



Executive
19 October 2009

**Report from the Director of
Environment and Culture**

Wards Affected: ALL

Third Pool in Brent – Progress Report

Forward Plan Ref: E&C- 09/10-16.

1 Summary

- 1.1 This report summarises to Members the key findings and recommendations of the report by consultants engaged to undertake a site options appraisal to progress the provision of a third pool that serves the North of the Borough.
- 1.2 The report reviews 18 potential sites and recommends a preferred site.
- 1.3 The report also provides initial capital and revenue cost estimates, and gives an overview of the funding opportunities, management options and procurement routes. It also recommends the next steps for the Council in order to get closer to realising their priority for the provision of a third pool.

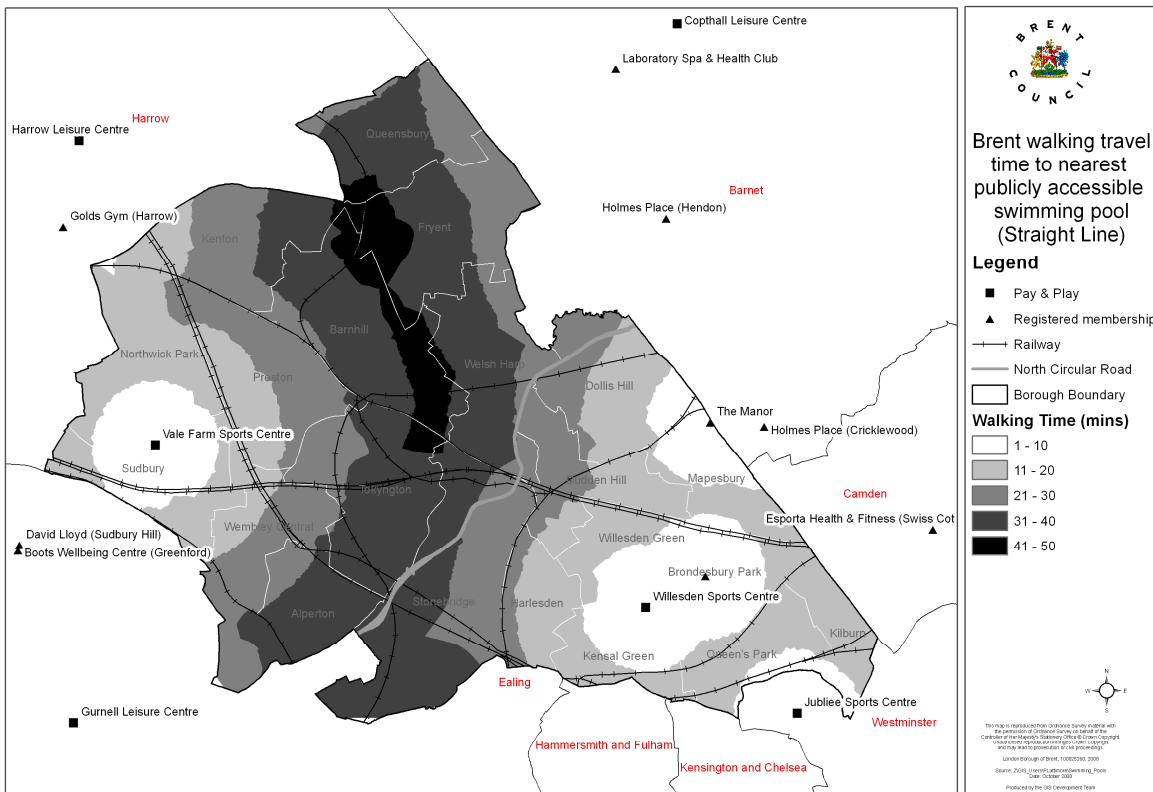
2.0 Recommendations

The Executive:

- 2.1 Note the findings of the 'New Swimming Pool Site Options Appraisal Report' which is summarised in this report. (The full report is available at Party Group Offices or a copy can be made available by contacting Gerry Kiefer, Head of Sports Service on 020 8937 3710 or email: gerry.kiefer@brent.gov.uk.)
- 2.2 Agree the preferred site for the third pool to be located in Roe Green Park 'B' as shown on the map in paragraph 3.9.
- 2.3 Instruct the Director of Environment and Culture to undertake a detailed feasibility study including the financial implications of such facility provision.

