

SUBJECT: LEISURE CENTRE UPGRADES TO FACILITIES

MEETING: CABINET

DATE: 7th JULY 2021

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 For Members to agree to the proposed investments at Abergavenny and Chepstow Leisure Centres to ensure that they remain fit for purpose for future generations and attractive to existing customers. To update Members of the latest Caldicot Leisure Centre position.

2. RECOMMENDATIONS:

- 2.1 Cabinet recommends to Council to release the sum of £2.2m from capital receipts to fund the following investments to improve customer experience;

Chepstow Leisure Centre – £0.5m to upgrade fitness equipment and minor centre refurbishments

Abergavenny Leisure Centre – £1.7m to re-design the first floor to provide a new enhanced gym area and dedicated spin studio and exercise studio.

- 2.2 To pause any significant developments at Caldicot Leisure Centre pending the results of the Levelling up Grant Bid but to invest in some necessary upgrades to portable equipment and fitness class resources.

3. KEY ISSUES:

- 3.1 Cabinet received a report in April 2021 which outlined the importance of Leisure facilities in improving the physical and mental health of local communities and encouraged regeneration. The report outlined the heightened appreciation of the importance of physical activity during the pandemic in improving the health of people of all ages. 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 health and wellbeing.
- 3.2 However, further research now indicates that the 2021 lockdown has been extremely challenging for people, because opportunities to be active have been restricted, and the timing of the lockdown coincided with colder, darker months. The cumulative impact

of multiple changes has impacted on people's motivation to make the choice to be active and there is no guarantee that people will return. Changes to working patterns, caring responsibilities, personal management of risk, worries about contracting / spreading the virus or anxieties about social mixing could continue to impact behaviour.

- 3.3 The table below demonstrates the level of membership activity at our sites and compares this to the level of active memberships prior to the pandemic. The service has seen a significant reduction, with large numbers of people cancelling and more than 1,000 members choosing to freeze their membership. In 2020/21 income losses were supported from the Welsh Government Hardship Fund and are projected to be covered in 2021/22 until at least September 2021.

| | Abergavenny | Caldicot | Chepstow | Monmouth | Total |
|-----------------------|--------------------|-----------------|-----------------|-----------------|--------------|
| Members February 2020 | 1,862 | 1,376 | 1,650 | 2,738 | 7,626 |
| Members May 2021 | 1,240 | 928 | 1,139 | 1,662 | 4,969 |
| Variance | 622 | 448 | 511 | 1,076 | 2,657 |

- 3.4 The recent partial opening of the Leisure centres has seen significant numbers of our customers wanting to return in a safe and controlled environment with many swimming, fitness class and gym sessions sold out within minutes. Evidence from national data supports this and shows high levels of intent to return to fitness facilities once fully operational. The return of the Monmouthshire Games at Whitsun has been very successful and advance bookings for the summer provision have been taken. Due to the National Governing bodies of sport relaxing 'return to play' guidelines, many clubs who book winter facilities are also making enquiries to secure their booking slots.
- 3.5 In 2018/19 there was a £7.4M refurbishment of Monmouth Leisure Centre with a 25m swimming pool, extensive gym, two studios, soft play, and toning. Members have recognised that further investment and improvements are required to the other leisure sites, this was planned prior to Covid outbreak and outlined in the MCC Corporate Plan. The three remaining Leisure Centres need investment to ensure high standards of health and safety to keep our customer safe; reducing our carbon footprint; to encourage both new and old customers to return ensuring we can provide facilities that are fit for purpose for future generations.
- 3.6 Cabinet in April 2021 supported preliminary investigative works and agreed to proceed with feasibility studies for minor refurbishments and upgrades to the fitness facilities at Abergavenny, Caldicot and Chepstow Leisure Centres. Investment had been initially estimated at £2.3m. Officers have continued to work closely with our development partner, Alliance Leisure Services (ALS) to examine the development opportunities at Caldicot, Chepstow and Abergavenny Leisure centres. Multiple site visits have been

undertaken and indicative costs established which have been further developed as essential surveys are conducted.

Abergavenny Leisure Centre

- 3.7 Members have expressed the desire to re-design and refurbish Abergavenny Leisure Centre but the major work could 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. However, it is still possible to complete the refurbishment to the upstairs health and fitness area prior to commencement of the school build.
- 3.8 The proposal to upgrade the leisure centre is anticipated to be in late 2024, however this initial first phase would see the re-development of the fitness offer now, prior to the school build and seeks to convert the first floor to a health and fitness hub to include:
- 246sqm fitness suite (c60 stations)
 - 60sqm spin studio
 - 105sqm fitness studio
 - 33sqm viewing area to ground floor pool
 - 2 x 13sqm changing rooms
- 3.9 ALS have costed initial proposals at £1.7m and are currently working through the feasibility stage with mechanical and electrical surveys being undertaken towards establishing cost certainty. It is estimated that it will take a further 2 weeks to get to RIBA 4 stage where cost certainty would be determined. Construction is estimated to take approximately 20 weeks and would likely commence autumn 2021.

