

Report to: Executive Board – 27th September 2002

SPORT CENTRES CAPITAL INVESTMENT

<p>Report of: Leisure Business Manager (Acting)</p> <p>Report Author: Mark Bowler Leisure Business Manager (Acting) Tel no. 01865 252621 Email: mbowler@oxford.gov.uk</p> <p>Lead Member Responsible: Councillor Peter Johnson</p> <p>Overview and Scrutiny Committee Responsibility: Finance & Performance Management.</p> <p>Key Decision: No</p>	<p>WARDS AFFECTED ALL</p>
--	----------------------------------

SUMMARY AND RECOMMENDATIONS

This report outlines the capital investment required to develop phase two of the new and improved facilities within the existing sport centre buildings. The developments will significantly improve the current standard of service provision and create additional income that will be set off against the cost of the service and enable long term re-investment in the sports centres. The report seeks approval to include funding for the developments in the Councils capital investment programme.

There are financial implications contained within the report, but no staffing implications.

The Executive Board is ASKED to:

- a) Recommend to Council that the capital investment of £3,300,501 detailed in figure 1 be included in the Councils capital investment programme.

1.0 Introduction

- 1.1 The Executive Board, on 8th July 2002, considered a report outlining details of capital investment required in the sports centre buildings and operational plant in order to bring them up to an acceptable and reliable standard. The board approved the recommendation to make provision for £1.58 million of work in the capital programme. Council approved this recommendation on 29th July 2002.
- 1.2 This report provides details of phase two of the sports centres capital investment programme. The aims of phase two of the investment programme are:
- I) Enhancement of the existing facilities in order to provide new and improved sport and leisure opportunities for the local community.
 - II) Provision of new facilities that encourage a wider range of people in the local community to participate in the activities provided by the sport and leisure centres.
 - III) Maximise the potential for reducing the cost of operating the service and to generate funds that can be reinvested in service improvements.
- 1.3 Section 2 provides a brief description of the respective development opportunities at each of the relevant sport centres. The ideas were generated from the Best Value Review of Community Buildings process and subsequent discussions with architects and leisure specialists.
- 1.4 A study was undertaken to establish potential demand for the developments within a 10-minute drive catchment of Ferry and Temple Cowley Pools and a 5-minute drive catchment of Blackbird Leys Leisure Centre and Peers Sports Centre. The information gained from the study was used to project the potential income that could be generated from the new developments.
- 1.5 It is recognised that there has been limited consultation with the groups and organisations that have an interest in the sport & leisure centre operation. It is anticipated that wider discussions will take place when the developments have been approved and more detailed proposals have been prepared.
- 1.6 There are a number of issues that will need to be considered before further detailed work on the development proposals can be undertaken. The impact on the Councils VAT calculation has already been highlighted as a potential problem along with procurement options, Major Project Approval and resources to deliver the project. These issues will be the subject of a separate report in the future.

2.0 Development Opportunities

2.1 Ferry Sports Centre

2.1.1 The potential re-development of the centre has been under consideration for a number of years. The urgent works required on the roof, currently scheduled for 2003, provides the opportunity to undertake the development work during the closedown period. The development opportunities include:

- 140 station health & fitness facility
- Air conditioned dance studio
- Refurbishment and remodelling of wet changing area including new family and disabled changing facilities
- Extended and refurbished reception area with fast track entry for regular users
- Refurbishment of café and viewing area
- Refurbishment of squash courts

2.1.2 Initial projections indicate that the developments outlined above have the potential to generate an additional £500,000 in income for the centre after the third year of completion.

2.2 Blackbird Leys Leisure Centre

2.2.1 Development opportunities for the facility include:

- Refurbishment of gym to create a 60 station health & fitness facility
- New free weights room
- Upgrade of disabled changing rooms including disabled access
- Creation of a new large indoor soft play facility
- Redevelopment of bar area to include air-conditioned dance studio and junior health and fitness facility

2.2.2 Initial projections indicate that the developments outlined above have the potential to generate an additional £200,000 in income for the centre after the third year of completion.

2.2.3 The soft play facility has been scheduled in year one as it is possible to construct the facility with minimum disruption to the service. It is also seen as a key facility that will encourage new users to the centre.

2.3 Temple Cowley Pool

2.3.1 Development opportunities for the facility include:

- Extension of the current health and fitness facility to provide 72 stations

- Remodelling of the reception area to provide better access including fast track entry for regular users
- Extended crèche facility on the ground floor including children's soft play area
- Refurbishment of dance studio

2.3.2 Initial projections indicate that the developments outlined above have the potential to generate an additional £450,000 in income for the centre after the third year of completion.

2.4 Peers Sports Centre

2.4.1 The development opportunities at the centre involve the conversion of one of the squash courts in order to provide a 28 station health and fitness facility.

2.4.2 Initial projections indicate that the development outlined above has the potential to generate an additional £50,000 in income for the centre after the third year of completion.

3.0 Capital Investment

Figure 1.

Sport & Leisure Centres – Development Capital Investment

Centre	Year 1	Year 2	Year 3	Totals
Ferry Sports Centre	£1,406,400			£1,406,400
Temple Cowley Pools		£ 705,200		£ 705,200
Blackbird Leys Leisure Centre	£ 100,000		£ 300,000	£ 400,000
Peers Sports Centre	£ 75,000			£ 75,000
Sub Total	£1,581,400	£ 705,200	£ 300,000	£2,586,600
10% Contingency	£ 158,140	£ 70,520	£ 30,000	£ 258,660
WORKS TOTAL	£1,739,540	£ 775,720	£ 330,000	£2,845,260
Fees @ 16%	£ 278,326	£ 124,115	£ 52,800	£ 455,241
GRAND TOTAL	£2,017,866	£ 899,835	£ 382,800	£3,300,501

3.1 The table in figure 1 above provides an illustration of the capital investment required at each of the relevant sport and leisure centres. It is

assumed that year one will be the financial year commencing 1st April 2003.

4.0 Project Development

- 4.1 The report has identified some of the complex issues that need to be considered and resolved in order to ensure the project is delivered effectively. Consideration also needs to be given to the availability of capital and scheduling of works in order to ensure service disruption is minimised. Work on the developments needs to be co-ordinated with the work on the operational plant and building improvements.
- 4.2 Once approval has been received, the next step will be to convene a project-planning meeting with key individuals whose input will be required to deliver the project. The aim will be to brainstorm all the relevant issues and produce a project plan that identifies the critical goals and the most effective procurement options.

HIS REPORT HAS BEEN SEEN AND APPROVED BY:

Isobel Garner, Strategic Director

Peter Johnson, Portfolio Holder – Leisure Facilities

Claire Reid, Divisional Accountant

Helen Liddar, Property Team Leader

Background papers: None