

DOLPHIN LEISURE CENTRE- PROPOSED IMPROVEMENT WORKS

REPORT OF: Assistant Chief Executive
Contact Officer: Rob Anderton, Divisional Leader – Commercial Services & Contracts
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Wards Affected: *All Haywards Heath Wards*
Key Decision: No
Report to: Cabinet
29th April 2019

Purpose of Report

1. To seek approval to carry out further investment in the Dolphin Leisure Centre, Haywards Heath, and to request that the 2019/20 capital programme be varied, allocating £198k from General Reserve towards jointly funding this project.

Recommendations

2. **That Cabinet recommends to Council to:**
 - a. **approve the proposed works to the Dolphin Leisure Centre, which will be jointly funded by Places Leisure and the Council; and**
 - b. **agree a variation to the 2019/20 capital programme, allocating £198k towards this project from General Reserve.**
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Background

3. Since the commencement of the current 15-year Leisure Management Contract in 2014, Places Leisure (formerly Places for People) and Mid Sussex District Council have implemented a jointly funded Leisure Investment Programme.
4. This programme concluded in January 2019, and has seen over £6m invested to date in new and improved facilities at all three Leisure Centres, including:
 - Improvements to the gyms
 - New lockers
 - A comprehensive programme of LED lighting installation
 - Improvements to reception areas and Cafes
 - Refurbished and upgraded changing Rooms and Health Suite facilities.
 - A new Clip n Climb facility at The Triangle
 - New exercise studios and spin studios
 - Improvements to the Leisure Pool at The Triangle

Some of this investment has resulted in a return for the Council. To date this has provided £82.5k p.a. income for the Council. However, not all investment will provide a return but clearly improves the Council's assets.

5. With this programme coming to an end in late January, Places Leisure approached the Council with a further proposed programme of works specifically to upgrade facilities at The Dolphin in Haywards Heath. The proposed works include:
- Improvements to reception and cafe to incorporate a Costa and a soft-play facility
 - Conversion of the existing studio into a new training room
 - Conversion of the old bar area into an additional treatment room
 - Improvements to the group cycle studio
 - Replacement tiling in the wet changing area
 - The upgrade of the ground floor toilets

These will not provide a return for the Council but will significantly improve the Council's asset.

6. Work on the ground floor toilets and the wet changing area (which is being funded by Places Leisure) has already commenced and is due to be completed by the end of April; the work to convert the studio and bar area is scheduled for completion by the end of May; and the works to the cycle studio, and incorporation of a soft play facility and Costa are planned to commence in September and be completed by the end of November 2019.

Financial Implications

7. The total cost of the above works has been estimated at £526k.
8. Places Leisure is requesting that, in order to enable these works to take place, the Council provides a contribution of £198k. This variation is an increase in the cost of the Capital Programme 2019/20. It is intended that this additional cost is funded from the General Reserve

MSDC Contribution	£198,000
Places Leisure	£328,034
Total	£526,034

9. This proposal provides excellent value for money for this Council as the works will add value to the Council's asset as well as improve the offer for service users, as set out in the Capital Justification Form at Appendix 1.

Risk Management Implications

10. An analysis of the potential risks associated with this project are identified in the Capital Project Justification Form at Appendix 1.

Background papers

None

Project Justification Details

Improvement Works at The Dolphin Leisure Centre Haywards Heath

Purpose of project :

The Council's 15-year Leisure Contract with Places Leisure (formerly Places for People) commenced on 1st July 2014.

Since that time, Places Leisure and Mid Sussex District Council have implemented a joint-funded Leisure Investment Programme to provide new and improved facilities at all three Leisure Centres, including:

- Improvements to the gyms at all three centres
- New lockers across all three centres
- A comprehensive programme of LED lighting installation
- Improvements to reception areas and Cafes
- Refurbished and upgraded changing Rooms and Health Suite facilities.
- A new Clip n Climb facility at The Triangle
- New exercise studios and spin studios
- New and improved facilities at the Leisure Pool at The Triangle

With this programme at an end, Places Leisure have now approached the Council with a further proposed programme of works specifically to upgrade facilities at The Dolphin in Haywards Heath, for which they have secured some funding but require a contribution from the Council. The proposed works include :

- Improvements to reception and cafe to incorporate Costa and a soft-play facility
- Conversion of existing studio into a new training room
- Conversion of old bar area into an additional treatment room
- Improvements to group cycle studio
- Replacement tiling in wet changing area
- Upgrade of ground floor toilets

Total Amount : £526,034

Capitalised Salaries included in the project total : **Nil**

Sources of funding :

MSDC Contribution	£198,000
Places Leisure	£328,034
Total	£526,034

Revenue Implications : **Nil**

Places Leisure will be responsible for all ongoing revenue costs, covering repair/maintenance/replacement costs related to these improvements.

Value For Money Assessment :

The proposed works would be procured and managed by Places Leisure, and would be subject to a competitive tendering process.

The works will provide investment in the Council's asset and improve the offer at the Dolphin for service users.

Business Unit/Service: Commercial Services and Contracts

Head of Service : Judy Holmes

Project/Budget Managers :

Jo Reid – Business Unit Leader- Waste, Landscapes & Leisure

Glen Wilkinson – Leisure Contract Monitoring Officer

Cabinet Members : Cllr Gary Marsh

Ward Members : Cllr Jim Knight & Cllr Geoff Rawlinson

This project contributes to achieving the Corporate Plan in the following ways :

- Effective and responsive services- Providing an improved customer experience, delivering enhanced/ new attractions at the district's leisure centres and inspiring residents to be more active
- Financial independence- making the best use of our assets, maintaining/ increasing membership/ user numbers, securing the financial viability of the Leisure Management Contract

Summary of discussions with Cabinet Member :

The project has been discussed and agreed with the Cabinet Member Cllr Gary Marsh and with senior officers from both MSDC and Places Leisure. A detailed breakdown of the projects and their cost has been shared with Cllr Marsh and he supports the scheme.

Previous Consideration at Scrutiny Committee

N/A

Risk Analysis :**Project Runs Over Time**

Detailed project and communications plans will be prepared for review and sign-off at a future Partnership Board meeting.

This will be expected to provide a realistic timeframe for delivery, with a sensible contingency period built in

If the projects took longer than planned for any reason it would not have any significant detrimental effect on the wider site or contract.

Project Runs Over Budget

The works will be put out to tender and the costs closely managed. However there is a 10% contingency figure built into the budget for any minor unforeseen issues.

Works Disrupt the Operation of the Centres

Works will be programmed and implemented in such a way as to keep disruption to a minimum. A detailed and robust communications plan will be put in place to ensure centre members and users understand the extent of the work and its likely impact.

Likelihood / Severity

All of the above risks are assessed as being of Low Likelihood and Low Severity therefore offering very little risk.