



CABINET

15 January 2020

Subject Heading:

New Leisure Centre – South of the Borough

Cabinet Member:

Councillor Viddy Persaud

SLT Lead:

Jane West, Chief Operating Officer

Report Author and contact details:

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Policy context:

Places – Havering has excellent leisure facilities and award winning parks

Financial summary:

Depending on the site chosen, the expected cost of building a new leisure centre in the south of the borough is between £5.4m to £7.9m. The management of a new leisure centre will cover the remaining length of the leisure management contract and provide an annual payment to the Council. The first three years of operation will require the Council to pay SLM an annual sum funded from reserves whilst the business matures.

Is this a Key Decision?

Yes

(a) Expenditure or saving (including anticipated income) of £500,000 or more

When should this matter be reviewed?

February 2021

Reviewing OSC:

Towns and Communities Overview and Scrutiny Sub-Committee

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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This Report is part exempt and appendices A, B, C and D are not available for public inspection as they contain or relate to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government

Act 1972. They are exempt because they refer to information relating to the financial or business affairs of any particular person, including the authority holding that information, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

SUMMARY

Cabinet agreed at the meeting on 13 March 2019 to investigate the feasibility to secure a site and funding to develop a new self-financing leisure centre in the south of the borough. The feasibility has now been completed with indicative costs to build a new leisure centre at one of two potential sites. One of the two sites is owned by the Council, whilst the other is not and would be the subject of a purchase.

The Feasibility Study reviewed the two sites, including leisure centre layouts and build costs including fees, contingency and fit out costs. These costs are dependent on further detailed design work and further studies and assessment. The Study also considered the advantages of each site along with potential risks for each.

There has been a 'conversation' with residents, including drop in meetings and an online survey, to establish which of the two sites residents prefer.

The report recommends that Members agree to progress the Rainham Recreation Ground site to the detailed design stage, including a planning application. This is because this site does not include land purchase and therefore is cheaper than the New Road site, and also because residents indicated this to be their preferred site with 66% selecting this in the survey. Subject to securing capital budget, progress with developing the facility once final costs and the outcome of a planning application are known will be decided by the Leader in consultation with the Lead Member for Finance and the Chief Operating Officer.

RECOMMENDATIONS

That Cabinet

1. Note the outcome of the Feasibility Study and the 'resident conversation' for a new leisure centre in the South of the borough as set out in this report and appendices.
2. Agree in principle that the Rainham Recreation Ground site be progressed as further set out in this report and that detailed designs be drawn up, an application for planning permission be made and the tendering of the construction be progressed whilst the planning application is being considered.
3. Subject to the previous recommendations and approval of capital budget, note that all subsequent decisions relating to a new leisure centre on Rainham Recreation Ground, including the variation of the contract with Sports and Leisure Management for delivery and ongoing services,

will be made by the Leader, in consultation with the Lead Member for Finance and the Chief Operating Officer, to include variation of the contract with Sports and Leisure Management for delivery and ongoing services at the new leisure centre.

REPORT DETAIL

1. Background

1.1 As well as the information set out in the body of this report, important information is contained within the following 4 appendices:

- Appendix A – Financial Implications (Confidential and Exempt)
- Appendix B – Feasibility Study Cost Plan (Confidential and Exempt)
- Appendix C – Feasibility Study (Confidential and Exempt)
- Appendix D – Resident Conversation summary (Confidential and Exempt)

1.2 Appendices A, B, C & D contain sensitive and confidential commercial information which is exempt from publication for the reasons set out in this report.

1.3 Cabinet agreed on 13 March 2019 to investigate the feasibility to secure a site and funding to develop a new self-financing sports centre in the south of the borough. The feasibility has now been completed and the headlines from this are included in this report.

1.4 Two sites were considered within the feasibility study, Site 1, New Road on land owned by Havering College and Site 2, Rainham Recreation Ground

1.5 The New Road site is currently privately owned by Havering College, whilst the Rainham Recreation Ground is owned by the Council. Were Cabinet to decide to progress a new leisure centre on the New Road site, a bid would need to be made to purchase the site.

1.6 A 'resident conversation' was carried out about the two sites, asking residents to identify which site they preferred. 66% of resident responses indicated a preference for Rainham Recreation Ground.