Key Issues

- 3.10 The top floor of the leisure centre building would need to be closed for a period of up to 20 weeks. There are health and safety issues that need to be taken into account and a site management plan will be developed in conjunction with the school who share the site. A compound would need to be installed on site and access to the rest of the site would have to be carefully managed.
- 3.11 The site is a dual use site, with the school currently using the following facilities:

| Day | Time | Facility |
|-----------------|------------|--|
| Monday – Friday | 8:30am-5pm | Sports hall. Ground floor dry side changing rooms |
| Monday – Friday | 9am-5pm | School Gym |
| Monday – Friday | 9am-5pm | Pool (used for both Secondary and Primary school swimming) |
| Monday – Friday | 9am-5pm | Astro |
| Monday – Friday | 9am-5pm | MUGA |

- 3.12 Closure of the upstairs of the Leisure centre would impact public users with the closure of the fitness suite and subsequently result in a loss of income for those 20 weeks (estimated to be £105,000). Alternative provision could be made within the leisure centre / school gym but would impact on potential school usage and so will need to be carefully managed to avoid any disruption to their provision. Discussions with the School are on-going to continue provision and accommodate both the school and the public.
- 3.13 Currently membership levels at Abergavenny are significantly below the numbers enjoyed prior to the pandemic as per the table in section 3.11 and uncertainty exists in how long it will take to restore customer confidence to those previous levels. There continues to be a risk that the increase in Memberships would not occur for a significant period of time however there is a general confidence in the industry and peoples appetite to return.

Caldicot Leisure Centre

- 3.14 Caldicot Leisure Centre is currently at the heart of a Levelling Up Fund grant bid and whilst the outcome is awaited, any further major development has been placed on hold. A significant bid has gone forward and MCC awaits the outcome. In the interim, the leisure team will continue to ensure that the existing equipment and fitness offer, and the swimming class offer is supported. The site has recently introduced a new Les Mills offer, which has been highly successful. Officers have been asked to continue with the preparation of plans for the future redevelopment of the site should the bid be unsuccessful which would also look at alternative provisions should the centre have to be closed during the refurbishment. Landlord Services also continue to provide additional investment for the site with the use of REFIT funding for improvements to outdoor lighting for sports pitches.

Chepstow Leisure Centre Gym and Cafe Refurbishment

- 3.15 This minor scheme was intended to enhance the food and beverage offer to improve dwell time and secondary spend and 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 competition is high for memberships within the locality, its location is advantageous.
- 3.16 Ongoing discussions with ALS suggest that the costs of refurbishment would be much higher than the sum of money previously indicated and therefore the business case for refurbishment of the café area and reception is not supported by enough of an increase in membership or increased net profit on retail and café sales. Work with ALS continues to identify the best solution and outcomes for customers and a minor refurbishment will now be accommodated within a budget of £225k. The upgrades to fitness equipment with an outdoor rig is estimated at £275k. Landlord Services also continue to provide additional investment into the site with the use of REFIT funding to undertake improvements to lighting, boiler upgrades, combined heat and power system and showers upgrade.

Summary

- 3.17 Capital investments have been scrutinised by the Capital and Asset Management Working Group (CAMWG), and recommendations made for onward inclusion in the capital budget and to be considered by Cabinet and Council.
- 3.18 The table below indicates the estimated costs of refurbishment works required including costs of new fitness equipment.

| Leisure Centre Scheme | Estimated Investment £ |
|--------------------------------|-----------------------------------|
| Abergavenny | 1,700K |
| Chepstow – Minor refurbishment | 225k |
| Chepstow – Equipment Refresh | 275k |
| Total | 2,200k |

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

- 4.1 The 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. Lack of commercial opportunities to grow the business. | 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. |
| 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 and customer satisfaction levels are maintained. | Future proof and will complement larger scale plans in the coming years. |

6. RESOURCE IMPLICATIONS:

- 6.1 To proceed with the redesign of the first floor of Abergavenny Leisure Centre at an estimated cost of £1.7m to include a refresh of gym equipment and minor refurbishment at Chepstow at a cost of £0.5m
- 6.2 Loss of income resulting from the gym closure at Abergavenny Leisure Centre is likely to be £105,000 and it is proposed that will be met initially from service budgets in the first instance. Should the service be unable to meet these extra costs, then a request will be made for reserve cover to compensate for this.
- 6.3 The capital costs are estimated to be in the region of £2.2million which will be met from use of capital receipts.

7. CONSULTEES:

Departmental Management Team
 Senior Leadership Team
 Cabinet
 HR
 Landlord Services
 Finance

8. AUTHORS:

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