TO: EXTRAORDINARY COUNCIL
23 MAY 2018

INVEST TO SAVE OPPORTUNITY AT BRACKNELL LEISURE CENTRE
Director of Environment, Culture & Communities

1 PURPOSE OF REPORT

1.1 To seek approval for invest to save funding and S106 monies to make significant improvements at Bracknell Leisure Centre (BLC).

2 RECOMMENDATIONS

The Council is asked to agree:

2.1 to release invest to save capital funding of £2,488,082 in order to make significant improvements at BLC;

2.2 to release section 106 funding of £291,000 allocated to the provision of built sports and recreation to contribute to improvements at BLC as detailed in paragraph 5.8 - 5.11; and

2.3 to changes to the Platinum membership, which currently includes the cost of court bookings at BLC, be altered to include access to gym, swimming, exercise classes and the sauna only.

3 REASONS FOR RECOMMENDATION

3.1 The new Leisure management contract awarded to Everyone Active in November 2017, which commenced in March 2018, has removed the Councils subsidy through the provision of a management fee. The aspiration of significant investment into BLC has been a central theme of the procurement since conception of the project. This proposal would enhance the provision of services to customers internally whilst providing a refreshed frontage to the building and other external improvements. Critically, it will also provide a significantly enhanced annual management fee which exceeds the council's cost of borrowing.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 The Council could require Everyone Active to fund the improvements proposed in their bid to manage the facilities and this would bring some upgrades to existing facilities and changing rooms and these proposals exceed £1m. However, this would not have the customer benefit or impact of the proposals detailed in this report nor would it result in the increase in management fee, which is in excess of the Council's invest to save criteria. BLC requires continual investment due to the age of the building and the nature of its use. The Council has invested in the centre over the years but this will be the first major change seen since the 1990's.

5 SUPPORTING INFORMATION

5.1 The outsourcing of the management of BLC, Coral Reef and Downshire Golf Complex was one of a series of Transformation reviews as part of the Council's overall Transformation programme. The Leisure review concluded with the commencement of a new partnership with Everyone Active on the 1st March 2018.

5.2 The principle behind the new partnership with Everyone Active was twofold. Firstly to eliminate the Councils subsidy for Leisure and secondly to provide a service as good as, if not better, than when the service was managed by BFC.

5.3 Bracknell Leisure Centre was built in 1966, and the last full refurbishment was in 1990 although there have been individual projects, some quite major, in the intervening period. The proposed investments will significantly enhance the site in terms of appearance as well as offering a better environment for customers along with increased opportunities for participation.

5.4 The expectation of this capital investment by the council which will be more than recovered from the management fee from Everyone Active is that it will significantly increase memberships and more critically attendances at Bracknell Leisure Centre. The borough recently recorded an increase in activity levels from within the local population in excess of the country as a whole and investment such as that being proposed is an extremely positive step for the health and wellbeing of the Borough and other visitors to help maintain this upward trend.

5.5 It was identified in the analyse phase of the Transformation Leisure review that BLC would require significant investment to keep pace with the general market. The investment concept was also highlighted as an opportunity for improvement in the contract award report approved by the Executive in November 2017, even though it did not form any part of the contract award decision.

5.6 The proposed investment covers a range of areas on the BLC site which are shown below. Artists impressions, plans and previous schemes completed by Everyone Active give an indication of the finished result and are shown in appendix 1 and 2 -

- New fitness centre located in the Forest Suite
- Amended access into the new gym
- New flooring throughout Café and circulation routes
- New kitchen equipment and an increase in the kitchen preparation area
- Changing room reconfiguration to create new male and female dry changing
- Full wetside village change refurbishment
- Energy efficiencies
- Reception refurbishment to include new desks and sales space
- Group exercise studio
- New lighting for the athletics track
- External works to include new signage and entrance canopy

5.7 With the Council providing the capital funding required in 2.1 there will be an increase in the management fee as detailed in the confidential appendix 4. This is in excess of the council's "invest to save" criteria which means not only will the proposals greatly increase the quality at Bracknell Leisure Centre but the council will be in a beneficial revenue position once all capital costs have been accounted for.

5.8 Section 106 monies of £291k will be also used as part of the scheme and these have been received from the schemes shown in appendix 3

5.9 Built Sports facilities contributions can be used towards swimming pools, sports centres and gyms. There are a limited number of public facilities in the Borough that qualify for s106 funding especially with many facilities in private ownership. Bracknell Leisure Centre is a borough wide facility and provides sports facilities for all residents in the Borough. Other sports facilities such as tennis courts and artificial grass pitches do not fall within the definition of Built Sports Facilities but under the definition of Open Space of Public Value (OSPV) so they do not qualify for receiving Built Sports Facilities s106 contributions.