Detail Background

- 3.1 In November 2008 the Executive endorsed the Planning for Active Sport and Recreation Facilities Strategy 2008 – 2021. As such, Members agreed that the number one priority would be the provision of a third swimming pool with other sports, health and fitness facilities that serves the North of the Borough.
- 3.2 The Planning for Active Sport and Recreation Facilities Strategy (Facilities Strategy) recognised that the majority of Brent's sports centres are aging and need to be replaced or redeveloped so that they are 'fit for purpose'. It also recognised that there is a clear need to provide additional facilities to meet the demands and expectations of current and future local people and without good standard provision, appropriately located and affordable to the community, Brent is likely to remain one of the most inactive Borough's in London and England.
- 3.3 The Facilities Strategy showed that over fifty percent of the Borough's population live further than 20 minute walk time from a public pool and that in order to have the greatest impact the first priority to improve sports facilities in the Borough would be the provision of the pool that serves the north of the Borough. The strategy also recognises that there is a need for a fourth pool in Brent, particularly as regeneration areas develop and Brent's population expands.
- 3.4 The map below shows the current travel time by walking to a public swimming pool.



- 3.5 Following approval of the Facilities Strategy a steering group of senior Council officers was established to progress the provision of a third pool. This group includes representation from finance, planning, property and asset management, children and families, sports, parks and Environment and Culture directorate. The group appointed consultants, Capita Symonds and S&P architects move the project forward by undertaking a site options appraisal to identify the preferred location and provide headline information on funding, management and procurement options.
- 3.6 Capita Symonds reviewed 18 potential Council owned sites for the third pool as shown on the map below.



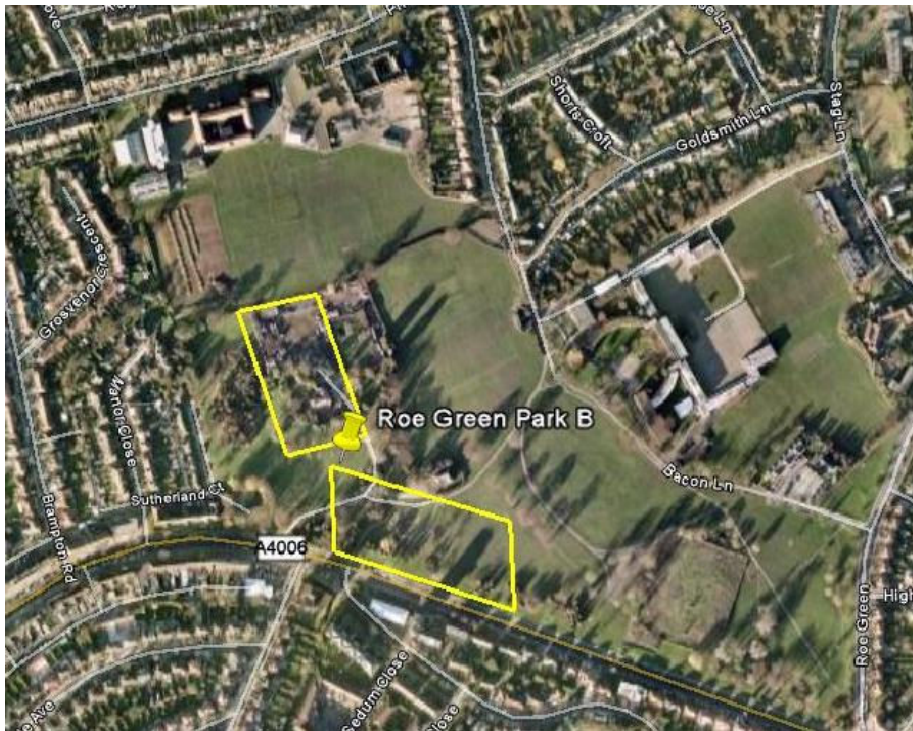
(Source: Google Earth)

- 3.7 Each site was analysed and scored against nine criteria including site capacity, accessibility, timescales for delivery and funding potential. Following a detailed site evaluation exercise and consultation with senior Council officers the results of the site scoring showed that two sites in Roe Green Park scored the highest.

