

SUBJECT: LEISURE CENTRES UPGRADES TO FACILITIES

MEETING: CABINET

DATE: 14th APRIL 2021

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 To inform Members of the requirement to upgrade the offer at Abergavenny, Caldicot and Chepstow Leisure Centres to ensure that they remain fit for purpose and attractive to customers.

2. RECOMMENDATIONS

- 2.1 To support preliminary investigative works and proceed with a feasibility study for minor refurbishments and upgrades to the fitness facilities at Abergavenny, Caldicot and Chepstow Leisure Centres.
- 2.2 To pause the major scheme "Caldicot Leisure Centre Refurbishment" and place the project on hold until a return to normal operating conditions and there is some resilience built into the market. A further assessment to determine funding levels will be undertaken once customer levels are restored to pre-Covid levels to determine whether the required contribution from additional future memberships can be secured.

3. KEY ISSUES:

- 3.1 Leisure facilities play an important role in improving the physical and mental health and social connectedness of local communities. They also encourage regeneration in towns and are valuable community assets. Regular physical activity can reduce the risk of many chronic conditions such as coronary heart disease, stroke, mental health problems and musculoskeletal conditions. Engagement in leisure activities contributes to mental wellbeing, by allowing people to be active and to connect with others.
- 3.2 Following the Covid pandemic, there is a heightened appreciation of the importance of physical activity in improving the health of people of all ages and forms part of a prevention strategy. The services provided by Leisure Centres will be even more important as we move towards recovery and supporting communities to return to improved fitness, activity and mental wellbeing.
- 3.3 Surveys and reports undertaken by UKactive (see appendix 1) demonstrate strong indications and confidence that customers will return to using leisure facilities when

able to do so. There is anecdotal evidence of people returning to swimming and group activities along with data showing high levels of intent to return to fitness facilities. Because of this research, various issues have come to prominence such as; facilities need to be visibly clean, reception areas may need to be self-check in and finally, customers want to be reassured that air turnovers are appropriate and adequate. Each of these points needs addressing.

- 3.4 In order to encourage customers to return to leisure centres and inspire customer confidence, we have invested in additional cleaning equipment, retrained staff, improved and increased cleaning regimes, provided additional PPE for staff, offered virtual on-line classes and invested in on-line booking and payment facilities to avoid unnecessary contact.
- 3.5 However, to facilitate the required improvements the Leisure Centres are in need of investment at three of the sites, this was planned prior to Covid outbreak and outlined in MCC Corporate Plan. The major investment in 2018/19 was a £7.4M refurbishment of Monmouth Leisure Centre with a 25m swimming pool, extensive gym, two studios, soft play and toning. Following the success of Monmouth Leisure Centre and the potential changes to the town of Caldicot, the Council went on to consider an upgrade for Caldicot Leisure Centre in 2019/20.
- 3.6 In January 2020 Council gave approval to move to the next stage to undertake a feasibility study to enable cost certainty and a business plan developed for Caldicot Leisure Centre. The anticipated cost of the refurbishment is estimated at £6.5m with the business plan based upon the authority providing funding of £3.5m and £3.0m funded by an increase in membership. Due to Covid, and the financial difficulties facing the Council, the project is on hold.
- 3.7 Council in January 2020 also agreed to approve preliminary investigative and design work of £30,000 and proceed with a feasibility study to upgrade the fitness facilities at Chepstow Leisure Centre and to remodel the café and reception areas depending upon cost.
- 3.8 Since the pandemic, we have seen an increase in membership cancellations and frozen memberships accounting for approximately two thirds of our customer base. Whilst the service is confident that it can re-recruit further memberships over time, it would be inadvisable to commence with such a significant project as the Caldicot Leisure Centre refurbishment that relies so heavily on increased membership to deliver the capital return now.
- 3.9 Provision at the three remaining Leisure Centres needs improvement to encourage both new and old customers to return. Investment is required to provide a refresh to the fitness offer and some small site improvements. These improvements will include state of the art exercise and fitness equipment, where customers will see improved functionality, increased connectivity with wearable technology and more customer

feedback to support individual's exercise goals. The improvements in the efficiency of most pieces of equipment will have a carbon reduction. Investments into improvements of the look and feel of the site will make areas cleaner, friendlier, and more customer focused. As part of the refurbishment process and supporting the climate emergency plan, we would seek to implement energy efficiency improvements and will continue to work with colleagues in Landlord Services to access and secure SALIX funding to support this.

Abergavenny Leisure Centre

3.10 Members have expressed the desire to re-design and refurbish Abergavenny Leisure Centre but the major work will not be undertaken until the new school is complete in 2024 due to the constraints of the site and the need to ensure health and safety of children during the school build. It is envisaged that the new school build will provide a new sports hall, thereby enabling the Leisure Centre to reuse its sports hall as part of a new overall design. It is possible to complete the refurbishment to the upstairs health and fitness area prior to commencement of the school build.

3.11 Prior to the pandemic, Abergavenny Leisure Centre attracted well over a quarter of our total membership base and with further improvement to the fitness space and equipment the site will attract more. Taking account of the proposal to upgrade the centre in late 2024, an initial phase of the project could be undertaken and further development of the fitness offer. This proposal would seek to redesign the top floor of the leisure centre to

- Create a corridor to the changing area and new studio
- Redecoration and minor finishes to existing Consultation Room
- Refurbish and redecorate existing Male & Female changing areas and toilets
- Reconfigure various areas to provide a fitness studio creating a 47station gym and dedicated spinning studio.