5.10 The terms of most of the individual s106 Agreements specify that the contribution can be spent on Built Sports Facilities capable of serving the site. However, three of the s106 Agreements, specify that the contributions should be spent within 3km of the site which the individual s106 agreement relates. All three such sites are located in Bracknell Town and within 3km of the Bracknell Leisure Centre.

5.11 There are limited alternative Built Sports Facilities in the Borough that are in public ownership that could realistically benefit from the contributions at this time. Furthermore, it is unlikely that the Council will find multiple schemes in the parishes on which to spend the contributions upon and therefore there is a risk that some of the contributions may have to be paid back to the developers with interest in the future if not spent. The most prudent option is therefore to pool the contributions and spend them in accordance with the recommendation. It should be noted that local areas can receive Community Infrastructure levy monies to spend on individual local priorities.

5.12 Due to the proposal of a new gym in the Forest Suite there will inevitably be displacement of existing uses. The council and Everyone Active will endeavour to find other suitable alternative locations for existing regular users of this space.

5.13 All costs for the temporary closure of areas of the centre whilst the works are completed have been included in the capital sum.

5.14 The investment project could commence as early as July 2018 and be completed by the end of the calendar year**.**

5.15 The investment proposal is linked to a request to revise the services available from the current Platinum membership offer. Two years ago and in response to financial losses related to competition from the local "low cost" gym market, leisure centre management responded by adding to the original platinum membership of gym, sauna, swim and exercise classes the ability to book squash courts and badminton courts. This has proved successful and the council has recovered back to its original income levels. However, this is an unusually generous offer in the leisure market at this price point and Everyone Active, in recognition of the planned improvements and additional classes available through their offer, has requested that the platinum membership reverts back to BFC's original offer which was unlimited access to gym,

swim, sauna and classes only. Members should note that the Everyone Active offer also includes access to facilities across their other 150 sites and its typical Platinum membership does not usually include spa facilities. However, Everyone Active recognises the historic offer which has existed in Bracknell Forest for a very long period and is positive about retaining spa access for Bracknell Leisure Centre Platinum members as previously.

5.16 Platinum Membership forms part of the council's "core pricing" and therefore any changes require council approval although approval must not "unreasonably" be withheld. Given that the Everyone Active proposal is identical to the former BFC platinum membership scheme (in fact slightly improved), gives access to 150 sites across the country, that there is a minimum one year period of grace for those currently enjoying the existing benefits (see 5.15), there will be a greatly enhanced gym and exercise class offer, and it is taking all the financial risk associated with the changes, officers recommend that approval to change is given.

5.17 It is proposed that if Council agree the change, that from the 24th May 2018 all new Platinum members receive the gym, swim, sauna and classes option only. Existing Platinum members will be able to benefit from the enhanced membership until 23rd May 2019 (provided they renew of course) which means a minimum of one year's notice of the changes which is felt to be very reasonable.

5.18 This membership change will support Everyone Active in delivering the significant increase in management fee proposed which will be a contractual commitment.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The contract the Council has with Everyone Active has provision to make legally binding adjustments to the contract as a consequence of the changes proposed in the report.

Borough Treasurer

6.2 The Borough Treasurer has provided the financial analysis identified in the confidential appendix 4.

Chief Officer Planning, Transport and Countryside

6.3 The individual s106 Agreements (set out in appendix 3) allow the respective Built Sports contributions to be pooled and spent on the Bracknell Leisure Centre as set out within the report.

Equalities Impact Assessment

6.4 The proposals will enhance facilities for wheelchair users and those less mobile because the new fitness facilities will be on one fully accessible floor as opposed to the current arrangement which includes an inaccessible mezzanine floor in the offer.

Strategic Risk Management Issues

6.5 The investment proposals meet the Councils invest to save criteria and the income is guaranteed as part of the management fee paid to the Council by Everyone Active so is therefore at minimal risk to the Council.

7 CONSULTATION

Principal Groups Consulted

7.1 Investment potential was discussed at the public meetings held in the run up to contract mobilisation and as part of the procurement proposal. PRG's and the Executive were briefed on potential investment proposals when reviewing the contract award.

7.2 Finance Peer Review Group and the Executive have been briefed on this paper as part of the report cycle.

Method of Consultation

7.3 Public and Councillor meetings

Representations Received

7.4 None

Background Papers
Executive contract award report November 2017

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