1.7 The Council's leisure services are provided by Sports and Leisure Management Limited (SLM). The contract, which commenced on 1 October 2016 and expires on 30 September 2036 includes the option of delivery of a new leisure centre in the south of the borough by SLM with

an accompanying variation to the contract to incorporate delivery and an increased service fee.

2. Feasibility Study

2.1 The feasibility study, carried out in partnership and consultation with SLM in accordance with the leisure management contract between SLM and the Council, included a review of the two sites including available space, utility services, planning considerations and parking. The study identified general considerations for each of the two sites and highlighted key risks for each. Layouts for the two sites have been identified, with a breakdown of the construction costs that will need to be tested through a tendering process should Cabinet agree to progress a new leisure centre at one of the two sites. The construction costs are also dependent on further detailed design work and site studies outlined below.

2.2 Subject to a decision being taken to progress a new sports centre to the next stage, further work will be required to determine the fixed cost to the Council of building the leisure centre. This has been allowed for within the fees included within the feasibility study, and therefore the costs provided within this report. This includes:

- BREEAM Assessment
- Biodiversity Survey
- Daylight/Sunlight Assessment
- Floor Risk Assessment
- Heritage Statement
- Noise Impact Statement
- Open Space Assessment
- Tree Survey
- Public Consultation Materials

2.3 Both sites have advantages and disadvantages as locations for a new sports centre, these are:

New Road, Havering College

Advantages:

- Central location to existing housing within Rainham as well as the new Beam Park development
- Site available for the proposed development subject to a successful bid to purchase
- Ability to potentially share car parking spaces and increase usage, particularly daytime usage, of the new sports centre with a neighbouring facility
- Residents able to access the sports centre during daytime hours
- Good access for construction traffic
- Minor groundworks required

- The site is currently disused and is hard standing
- Within Rainham and Beam Park Strategic Development Area
- Site is shown as part of residential led development masterplan, earmarked for college or leisure use
- Good transport connections

Disadvantages/risks:

- Land not owned by Council so will involve purchasing the land
- Due to Havering College's building works on the site scheduled for 2020 work on a new leisure centre could not start until 2021
- Within Flood Zone 3 – flood risk assessment required
- Gas pipes to the north of the site (further investigation required)
- Potential contamination and organic material within the ground
- Co-ordination required with land owner regarding their proposals to develop elsewhere on the wider site
- London Plan requirements – 35% reduction in carbon emissions, may change to Net Zero, this could be a very onerous standard to meet

Rainham Recreation Ground

Advantages:

- Central Rainham location within Rainham District Centre
- Land owned by the Council so no land purchase involved
- Existing car park that could serve the new sports centre
- Minor groundworks required
- Good construction access
- Residents able to access the sports centre during daytime hours
- Good transport connections
- Close to shops and facilities

Disadvantages/risks:

- Loss of open space would be contrary to current planning policy unless it can be shown that loss can be replaced elsewhere and there is sufficient public open space in the area
- Requirement to move existing children's play area to elsewhere on the site
- Within Flood Zone 2 and 3 (part and part) – flood risk assessment required
- Within Rainham Village Height Zone (restrictions on building height) may lead to a design that is not viable for leisure centre use
- Close to (but outside of) conservation area
- Unknown ground conditions
- London Plan requirements – 35% reduction in carbon emissions, may change to Net Zero, this could be a very onerous standard to meet

2.4 The facility mix for a new leisure centre is the same at both sites. The facility would include:

- 25 metre 6 lane swimming pool
- 72 station gym
- Dance studio
- Spinning studio
- Changing village
- Pool viewing room

2.5 The area of the site available at New Road is constrained and would result in a slightly smaller layout compared to the proposed layout at Rainham Recreation Ground. Whilst the facility mix remains the same at both sites, the changing village and pool viewing areas will be slightly smaller at the New Road site. This might impact on the customer experience when using a facility at the New Road site. The New Road site carries higher risk due to being closer to the gas main and potential planning constraints associated with this.

2.6 As reported to Cabinet on 13 March 2019, the construction of a new sports centre in the South of the borough is proposed to be of a modular construction. This provides substantial savings compared to traditional construction. As previously reported, Barking and Dagenham have built a modular swimming pool as an additional facility to the existing Becontree Health Leisure Centre. This has proved successful and when comparing the external appearance of the modular extension to the existing building it is very hard to observe any difference.