3.12 The second phase of the project will take place on completion of the new school build and would include the repurposing of the sports hall, ground floor reception area and entrance and upgrading of the current wet and dry side changing facilities. More work will be required to determine current trends, demographics and local need. The adjoining school gym, would also be in scope for redevelopment at this time.

3.13 The next stage would be to produce a detailed feasibility study to develop a design which would include surveys of the site. It is estimated that it would take 6 weeks to get to this stage, with a further 2 weeks to get to RIBA 4 stage where cost certainty would be determined with construction estimated to take a further 22 weeks making 40 weeks in total. An assessment would be undertaken to prove that there is sufficient and appropriate demand for the proposed upgrades and to prepare a detailed business plan. A previous latent demand study has indicated that the site could attract a further 200 – 300 members.

Caldicot Leisure Centre

- 3.14 Whilst acknowledging the preference would be to continue with the total refurbishment of the site, a refresh of the fitness equipment along with improvements to the layout of the gym and minor improvements of the swimming pool area is a more feasible option at present. Should the larger project go ahead in future the investment in this interim project would complement the larger scheme. These improvements will include state of the art exercise and fitness equipment, where customers will see improved functionality, increased connectivity with wearable technology and more customer feedback to support individual's exercise goals. Caldicot has the oldest stock of Technogym exercise and fitness equipment of all four sites and the site currently has the lowest number of exercise and fitness members.
- 3.15 The previous latent demand study has indicated that the total refurbished site could attract a further 302 fitness members. This smaller scheme is not likely to attract that level of additional membership but an increase of 102 members would be required to support the investment which seems achievable. The scheme is likely to take between 4 to 8 weeks to get to cost certainty stage with construction estimated at 16 weeks.

Chepstow Leisure Centre Gym and Cafe Refurbishment

- 3.16 This scheme will look to enhance the food and beverage offer to improve dwell time and secondary spend. Where possible the scheme will seek to improve the reception areas to give a more open and customer friendly experience. The fitness facilities require an upgrade to the cardiovascular equipment with investment required into group exercise classes. This would be a similar offer to Monmouth Leisure Centre where we have seen an increased uptake for group exercise classes, increased memberships and additional part time employment opportunities. Chepstow is the site where we have the most competition in the locality and its location near to the Severn bridges is advantageous
- 3.17 Design and concept reports, architects drawings and a feasibility study are likely to cost circa £30,000. It will take 2 weeks to get to RIBA 2 stage, with cost certainty being achieved in a further 4 to 12 weeks with construction estimated at between 10 and 12 weeks, making a total of 26 weeks complete. This expenditure was approved in January 2020 and sits within the 2021/22 Capital programme.
- 3.18 Latent demand studies have not yet been undertaken for the Chepstow site, however the site would need to attract an increase in membership of 102 which appears to be achievable.

Summary

- 3.19 All capital investments will need to be discussed and scrutinised at the Capital and Asset Management Working Group (CAMWG), and recommendations on

capital investment will be made by CAMWG to the Senior Leadership Team (SLT) following appraisal of the schemes' business plans for onward inclusion in the capital budget and to be considered by Cabinet and Council.

- 3.20 The table below indicates the estimated costs of refurbishment works required including costs of new fitness equipment. The indicative annual cost of borrowing is likely to be in the region of £118,000 and would need to secure 389 extra annual memberships to support this.

Leisure Centre Scheme	Feasibility Cost £	Estimated Investment £	Number of Additional Memberships Required
Abergavenny	30k	1,100K	187
Caldicot	10k	600k	80
Chepstow	(already approved)	600k	80
Total	40k	2,300k	389

4 EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

- 4.1 The decision to proceed with a feasibility study and determining full costs will allow the council to minimise risk in project delivery cost. The potential investments will ensure there are more opportunities for the community to keep physically active and well. The enhanced facilities and equipment will encourage more people to use the Centres following Covid, as part of a comeback campaign to ensure our communities benefit from the best possible provision and assist with increased income opportunities post pandemic.

5. OPTIONS APPRAISAL

Option	Benefits	Risks	Comments
Do Nothing	Continue providing service.	Sites are tired and in need of updating. Increase in reactive maintenance costs. Staff and customer morale will be lower. Income will decline and loss of customers. Reputational risk to the Council.	All sites are tired in places and do nothing risks further decline in facilities and lessens the appeal to customers with local investments and competition in the surrounding areas

Option	Benefits	Risks	Comments
Improve Facilities	Update existing facilities and encourages continued patronage and attracts new members	Updated and modern equipment will contribute to ensuring that income targets are met	Future proof and will complement larger scale plans in the coming years

6. RESOURCE IMPLICATIONS:

- 6.1 To proceed with design and feasibility options for Abergavenny, Caldicot at a cost of £40,000 which will be funded from existing service budgets. Approval for the study at Chepstow Leisure Centre at a cost of £30,000 has already been given.
- 6.2 The indicative capital costs are estimated to be in the region of £2.3million with indicative annual borrowing costs of £118,000 which is expected to be covered by an increase in memberships but could be met from any new capital receipts should they become available.

7. CONSULTEES:

Departmental Management Team
Senior Leadership Team
Cabinet
HR
Landlord Services
Finance

8. BACKGROUND PAPERS:

Appendix 1 - UKActive Report- "Covid-19 Impact Report – The Fitness and Leisure Sectors Path to Recovery"

9. AUTHORS:

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