring the full costs of delivery into the 3 year MTFP, therefore it will be necessary to review other capital schemes for potential slippage to maintain the financing costs within the current profiles approved within the MTFP. A new build leisure centre will result in lower repairs, maintenance and utilities costs than the existing leisure centre building which will be taken into account when reviewing the subsidy provided to Active Northumberland for the financial year the site is operational.
<b>Legal</b>	No issues of note.
<b>Procurement</b>	A procurement exercise for a main construction contractor will be undertaken. The procurement strategy is based on a competitive tender exercise via OJEU.
<b>Human Resources</b>	No issues of note.
<b>Property</b>	This will create a new asset and involve the demolition of the existing leisure centre building. The asset will be leased to Active Northumberland to manage on the Council's behalf.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	The new building will comply with all relevant disability and equalities legislation with improvements on the current leisure, for example the provision of a Changing Places facility.
<b>Risk Assessment</b>	<p>The key risks will be:</p> <p>Budget - Containing the scheme within budget whilst ensuring the design meets the needs of the population and maximises the potential for a commercially viable solution to be delivered. Cost certainty will only be achieved once a main contractor has been procured. The construction market conditions prevailing at the time of procurement will influence the final costs.</p> <p>Programme – The completion of Phase 1 by March 2021 is ambitious and does not allow for any time contingency in the event of any delays to the planning process or should any unforeseen issues arise.</p> <p>Phasing of Work – To ensure continuity of leisure services the build will be phased meaning careful planning to ensure safe and effective operation as construction progresses. This approach has incurred additional cost and extended programme. Parking will also be limited during the construction phase.</p> <p>Grant Funding Application – Whilst early discussions with the Football Foundation have been extremely positive it should be noted that were the grant application to be unsuccessful then the project would be projected to be £500,000 over budget in</p>

	which case the provision of the 3G pitch would need to be reviewed.
<b>Crime &amp; Disorder</b>	Not applicable.
<b>Customer Consideration</b>	Engagement with leisure centre customers and local residents has taken place via focus groups and formal consultation as part of the planning process. Comments and suggestions have been captured and considered.
<b>Carbon reduction</b>	The building design will be designed to be energy efficient and minimise running costs and carbon reduction through a range of energy saving measures with an estimated 20% of energy generated on site.
<b>Wards</b>	Berwick and surrounding areas

### **Background Papers**

Cabinet meeting of 10<sup>th</sup> September 2018.