2.7 The feasibility study concludes that both New Road and Rainham Recreation Ground sites could be progressed, but favours New Road primarily because of the loss of public open space and constraints on development driven by the 'village centre' location as well as being adjacent to the conservation area. However, this does not factor in the significant purchase price that would be required to purchase the New Road site in a competitive tender situation. The College have indicated that they will place the site on the 'open market' and will accept the best price. It is considered that re-provision or improvement of public open space can be achieved to the same extent as the loss on Rainham Recreation Ground. The feasibility also does not consider the delays to commencing construction on the New Road site until 2021 due to the College's own construction on part of the wider site. The resident conversation also resulted in 66.7% of responses to the survey favouring the Rainham Recreation Ground site.

3. Resident Conversation

3.1 Residents were invited to give their views as to which of the two sites they preferred as a location for a new leisure centre. An online survey was available to be completed from 31 October 2019 to 17 November

2019. There were also 'drop in' conversation sessions held at Rainham Library on the following dates and times:

Monday 11 November – 17:00 to 19:30

Friday 15 November – 10:00 to 12:00 and 14:00 to 16:30

- 3.2 The online survey received 328 responses with 66.7% saying they preferred the Rainham Recreation Ground as the site for a new leisure centre, 31.4% saying the New Road site and 1.83% not indicating a preference. 81.1% of responses stated they lived in the Rainham and Wennington ward, with the next largest response, 9.1% living in the South Hornchurch ward.
- 3.3 The survey also provided residents the opportunity to add additional comments. These comments are attached as Appendix B to this report.
- 3.4 Whilst only verbal responses, the perceived majority of visitors to the 'drop in' sessions at Rainham Library supported the Rainham Recreation Ground site. There were some clearly against this option, citing over time the loss of what was a larger open space that has been reduced with the development of the Rainham Tesco and some housing. Visitors to the drop in sessions were made aware of the online survey, with many saying they had completed this. There were hard copy surveys available at the 'drop in' sessions, and a number of these were completed and have been included within the overall survey response.
- 3.5 The drop in sessions also provided valuable feedback that whilst Rainham Recreation Ground was the preferred location, it was highlighted that a new leisure centre should be sited further back on the site away from Viking Way. There does not appear at this stage to be a reason not to incorporate this within the detailed design stage.

4. Timeline for Planning and Design

- 4.1 Further detailed design will be required prior to submitting a planning application, followed by the planning application being submitted by SLM. It is recommended that the tender process is commenced whilst the planning application is being determined. There will be a financial risk with this as if the planning permission is refused, the costs incurred with progressing the tender will be wasted. The decision to recommend progressing the tender process whilst the planning application is determined is because if the tender process is commenced after planning is obtained it will add delay of at least three months and possibly longer to commencing the build of the new leisure centre.

5. Next Steps

- 5.1 Subject to Cabinet agreeing to progress to the next stage of developing a new leisure centre in the south of the borough, further work will be required on the chosen site.
- 5.2 If the decision to progress a new leisure centre is at the New Road site a bid will be required to be submitted to purchase the land. The timescales for this are being requested from Havering College.
- 5.3 For either site, pre-planning advice will be required prior to submitting a planning application. The contract with SLM provides for SLM to obtain all planning permissions related to a new build leisure centre in the south of the borough.
- 5.4 It will be necessary to progress the detailed design sufficient to allow a planning application to be made by SLM. This would be followed by the tender being developed and progressed whilst a planning application is being determined.
- 5.5 Once the detailed design work has been progressed and tendered the Council will have cost certainty for the new leisure centre, with any future financial risks sitting with SLM. This will need agreeing with SLM at that stage, but the same protocol already exists, for example, with the new build Hornchurch Sports Centre.

REASONS AND OPTIONS

6. Reasons for the decision:

- 6.1 By tendering the build of the new leisure centre whilst awaiting the outcome of the planning application, cost certainty can be agreed earlier and the new build can commence at least three months earlier than if waiting for the planning determination before progressing the tender.
- 6.2 In the report to Cabinet on 13 March 2019 it was agreed to withdraw from the management and operation of Chafford Sports Complex. Consultation responses received during the consultation on the future of Chafford Sports Complex highlighted that residents wanted a leisure centre in the south of the borough. The resident conversation about the site for a new leisure centre also received over whelming support for there being a new leisure centre in the south of the borough.
- 6.3 The strategic need for a new sports centre in the south of the borough has been documented in previous Sport and Recreation Strategies, the Facilities Strategy that accompanied the tendering documents for the current leisure management contract and the Indoor Sport and Leisure Facility Strategy 2016.