Ref	Site	Score	Ranking
12	Roe Green Park B	142	1
11	Roe Green Park A	135	2
1a	Bridge Park	112	3
16	Wembley Civic Centre	106	4
1b	Unisys	104	5
6	Kingsbury High School	101	6
5	Grove Park School	98	7
17	Wembley Wave House	92	8
4	Fryent Country Park Car Park	91	9
15	Town Hall	91	9
14	Tenderden Allotments	85	11
18	Woodcock Park	84	12
9	Northwick Park Sports Ground	80	13
8	Northwick Park Hospital	80	13
3	Copland Community Village	79	15
7	Northwick Park Ducker Site	76	16
13	Stonebridge School	76	16
10	Preston & the Mall Youth ctre	0	18
2	Clock Cottage	0	18

3.8 On the basis of total scores and consideration of location and access Capita Symonds recommended that that the site referred to as 'Roe Green B' was the preferred location.

3.9 Roe Green Park B site is an area of public open space. The site has within it two possible locations for the third pool. One is on the area which currently houses the parks depot and the second is an area closer to the road frontage. The site is bordered by Kingsbury High School, with other schools nearby which could benefit from the swimming pool and associated facilities. The map below shows the location of the site 'Roe Green Park B' and roughly the two potential locations within that site.



- 3.10 The principle reasons for the choice of Roe Green Park B when compared to other sites is that:
- it is in an accessible location close to car, tube and bus networks
 - it is in close proximity to a number of schools in the Kingsbury area
 - the site is owned by the Council
 - impact on residential neighbours is more limited compared to many other sites considered
 - there is potential for significant road frontage
 - the site offers a large open site, with plenty of space for facilities
 - the site is supported by the majority of consultees
 - above all it is a strong location, linked to the needs identified in the facilities strategy, serving the northern catchment.
- 3.11 The major advantages of Roe Green Park 'B' over Roe Green Park 'A' is that Roe Green Parks 'B' is located adjacent to an education site, is closer to public transport facilities and other retail outlets, will not require the removal of the well used recently installed MUGA and offers the potential for a visible leisure facility close to the road frontage.
- 3.12 Within Roe Green B there are two potential options in terms of site layout as shown in the map on paragraph 3.9 above. A decision on which should be the final site option is likely to depend on the opportunities for links with Kingsbury High School and any plans the school may have for development of their site. This will be further investigated as part of the detailed feasibility study.
- 3.13 In order to estimate capital costs and revenue projections a schedule of accommodation was proposed for the facility with essential requirements and optional extras.

Essential	Optional Extras
<ul style="list-style-type: none"> • 6 lane 25 metre pool • Teaching pool • 150 station health and fitness area • 2 x dance studios • Café • Classroom / meeting room • 2 x Grass pitches • 4 x Changing rooms for use with outdoor pitches • Children's play area. 	<ul style="list-style-type: none"> • Spectator seating for 150 people • Boom on main pool • Young people gym zone – Shokk equipment, dance mats etc • Crèche • Therapy / physio room • 4 court Sports Hall • Climbing wall (if sports hall provided) • Outdoor courts (netball and tennis) • Synthetic Turf Pitch (STP) with floodlights.

3.14 Based on the areas in the schedule of accommodation estimated capital costs were prepared based on median and upper quartile costs for construction for the 'essential' facility provision and the 'essential plus optional extra's'.

Option	Median	Upper Quartile
Option 1 - Essential	£11,072,000	£12,650,000
Option 2 - Essential & Optional Extras	£14,411,000	£16,418,000

(Source: Capita Symonds)

3.15 As shown, the capital costs range from circa £11m (Option 1) to £16.5m (Option 2), depending on the schedule of accommodation and the level and quality of finish applied.