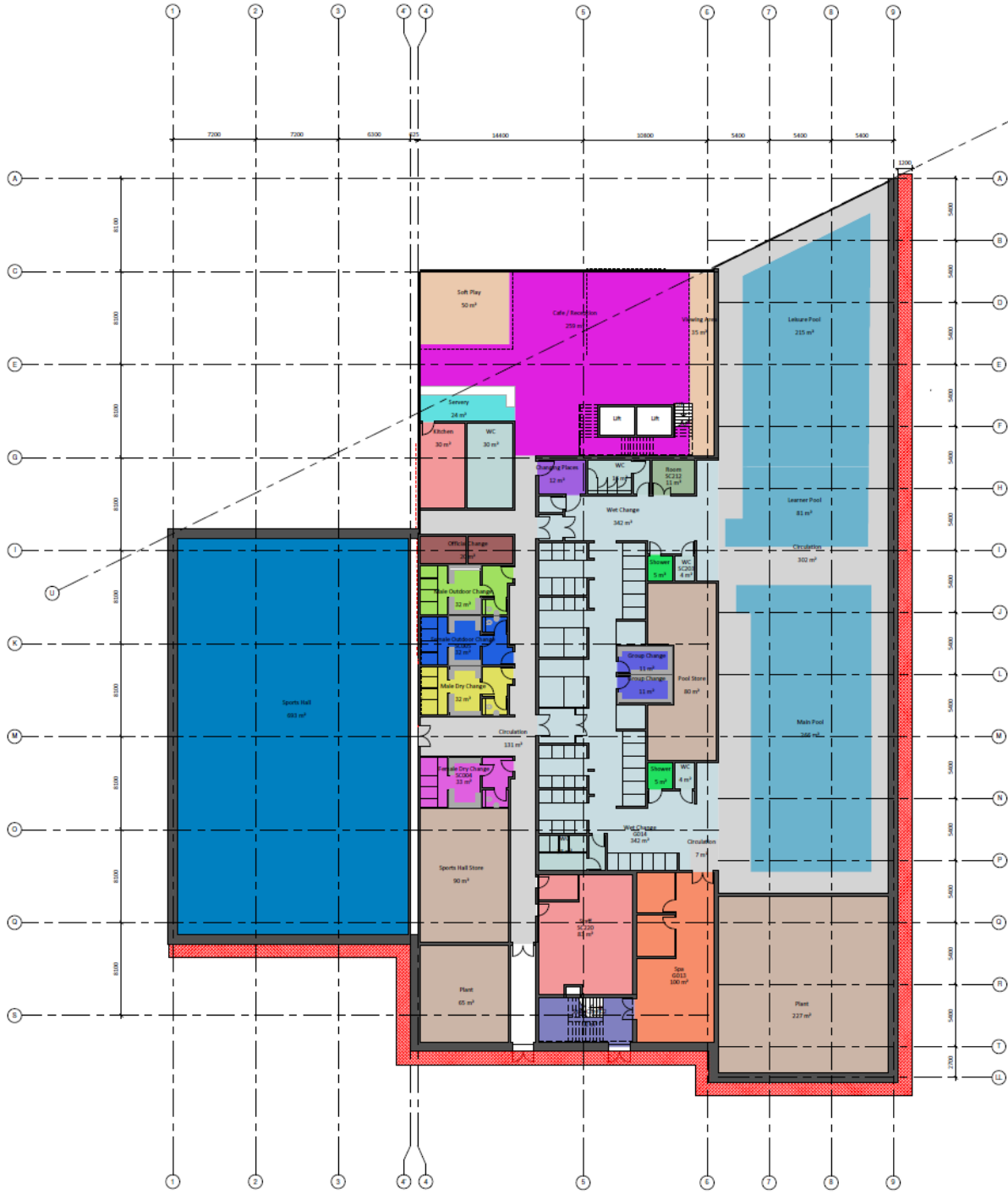
### **Report Sign Off**

	Full name of officer
Monitoring Officer/Legal	Liam Henry
Executive Director of Finance & S151 Officer	Annabel Scholes
Relevant Executive Director	Neil Bradley
Chief Executive	Daljit Lally
Portfolio Holder(s)	Cllr Catherine Homer

### **Author and Contact Details**

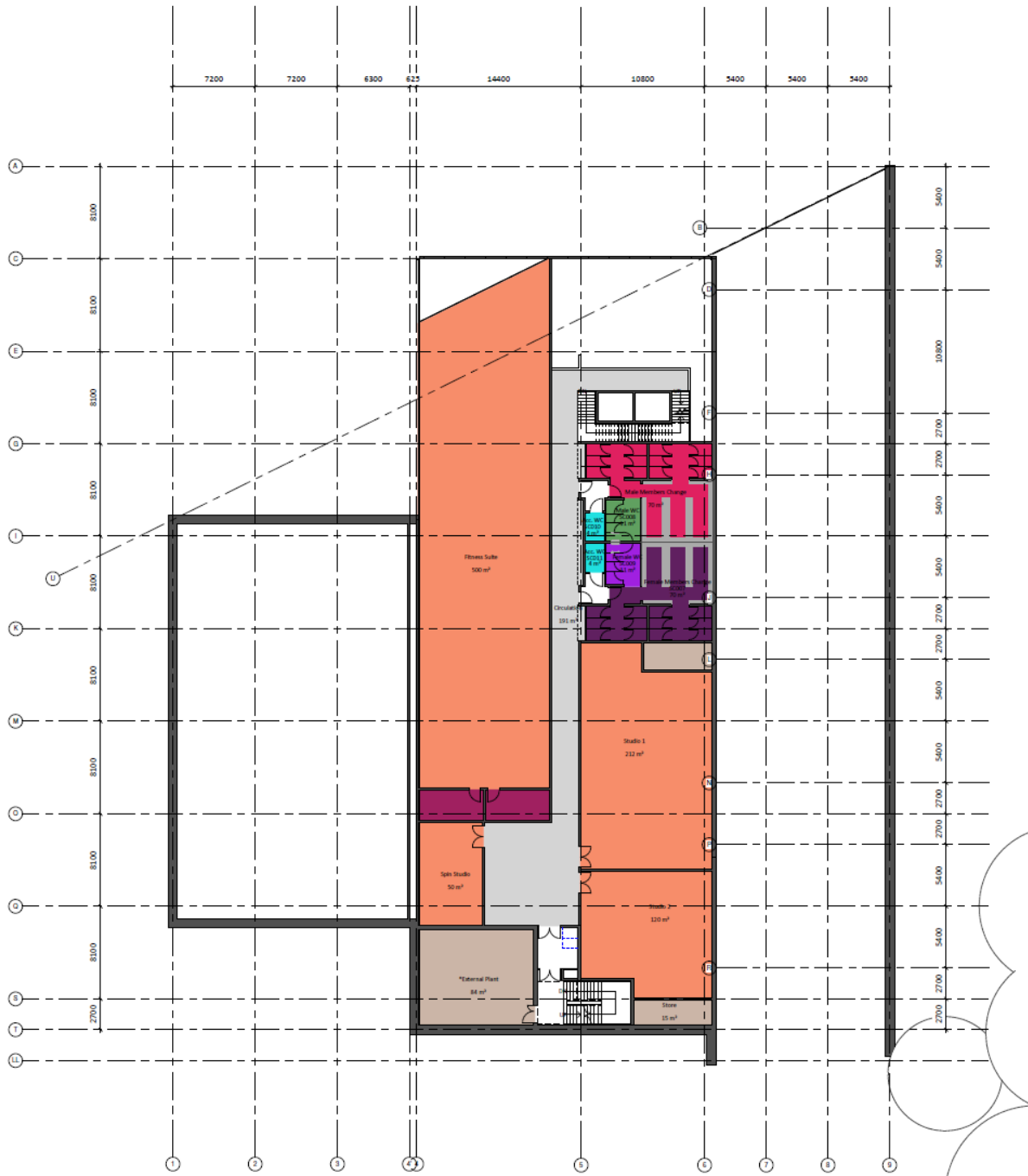
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# Appendix A - Ground Floor





# Appendix A - First Floor



Appendix A - Second Floor

