

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

15 JUNE 2006

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Leisure and Culture – Lead Cabinet Member – Councillor Mrs J O'Donnell

SPLASH/STOCKTON SPORTS CENTRE FACILITIES REVIEW

1. Summary

This report outlines proposals to extend the Splash leisure facility thereby concentrating the major leisure public sector provision in Stockton in one, central location. The report will explain the rationale for a 'one site' solution and will address the major difficulties presented by Stockton Sports Centre and the opportunities presented by the Splash site. This will be set in the context of the changing profile of publicly accessible leisure facilities in Stockton Borough and the need to develop a sustainable, strategic approach to the provision of major leisure facilities.

2. Recommendations

1. That members accept the principle of a 'one-site' leisure solution for central Stockton with an emphasis on health and fitness and family based activity.
2. That the proposed content of the extended Splash is approved as per paras 18-19.
3. That the proposed timetable and project plan for the closure is approved (Appendix 1)
4. That members authorise officers of the Council to work with Tees Active to ensure customers and user groups are kept fully informed of proposals and are assisted to find bespoke alternative provision where appropriate.
5. That members approve the financial plan proposed in paras 23-28.
6. That officers of the council are authorised to complete detailed plans, apply for appropriate consents and prepare to submit the work for tender.
7. That plans and designs for the new facility are displayed in the Members Library and Splash when they are available with invitation for comments.

8. That officers report back to members at a later date with the proposed solution, at a cost-neutral effect to the Council, to the car parking issue as highlighted in consultation with users.
9. Following consultation, final plans and designs agreement be delegated to Director of Development & Neighbourhood Services in consultation with Cabinet Member for Arts, Leisure and Culture.

3. Reasons for the Recommendations/Decision(s)

To determine the option of extending Splash facilities.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

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BACKGROUND

1. In February 2001 an Asset Management Condition Survey of Stockton Sports Centre indicated extensive and significant issues affecting all aspects of the facility, estimated at least £900k to rectify. At current prices this work would cost around £1million with at least further £1million being required to bring the facilities up to a standard of design consistent with modern customer demands. However, despite, funding restrictions and competing demands on the limited capital programme, it has been possible to maintain the facility and develop the service through short-term maintenance and a positive approach to the promotion of activities at the centre.
2. In recent months there has been increasing pressure on the service through the failure of specific elements of the facility. The floodlit, artificial pitch is now closed for health and safety reasons and will only be useable in the most favourable, dry conditions in the summer. All users have been successfully relocated at alternative facilities. It is well past its natural lifespan and must be completely re-laid and refurbished if it is to come back into regular use. Depending on the type of surface and additional works to fences and lights, this work would cost £200-300k. In addition, problems with the squash courts, roof, drainage and main sports hall will require at least £50k this year in order to remain fully operational in the short-term.
3. In short, the facility has reached the point of being unviable without urgent investment. However, as operators, Tees Active cannot be expected to invest in a failing building with an uncertain future and The Council would only wish to invest in a facility with a sustainable future.
4. Splash, on the other hand, continues to attract greater numbers of visitors and enjoys an excellent central location with good car parking and access through public transport. Its proximity to the town's retail centre also marks Splash as an ideal location allowing visitors to combine easily leisure and shopping, thereby increasing the economic vitality of the town centre. The Splash site also offers opportunities to expand an already successful facility and build on a growing customer base.

STRATEGIC CONTEXT

5. The provision of public leisure facilities must be considered in the context of the other leisure opportunities that have emerged in the past five years, notably in the private sector and in association with schools. In addition, affordability and financial sustainability are key factors.
6. In the past five years there have been developments at several secondary schools within the Borough increasing public access to sports halls and artificial, floodlit sports areas. Even with the removal of Stockton Sports Centre, there would still be significantly more publicly accessible sports halls and artificial pitches available in the borough than there were five years ago. Taken in a long-term strategic context, the development of a one-site operation at Splash, the removal of Stockton Sports Centre and the development of school sites will lead to an improved and sustainable stock of facilities and an improved leisure offer to the people of Stockton Borough. Crucially, it will also maintain the strategy of ensuring there are wet and dry facilities in each of the three major townships. (See Appendix 2 for full list and location of all publicly accessible facilities)
7. Given the expansion of sports facilities in the borough, there is a logic to focusing the extended Splash on family based activities such as the leisure pool and children's activities and the health and well being agenda.