7. Other options considered:

7.1 To progress detailed design for the New Road site and make a bid to purchase the land from Havering College. This has been ruled out because of the significant purchase price of the land and because the area of land is smaller than at Rainham Recreation Ground resulting in a smaller facility that would affect the customer experience whilst using the new centre. Start on site with building a new leisure centre would be delayed until 2021 due to the College's own construction on the site that involves using the 'vacant' part of the site as the builders compound. Residents also expressed a preference for the Rainham Recreation site during the 'resident conversation'.

7.2 Not to progress a new leisure centre. This has been ruled out because there is a will to have a new centre that has been evidenced by the resident conversation.

IMPLICATIONS AND RISKS

8. Financial implications and risks:

8.1 Detailed financial implications, including the estimated build costs, ongoing revenue costs and the expected purchase price of the New Road site including information that is commercially sensitive, is included in the exempt Appendix A attached to this report.

9. Legal implications and risks:

9.1 The Council has a power under s.19 Local Government (Miscellaneous Provisions) Act 1976 to provide recreational facilities within its area and a duty under NHS Act 2006 to take such steps as it considers appropriate to improve the health of the people in its area.

9.2 The Council may in the exercise of its duties and powers develop a new leisure centre in its area.

9.3 The contract between the Council and Sports and Leisure Management Limited (SLM) requires that: the Council consults with SLM in relation to the design and brief for the new leisure centre; that SLM should be

responsible for obtaining all planning permissions and consents required for the new leisure centre; and that via a variation to the contract, subject to agreement on fees to be calculated on an open book basis, SLM shall deliver and manage the new leisure centre.

9.4 The steps taken thus far and the proposed approach to delivery of the leisure centre comply with the Council's contract with SLM. Further legal advice in relation to any variation to the SLM contract will be given upon planning permission for the proposed leisure centre being obtained and budget for the centre being approved.

9.5 Rainham Recreation Ground is designated open space. This means that:-

9.5.1 pursuant to section 123(2A) of the Local Government Act 1972, the Council would need to advertise in a local newspaper any intention it has to dispose of any open space land and consider any objections received from residents; and

9.5.2 as the land is held for open space purposes, the Council will also need to consider the use of the Council's powers to appropriate the land for planning purposes, thus enabling the land to be developed as intended.

9.6 In respect of any proposed lease, the section 123 of the Local Government Act 1972 will be applicable, which requires the Council to secure best consideration on the disposal of land for a period of seven years or more.

10. Human Resources implications and risks:

10.1 There are no human resource implications or risks. If Cabinet agree to progress a new leisure centre in the south of the borough there is the possibility that SLM would then operate and manage the facility, in which case all human resource responsibilities would sit with SLM. This situation would be reassessed were SLM not to manage a new leisure centre in the south of the borough.

11. Equalities implications and risks:

11.1 Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have "due regard" to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act and advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. This is the public sector equality duty. The protected characteristics are age, disability, gender

reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

11.2 “Due regard” is the regard that is appropriate in all the circumstances. The weight to be attached to each need is a matter for the council. As long as the council is properly aware of the effects and has taken them into account, the duty is discharged. Depending on the circumstances, regard should be had to the following:

- the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision;
- the need to remove or minimise disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic;
- the need to take steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. For example, meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons’ disabilities;
- the need to encourage persons who share a protected characteristic to participate in public life (or in any other activity in which participation by such persons is disproportionately low); and
- the need to tackle prejudice and promote understanding.

11.3 A new leisure centre will be accessible to all groups sharing a protected characteristic. As part of the detailed design work required, there will be engagement sessions organised where local residents and interested groups, such as disability groups, would be able to see the plans for a new centre and have the opportunity to provide comments. An Equalities and Health Impact Assessment will be prepared prior to the detailed design stage.

11.4 Once open, a new centre would be available for use by all of the community, with specific targeted sessions on offer where required, for example disabled sessions.

11.5 The benefits to health and wellbeing by having a new leisure centre are numerous, from employment opportunities to improving both mental and physical health. It is recommended that a Health Impact Assessment be conducted on the leisure centre development, covering the period both during and post construction. The HIA will identify and aim to maximise any positive impacts on health and wellbeing, and mitigate for any negative impacts where possible.

BACKGROUND PAPERS

None