

Leisure Review – Progress from December 2009

<b>Project Sponsor</b>	Chief Executive
<b>Project Manager</b>	Communities Manager
<b>Progress and actions</b>	<p>Following the Cabinet meeting on 17<sup>th</sup> December 2009 further work has been undertaken with Knight, Kavanagh and Page to develop a range of facility development options in line with the recommendations in Option 1 of the Leisure Review Report and an operational business case to support these options.</p> <p>The work undertaken has been drawn together following a detailed review of each facility along with detailed on-site meetings with Rossendale Council and Rossendale Leisure Trust officers.</p> <p>The capital cost projections have been based on ‘turn key’ costs. That is the Quantity Surveyor and Architect have taken a conservative approach to costing the developments and are confident that the tendered cost of the projects will not exceed these costs.</p> <p>The initial revenue business planning identified that the potential exists to reduce the management fee for Rossendale Leisure Trust from £585,000 to circa £200,000 per annum (assuming all key income generating activity areas are developed); which equates to a revenue saving of circa £380,000. On the assumption that this saving can be “capitalised” the potential capital investment package for both facilities will be in the region of £5.6 million.</p> <p>It should be noted that the £5.6 million investment is made up of the capitalised revenue savings, the Council £1 million capital investment and the clearing of the Trust’s existing deficit and any additional deficit throughout the development period. In addition, the business planning carried out is based on key assumptions about the Council’s ongoing commitment to Leisure. In particular that Bacup Leisure Hall will close in the new financial year and that Ski Rossendale will transfer to a private sector operator by 1<sup>st</sup> April 2011. These assumptions are outlined in the timeline below.</p>

Whilst developing the options for a new pool at Haslingden Sports Centre and for significant improvements at Marl Pits the work undertaken has identified significant costs associated with addressing the existing condition of Marl Pits (i.e. the need for capital investment of c. £250k in total over the next five years).

Work undertaken to look at the financial case associated with developing a new pool at Haslingden Sports Centre alone indicated that it would not enable Rossendale Leisure Trust to reduce its subsidy requirement for the Council to capitalise the revenue savings to invest in the development of the pool.

In addition the lack of development at Marl Pits would result in costs associated with keeping the site operational for the foreseeable future. Resolving the condition issues at the site, would not improve customers experience and the facility would be likely to suffer as a result of having a new facility adjoining the Haslingden Sports Centre Site.

The overall cost summary for each of the schemes outlined by Knight, Kavanagh and Page can be identified as follows:

Haslingden Sports Centre		Marl Pits	
Scope	Cost	Scope	Cost
Main pool and teaching pool	£3.9 million	Fitness and 5-a-side	£2.67 million
Main pool only	£3 million	Fitness, 5-a-side and squash	£3.1 million
Main pool only with squash courts	£3.19 million		

Recommendations from the Knight, Kavanagh and Page Part 3 report are that:

- Rossendale Council in partnership with Rossendale Leisure Trust should progress with the development of a design and build procurement programme for both Haslingden Sports Centre and Marl Pits.
- Rossendale Council should not progress with undertaking the pool development at Haslingden Sports Centre on its own as it does not address the wider sport and physical activity needs and results in a funding gap of £1.3 million.
- The specification for Marl Pits should include the option of developing squash courts as this may be achievable within the affordability threshold for the Council.
- Given the potential to capitalise on the current climate within the construction industry Rossendale Council should progress with the procurement process and seek to work within the following timescales:

Action / Assumption	2010	2011	2012
Bacup Leisure Hall Closes – March	March		
Ski Rossendale transfers to commercial partner		01-Apr	
Specification developed for replacement Haslingden Pool and improvements to Marl Pits	April - Sept		
Contractor selection and negotiation	October		
Contractor mobilisation	Nov - Dec		
Construction period for new pool at HSC and MP fitness and 5's		Jan	
Both facilities open January 2012			Jan

#### **Bacup Leisure Hall**

Since 17<sup>th</sup> December 2009, Bacup Leisure Hall Review Panel has continued working to find a suitable community takeover. To date a sufficiently robust business plan for a community use facility has not been identified and discussions continue.

#### **Ski Rossendale**

In June 2009 work progressed to explore options within the private sector to provide investment opportunities for Ski Rossendale in order to find a long-term solution for the facility.

Interest in the facility has been received from 4 companies. Each company will now be asked to submit a detailed and costed proposal to inform final negotiations leading to the transfer of the facility. The process would be expected to take 6 – 9 months, which is allowed for in the plan outlined above and has been taken into account in the business case development undertaken by Knight Kavanagh and Page. This process will ensure that quality, deliverability and value for money are thoroughly evaluated and the Council is in the position to select a suitably reliable partner.