SERVICE IMPLICATIONS

8. Stockton Sports Centre attracted approximately 144,000 visits in 2004/5 a figure, which is likely to fall under 140,000 in 2005/6 because of the closure of the artificial pitch. Figures for 2006/7 will fall to 120,000 or less with the predicted restrictions on the facility.
9. A survey of users in January 2006 has shown that over 88% use a car to visit the centre with only 9% walking. Stockton Sports Centre is in the TS20 postcode area but only 5% of the users are people who walk from the TS20 area. The inference of these figures is that there is a very low local use of the facility. A new, extended Splash will be in the same ward as Stockton Sports Centre.
10. The programme of the centre can be broken down into six key areas:
 - Health and fitness activities/classes
 - Activ8 gym
 - Sports requiring specified dimensions ie. squash courts or sports hall
 - Outdoor pitch activities
 - Martial arts and gymnastics
 - Miscellaneous activities eg. parties, holiday activities, skateboarding
11. All activities excepting squash and the once per-week skateboarding session will be accommodated in the new, improved Splash facility. In addition, the new children's play facility and focus on young people's activities at Splash will accommodate demand for parties and some holiday activity. Users of the artificial pitch have already been successfully relocated.
12. Due to the size and nature of the skatepark equipment, it is proposed that the skatepark facility be relocated to Arlington Park. This will be a static site provision in addition to the mobile facilities currently being delivered across the Borough. It is further proposed that the land on which the sports centre currently stands will be utilised to deliver the programme of mobile skatepark activities using the Sunramp mobile equipment. Further details in relation to skateboarding activities are at Appendix 3, together with an outline programme.
13. It will also be possible to accommodate the vast majority of the martial arts and gymnastics programme at Splash. Alternatively, users will be offered options in other Tees Active venues or will be assisted to find other accommodation. In any case, we will work pro-actively with all groups to ensure a smooth transition to alternative accommodation.
14. The addition of a sports hall to the Splash project will also mean that the full programme of activities in the SSC sports hall can be relocated to Splash.
15. One final service issue is that of car parking. Currently, Stockton Sports Centre users benefit from free car parking. Indeed, Splash is the only Stockton Borough Council owned leisure facility that has a fee paying car park. However, if members decide that they would like to see some free parking available at Splash so that current SSC users are not disadvantaged, this would require a change to the current parking policy at Splash and it would have to be applied to all Splash users. In simple monetary terms, it is estimated that approximately £25k will be taken in income by the car parking service from Splash customers this year. It follows that free car parking will see that income reduced. There are a number of methods by which free or partially free car parking can be delivered to leisure users. It is, therefore, proposed that if members agree the principle of free parking, say for two hours per visit, that officers report to members at a later date with the best means of achieving this, at cost-neutral effect to the Council, in the context of the wider car parking review.

16. It is estimated that the extended Splash will attract up to 100,000 including users of the new sports hall. The differential between this and the current Stockton Sports Centre user figure is largely explained by the displacement of artificial pitch users, squash and special events.
17. The final piece of the jigsaw at Stockton Sports Centre is the use of the grass football pitches. There are currently four pitches in use with management divided between Tees Active and Stockton Borough Council. These are some of the best playing surfaces in the borough, therefore, the proposal assumes the retention of the pitches and the provision of changing facilities.
18. A provisional project plan for the managed closure of Stockton Sports Centre, building and opening of the Splash extension are included in Appendix 1.

SUMMARY OF THE EXTENDED SPLASH

19. The proposals involve extending the existing building in two directions, to the front of the building to the line of the existing canopy and along the length of the building adjacent to the car park.
20. The key proposed changes to the building are:
 - Extended Activ8 fitness facility on the first floor approximately doubling the current capacity and changing rooms.
 - Including specialist treatment area for health service activities currently provided at Stockton Sports Centre. This includes the back care clinic, outpatients physiotherapy services, and all other health services currently operating from the Stockton Sports Centre health suite.
 - Extended foyer and relocated reception desk.
 - Expanded café/catering area
 - Specialist children's play barn
 - Two new multi-activity spaces and changing facilities approximately replacing two activity spaces at Stockton Sports Centre
 - Relocated staff/management accommodation and meeting room
 - Extended changing facilities for swimming pool to accommodate the increased demand
 - Re-alignment of car parking bays
 - Addition of a four court sports hall to accommodate activities currently hosted in the Stockton Sports Centre sports hall
 - Ability to utilise sports hall as central civic function venue

CONSULTATION

21. Four meetings with customers and one with staff have been conducted to explain the basic proposals. Customers were reassured about the nature of the proposals and were comfortable with the idea of relocating to Splash. Indeed there was broad agreement that SSC has 'had its day' and there is a need for investment in new facilities. The two main issues of concern for those customers who attended the briefings were free car parking and continuity of service.
22. Staff were also supportive of the proposals but, understandably, their concerns were about their continuity of employment. This is of course a matter for Tees Active but it is expected that with the significant lead in to the project staffing issues should be resolved through redeployment with no enforced redundancies required.

