

**To:** City Executive Board  
**Date:** 21 September 2011  
**Report of:** Head of City Leisure & Parks  
**Title of Report:** Phase two leisure centre works

### **Summary and Recommendations**

**Purpose of report:** To seek approval to progress phase two leisure centres improvement works.

**Key decision?** Yes  
**Executive lead member:** Councillor Van Coulter

**Report approved by:** Tim Sadler

**Finance:** Val Craddock  
**Legal:** Lindsay Cane  
**Procurement:** Nicky Atkins

#### **Policy Framework:**

- Stronger, active communities
- Efficient, effective council

#### **Recommendation(s):**

1. That project approval is given to phase two of the leisure centre improvement works.
2. That the business case for phase two is approved and that a bid to the council's capital budget is made in October.
3. That approval is given to commence preparatory works.
4. That delegated authority is given to the executive director for city services to award the works contracts.

## **1. Introduction**

- 1.1 In May 2009 the City's Executive Board agreed the Leisure Facilities Review. It detailed an approach to developing a sustainable leisure offer by reducing the number of our leisure facilities and improving the quality of the remaining centres so they have a wider appeal.
- 1.2 Since March 2009 the city's leisure centres have been operated by Fusion Lifestyle, who are a social enterprise with charitable status.
- 1.3 In October 2010 phase one of the improvement works were completed which have witnessed an annual increase of 98,000 visits to our leisure centres, with a disproportionately high number of these visits being from our target groups.
- 1.4 The attached business case details what are termed "phase two" works which will continue to improve the quality of the city's leisure offer.
- 1.5 By investing in leisure centres the council is achieving a good return on its capital, alongside achieving its corporate objectives and as the property owner the council retains the residual asset value derived from the investment.

## **2 Phase Two Developments**

Phase two developments will take place at the following sites:

- Ferry Sports Centre
- Blackbird Leys Leisure Centre
- Oxford Ice Rink
- Barton Pool.

### **2.1 Ferry Leisure Centre**

The first phase of capital investment at the centre has proved very successful with significant growth in participation and membership numbers at the site. The aim of the second phase capital developments is to address and capitalise on the continued and increasing demand for a broader fitness offering by providing additional group exercise studio space and flexibility. In addition, it is proposed that works will be undertaken to the entrance/foyer areas in order to improve the first impression for customers, to help to address current reception congestion problems and to provide additional facilities/services designed to encourage use of the facility by the whole family.

With these aims in mind, the key elements of the development proposals are as follows:

- creation of a dedicated spin studio by conversion of one of the remaining squash courts
- reconfiguration of the existing entrance, foyer and office areas to create simple café and soft play facilities.

## **2.2. Oxford Ice Rink**

Fusion are confident that the Ice Rink has significant potential and represents both a great opportunity and a fundamental part of the City's high quality leisure portfolio. The key elements of the development proposals are as follows:

- improvement to the first floor areas, including entrance, foyer, reception, circulation, café and meeting rooms, so as to create a high quality and attractive customer offer.
- creation of additional multi-purpose/meeting space.
- improvements to the external décor and signage.

## **2.3. Blackbird Leys Leisure Centre**

Fusion's original tender incorporated plans to undertake the resurfacing and refurbishment of the existing outdoor tennis courts so as to enable multi-use activity, including floodlit five-a-side football. While not prioritised in Phase One of the works, it is a key element of the Second Phase of works and complements the planned development of the Competition Standard Pool on the site.

## **2.4 Barton Leisure Centre**

The construction of the fitness suite at the Barton Pool has significantly increased participation and income generation at the site and has created a more complete and coherent offer to the users and prospective new users. This successful development will be added to with the introduction of indoor "spin" cycling. Fusion will purchase the required equipment and a small store in the existing studio will be constructed so as enable safe and secure storage of kit when it is not in use.

## **3. The overall objectives of the proposals are to:**

- Further the aspiration of delivering World Class leisure services.
- Have a positive impact on participation in sport and physical activity within the City, both by the general population and by members of target groups.

- Increase the sustainability of the facility portfolio by facilitating increased income and reducing ongoing net subsidy requirements.

#### **4. Level of Risk**

The works are relatively straight forward and pose a minimal level of risk, these risks are covered in the risk register in appendix one.

#### **5. Climate change / environmental impact**

- 5.1 While the works will lead to more people using the centres both Fusion and the Council continue to encourage access by public transport, or by none vehicular methods to reduce the carbon impact.
- 5.2 The building works will be undertaken using considerate construction practices.

#### **6. Equalities Impact**

- 6.1 The developments will be fully accessible and in line with all our leisure facilities they will continue to be offered at concessionary rates to those qualifying for benefits and their dependents.

#### **7. Financial Impact**

- 7.1 There will be a benefit in the reduction in the management fee from the development above and beyond the repayment of the capital. The detail is included as a confidential appendix as negotiations with Fusion are still underway and the level of detail involved is commercially sensitive.
- 7.2 The Council also benefit from a contract wide profit share which sees the Council retaining the majority of any contract surpluses.
- 7.3 The Council's Corporate Asset Management Group support the business case but feel that the scheme should be weighed against all other capital schemes that may emerge from the initial stages of the 2012/13 budget setting process. However, the Corporate Management Team took the view that as the prudential borrowing costs would be met from leisure budgets that the scheme can proceed in year.

#### **8. Legal Implications**

It is proposed that OCC appoints Fusion as the agent and Fusion then appoints the Project Manager. OCC will then directly appoint the contractor which has the benefit of the council being able to use its VAT exemption.

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**List of background papers:**

Leisure Facilities Review, May 2009

**Version number: 4**

## Appendix 1 – Risk Register

Risk Register Relating to: CEB Report – Phase two improvement works

Date: September 2011

No.	Risk Description Link to Corporate Obj	Gross Risk	Cause of Risk	Mitigation	Net Risk	Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness	Current Risk	
Risk Score <b>Impact Score:</b> 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Almost Certain					<b>Probability Score:</b> 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 =				
1	The budget is not sufficient	3 2	Exclusions not costed Risks not costed An inadequate contingency	<ul style="list-style-type: none"> <li>Develop a fully costed business case (<b>IB, (Sep 2011)</b>)</li> <li>Finance business partner to sign off the financials (<b>VC, Aug 2011)</b>)</li> <li>A 20% contingency utilised (<b>IB, Aug 2011)</b>)</li> <li>The risk is transferred to Fusion (<b>IB, Sep 2011)</b>)</li> </ul>	2 2	<b>Action: Reduce</b> Undertake a risk workshop with Fusion ( <b>LC, Sept 2011)</b> <b>Action Owner:</b> Ian Brooke  <b>Mitigation Control Owner:</b> Ian Brooke / Lucy Cherry	<b>Outcome required:</b> Accurate costings <b>Milestone Date:</b> September 2011	2 2	
2	Works not completing on time	3 3	Project roles not understood Milestones not clear Budget not agreed	Utilise a project management methodology – <b>JB, Aug 2011</b>  A budget bid to October's council – <b>IB, Aug 2011</b>	2 2	<b>Action: Reduce</b> Utilise a project management methodology ( <b>IB, Sept 2011)</b> <b>Action Owner:</b> IB, Aug 2011  <b>Mitigation Control Owner:</b> Ian Brooke / Lucy Cherry	<b>Outcome required:</b> An clear, agreed project plan in place <b>Milestone Date:</b> September 2011	2 2	

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