3.16 It should be noted that a number of significant items have been excluded at this stage from these capital costs. These are:

- Access improvements
- Cost of land purchase
- Specialist fitness equipment
- Upgrade of services and utilities
- Abnormal ground conditions
- Contaminated land
- Demolition
- Inflation
- Cost of plant and equipment
- Contractors overheads and profits.

These items will need to be included following more detailed design and site investigations.

3.17 Information about the revenue projections and funding opportunities is detailed under the 'financial information' section of this report (section 4).

3.18 The consultants report analyses the range of management options that are available to the Council for the new pool. These include:

- In-house
- Private sector
- Private sector hybrid trust
- Stand alone trust
- External trust.

3.19 The report analyses the main advantages and disadvantages of each management type. Currently Bridge Park Community Leisure Centre and Charteris sports centre are managed in-house and Vale Farm sports centre is operated under a leisure management contract by Leisure Connection.

3.20 Willesden sports centre has not been included because of the length and specific terms of the PFI contract.

3.21 Of the management options considered and analysed, the three that scored most strongly were:

- Private sector hybrid trust
- External trust
- Private sector

Table showing Management Options Evaluation

No.	Criteria	Option A	Option B	Option C	Option D	Option E
		In-house	Private sector	Private sector hybrid trust	Stand-alone trust	External trust
1.	Potential to contribute to increased participation in Brent	3	4	4	3	4
2.	Strength of financial position for the Council	1	3	5	3	5
3.	Opportunity of joining up existing facilities in a single management structure	3	3	3	2	2
4.	Flexibility of option to achieve single management structure	4	3	3	4	3
5.	One-off costs associated with creating new structure	4	3	3	2	3
6.	Opportunity of transferring operational risk from Council	0	3	3	1	3
7.	Track record of high quality leisure management (including wetside)	2	4	4	2	4
8.	Service continuity	3	3	3	2	3
9.	Level of Council control over leisure facilities	5	3	3	4	3
10.	Ability to link into future refurbishment opportunities (particularly at Charteris and Bridge Park)	5	3	3	4	3
Percentage score:		60%	64%	68%	54%	66%
Rank:		4	3	1	5	2

3.22 The report also provides an overview of the different procurement options available:

- separate design, build and management contracts
 - Design and build (D&B) and separate management contract
 - Design, build, operate and maintain (DBOM) contract
 - Design, build, finance and operate (DBFO) contract.
- 3.23 Following evaluation of the different procurement options the consultants recommend that the DBOM and D&B options are identified as the preferred route. This is because both of them can demonstrate a strong track record of delivering leisure facilities and are lower risk than the separate design, build and operational routes. However as this project is at an early stage further analysis of the most appropriate option should be included as part of the detailed feasibility study.
- 3.24 During the course of the work the consultants identified a number of key risks and issues that would need to be managed in order for the project to develop further. These include:
- political support for the project
 - funding and timing
 - changes in scope
 - securing delivery partnerships
 - highways and access
 - planning approvals
 - impact on local residents
 - parking provision
 - enabling development on the park
 - loss of playing fields / loss of public open space
 - listed building status (Grade II)
 - displacement of existing users.
- 3.25 The key risks are particularly Planning related and there is no guarantee that the third pool would be approved on the preferred site(s). Planning policy as expressed in the council's Unitary Development Plan (UDP) and Core Strategy is to prohibit development of public open space, even for indoor sports facilities. Any application, referable to the Mayor of London would need to be justified. As well as weighing the benefit of the sports facilities against loss of the park, it could for example require some form of compensation/mitigation in the rest of the park. Nevertheless, the site selected makes practical sense and offers the best sporting outcome. Officers would recommend adding the agreed site to the Council's Site Specific Allocations document if the further detailed feasibility work supports the development of part of the park for the third pool. This new allocation would then be consulted on.
- 3.26 In order to develop the provision of a third pool a detailed feasibility study needs to be completed to provide a sound options appraisal and to produce a final concept for implementation. It is estimated that the costs of the feasibility study will be in the region of £10,000 which will be funded from within existing budgets.