FINANCIAL IMPLICATIONS AND CONSIDERATIONS

23. The financial implications of the proposals fall into two categories. Firstly, there is the issue of funding the capital development and secondly there are the revenue implications for Tees Active.
24. The extended Splash has been costed at approximately £4.2m which could be funded through prudential borrowing at an annual cost of £324k over a 25-year period. This will be recovered directly from Tees Active Ltd management fee.
25. This scheme does however raise the Authority's partial VAT exemption to 4%. Local Authorities are entitled to recover "exempt input tax" up to the value of 5 % of all the VAT it incurs. Where the 5% is exceeded, all this tax is repaid to HMRC. This gives a potential risk of another capital scheme putting us over the 5% at cost of £1m to the Authority and will require future capital bids to be monitored and vetted and the potential risks identified early enough, so that the position can be managed.
26. The revenue position for Tees Active will have two effects. Firstly, there will be savings from the closure of Stockton Sports Centre. Assuming that all staff are redeployed the total expected annual saving would be £180k. This represents savings in a full year. It is assumed that in the first year there will be costs associated with closure. The second effect on Tees Active would be to create a new expanded cost centre at Splash. However, initial projections indicate that the changes to Splash will be cost neutral with additional staff and premises costs being covered by the additional income.
27. The great advantage of adopting proposals based on the principle of extending Splash as a one-site operation for leisure in Stockton is that it releases the revenue associated with the current Stockton Sports Centre to help repayment of borrowing costs. Any proposals based on re-developing Stockton Sports Centre would not release any revenue funding and would consequently impose a significantly greater financial burden on the authority. It is clear, therefore, that with the full savings from the closure of Stockton Sports Centre, Stockton Borough Council and Tees Active will be able to develop a new, sustainable facility with minimal or no additional revenue burden.
28. A summary of the financial plan is as follows:

Capital costs:

£4.2m from prudential borrowing at annual repayments of £324k

Prudential repayments:

Revenue savings at SSC - £180k
Tees Active development budget - £144k

Service budget:

	Current Splash (000's)	Extended Splash (000's)
Staff	483	663
Premises	173	203
Supplies and Services	39	51
Total Expenditure	695	917
Income	494	716
Net Expenditure	201	201

LEGAL IMPLICATIONS AND CONSIDERATIONS

Health and Safety implications of a deteriorating facility

POLICY CONTENT

Cuts across all policy themes:

- regeneration
- liveability
- children and young people
- healthier communities
- safer communities

CONSULTATION

Informal briefings with Ward Councillors, Cabinet Members and Leaders of Parties

Drop in sessions for local residents

One to one sessions for all user groups

Formal consultation with Sport England

RISK ANALYSIS

The chief risks associated with this scheme are likely to be realised only if the scheme does not proceed. The current facility is 'gradually closing' as elements fail or cannot be used due to health and safety problems. This is leading to declining use and is making it more difficult to provide the quality of service that the council, customers and Tees Active would wish. As explained in para 1, it is estimated that around £2 million would be required to bring the building up to the required standard. There are no resources available for such a development and the evidence is that this is no longer an attractive and easily accessible site for a major leisure facility. In short, if the scheme does not proceed customer numbers will decline sharply and maintenance costs will rise leading to a financial drain on the existing management fee to Tees Active. In addition, there is the potential for any one of a number of issues, such as electrical wiring or asbestos, to force immediate closure at some time in the near future. The operational risks of the proposed scheme are borne by Tees Active and will only be realised if the business projections are not achieved. However, this is not seen as a major risk providing the basis of the existing management fee remains intact.

The VAT implications outlined at paragraph 25 are considered to be medium risk.

Corporate Director of Development & Neighbourhood Services

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Environmental Implications New build where possible with recycled materials, green energy/more energy efficient, reducing CO² etc

Community Safety Implications one site solution reduces security/vandalism risk

Background Papers

Education Related Item? Link to public use of school based facilities

Ward(s) and Ward Councillors:
Stockton Town Centre Councillor D Coleman, Councillor P Kirton