- 3.27 The detailed feasibility study will provide a full appraisal and refinement of the final options that can be taken through to detailed design, tender and construction. It will clarify:
- the appropriate facility mix
 - what the building look like
 - the estimated capital cost of the project
 - the revenue implications of the project, including outline business plan
 - the funding opportunities that are available
 - the management and procurement options to be pursued
 - the key risks and issues
 - the key planning issues
 - how can the project be taken forward to delivery

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Financial Implications

- 5.1 The estimated capital cost of building the third pool has been detailed in paragraph 3.14. The costs range from circa £11m (essential) to £16.5m (essential plus optional extras), depending on the schedule of accommodation and the level of finish applied. It should also be noted that paragraph 3.16 outlines a number of significant item areas which have not yet been included in the above estimated capital costs subject to more detailed design and site investigations.
- 5.2 The current capital programme does not include any provision for this scheme.
- 5.3 To provide an early understanding of the long-term financial implications of the third pool, a series of five year revenue projections were developed based on five options.
- Option A – Core facilities = 25, 6 lane pool, learner pool, 150-station health and fitness suite, two grass pitches with changing and café/vending area
- Option B – Core + outdoor facilities (STP, 2 tennis courts/netball and crèche)
- Option C – Core + junior health and fitness suite
- Option D – Core + 4 court sports hall and climbing wall
- Option E – Core + all extra facilities.
- 5.4 For each of these options income, expenditure and throughput projections were established based on the consultants benchmark model from over 300 records of financial and throughput information from over 200 facilities.
- 5.5 The operational analysis includes a number of key expenditure areas:
- staffing and on costs
 - utilities – water, gas and electricity costs
 - repairs and maintenance – day-to-day maintenance and planned preventative maintenance costs (but not lifecycle costs)
 - cleaning – costs for cleaning the facility on a daily basis
 - insurances – all insurances associated with the building and its management
 - licences – all licences associated with managing the facility, including alcohol

- cost of sales – cost of supplies associated with bar and catering sales.

5.6 The table below shows a summary of revenue implications of the core facilities and the range of additional options as detailed in paragraph 4.3 above:

	Option A	Option B	Option C	Option D	Option E
TOTAL INCOME	(£1,483,283)	(£1,569,818)	(£1,567,223)	(£1,637,373)	(£1,754,680)
NET EXPENDITURE	£1,391,408	£1,439,055	£1,459,127	£1,536,737	£1,600,802
LIFECYCLE COSTS	£109,065	£125,115	£111,390	£127,470	£144,270
NET REVENUE POSITION [EXC LIFECYCLE COSTS]	(£91,875)	(£130,763)	(£108,096)	(£100,636)	(£153,878)
NET REVENUE POSITION [INC LIFECYCLE COSTS]	£17,190	(£5,648)	£3,294	£26,834	(£9,608)
TOTAL THROUGHPUT	443,400	487,740	455,400	536,300	589,930
SUBSIDY / (PROFIT) PER VISIT [EXC LIFECYCLE COSTS]	(£0.21)	(£0.27)	(£0.24)	(£0.19)	(£0.26)
SUBSIDY / (PROFIT) PER VISIT (INC LIFECYCLE COSTS)	£0.04	(£0.01)	£0.01	£0.05	(£0.02)

(Source: Capita Symonds)

5.7 The table shows that if the third pool is well designed and well managed the options investigated should be able to make a revenue surplus each year before the application of lifecycle costs and central costs or produce a net revenue position between a loss of -£17,200 and a profit of £10,000 per annum including an allowance for lifecycle costs. Expected visitor numbers would be between 443,000 and 590,000.

5.8 An analysis of potential funding identified a limited number of opportunities to generate between £2.7 and £4m.

Funding Source	Likelihood of Securing Funding	Amount Essential	Amount Optional Extras
Capital receipts	None currently identified in the short-term	£0	£0
Enabling development	Opportunities could arise in the short-medium term, depending the potential to develop other sites on or close to Roe Green	£0	£0
Grant funding	No significant funding identified in the short-term. However, opportunities may well arise such as the recent £250m co-location fund delivered by the Department for Children Schools and Families. Sport England also has time limited funding via themed rounds such as the £10m Sustainable Facilities Fund.	£1m	£1m
Partner contributions	Potential for partnership funding opportunities via links with the BSF programme could help offset some of the costs or contribute towards an enlarged scheme e.g. addition of a 4 court sports hall	£0	£500k

Funding Source	Likelihood of Securing Funding	Amount Essential	Amount Optional Extras
Planning obligations (S106 agreements)	Limited potential for funding via planning obligations in the medium – long-term linked to residential developments close to the site	£0	£0
Public Private Partnerships	Investment could be attracted linked to negotiations with the incumbent management contractor or via a possible re-tendering of the management contract to a management partner with access to private finance	£0	£0
Private Finance Initiative	No funding available for the foreseeable future due to lack of PFI credits for this type of development, unless linked heavily to health and other major agendas e.g. BSF and Primary Capital Programme	£0	£0
Prudential borrowing*	Could provide an option for funding. This is likely to deliver funding of between £1.2m for the essential option and £2m for the essential plus additional facilities. This level of funding has been based on an indicative calculation of the amount of borrowing that could be funded from the annual surpluses identified in the benchmarked revenue projections. These projections would have to be reviewed as part of the detailed business planning process.	£1.2m	£2m
National Governing Body investment	Potential funding for sports specific facility improvements. This will depend on the demand for facilities from NGB's and the extent to which the site could help them deliver their whole sport plans.	£500	£500k
Total		£2.7m	£4m

(Source: Capita Symonds)

*Based on 5% interest and 2.5% depreciation of capital cost per annum

5.9 However, there is currently no clear commitment to allocate funding from any of the sources listed. This leaves the project with a significant funding deficit. The consultants would typically expect a local authority to provide a minimum of 50%-60% of the capital funding required for projects of this type which could equate to a figure of up to £9.9m based on current estimates. The potential for enabling development should also be considered as this is an important element of funding for many recent leisure projects nationally. Most recent examples of significant community leisure developments involve a sizeable contribution from sale of sites or income from enabling development. To enable potential facility developments to be taken further, the available budget needs to be defined so that a scheme can be tailored to meet the needs of the Council and any potential funding partners.

5. Legal Implications

5.1 The Council has power pursuant to section 19 of the Local Government (Miscellaneous Provisions) Act 1976 to provide such recreational facilities as it thinks fit. This power includes the power to provide buildings, equipment and assistance of any kind.

- 5.2 If the proposed new pool and/or enabling development to finance it was constructed on an area of public open space, then this would need to be appropriated to an alternative use under Section 122 of the Local Government Act 1972. This will require advertising the proposed appropriation for two weeks in a local newspaper and considering any objections received.
- 5.3 The estimated value of the contract to undertake the feasibility study is below the EU threshold for tendering and falls within the definition of a low value contract under the Council's Contract Standing Orders. As such, officers are required to seek three written quotes for the contract. Officers have the necessary delegated powers to procure and award the contract under paragraph 2.58 of Part 4 of the Constitution.
- 5.4 Procurement of a new pool would need to be conducted in accordance with the Public Contracts Regulations 2006 and the Council's Contract Standing Orders. Legal advice will be provided in due course on the various procurement and management options.

6.0 Diversity Implications

- 6.1 The new facility would be designed to consider the diverse needs of Brent's population. The programming and activities offered would reflect local needs, as is current practice at the Borough's existing sports and leisure centres. This would also help to achieve the objectives and outcomes of the Strategy for Sport and Physical Activity which identifies groups which are underrepresented in terms of sports participation for which additional work would be focussed.

7.0 Staffing/Accommodation Implications

If changes were made to the management arrangements for the existing leisure centres (excluding Willesden) there could be implications for Brent Council and the incumbent leisure management contractor's staff. This would have to be managed accordingly.

Background Papers

New Swimming Pool Site Options Appraisal - August 2009
Planning for Sport and Active Recreation Facilities Strategy 2008 – 2021
Executive Report 17 November 2008 - Review of sports facilities within Brent

Contact Officers

Any person wishing to inspect the above papers should contact Gerry Kiefer
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