

CABINET (LEISURE CENTRE) COMMITTEE**Monday, 11 February 2019**Attendance:

Councillors

Griffiths (Chairman)

Ashton

Warwick

Other Invited Councillors:Huxstep
LamingPrince
StallardOthers in attendance who addressed the meeting:

Councillors Burns, Horrill and Humby

Others in attendance who did not address the meeting:

Councillor McLean

1. DISCLOSURE OF INTERESTS

Councillors Huxstep, Stallard and Warwick declared disclosable pecuniary interests as they were all County Councillors and the County Council had awarded £1 million to the project. However they all participated in the meeting and, in the case of Councillor Warwick voted on items as below, under the dispensation granted by the Standards Committee.

2. MINUTES OF THE PREVIOUS MEETING HELD ON 14 JANUARY 2019, LESS EXEMPT MINUTE

RESOLVED:

That the minutes of the previous meeting held 14 January 2019, less exempt minute, be approved and adopted.

3. REPRESENTATIONS FROM COUNCILLORS UNDER COUNCIL PROCEDURE RULE 35

At the invitation of the Chairman, Councillors Horrill, Humby and Burns addressed the Committee (the latter requested to speak during the exempt session of the meeting and her comments are summarised under the exempt minute below). Councillor Horrill and Humby spoke at the start of the meeting as summarised below.

Councillor Horrill thanked all Officers, consultants and Members involved in the project so far and suggested that the public view now was that the new Centre should be built without delay. She welcomed the appointment of the building contractor and the new operator for the centre. She emphasised that at the start of the project, it was estimated that the Council would be required to invest £600k per year to support a new centre, but the Full Business Case (FBC) now indicated the new centre would return a benefit to the Council. The partnership working with the County Council, Pinder Trust and University of Winchester should also be celebrated.

Councillor Horrill stated that the Full Business Case had been discussed in detail at The Overview and Scrutiny Committee on 4 February 2019. With regard to concerns expressed at the meeting, she requested that Officers provide reassurance that all local sports groups had been consulted and there was documented evidence to this effect. In addition, she requested further assurance regarding the legitimacy of the Needs Assessment undertaken by Sports England.

Councillor Humby had also attended The Overview and Scrutiny Committee meeting on 4 February 2019 and expressed disappointment that some Members continued with negative comments regarding the project, despite the best efforts of all those involved to provide a new centre that maximised benefits for users of all abilities. Councillor Humby emphasised that he had been involved with the project from an early stage. He had attended initial meetings with the County Council where the offer of £1m was made, on the proviso that County-wide use was guaranteed. The sum originally agreed with the University was on the basis of the amount of University use and had changed to the sum now proposed because of the different proposal on offer. He emphasised that the Council had employed consultants to offer expert advice on the project and this should be given due regard.

4. **PUBLIC PARTICIPATION**

Four members of the public and/or representatives of local groups spoke during public participation and their comments are summarised below.

Sandra Bowhay (Winchester Netball Club) stated that she had also spoken at The Overview and Scrutiny Committee on 4 February 2019. She expressed concern that the new facilities would not allow adequate space for the Club to increase its membership (it already had a long waiting list). The Club had responded to consultation, along with Western Blades, but believed they had been presented with an option for two netball courts as a “fait accompli” (when their preference would have been for three courts). She also expressed disappointment with the standard and guaranteed availability of the alternative court at the ATR offered by the Council.

Emma Back (Winchester SALT) had also spoken at The Overview and Scrutiny Committee on 4 February and wished to clarify a statement attributed to her in the draft minutes of that meeting (Report CAB3146(LC) refers) to emphasise that local clubs could have generated revenue to the new centre of significantly more than the £1.7million over 40 years committed by the University. In her opinion, it

would have been more than £10m over the 40 years if all the clubs' suggestions had been taken on board but these had been largely discounted, with the exception of the larger sports clubs. She also was disappointed that she was not offered the opportunity to discuss the needs assessment with the consultants.

Mike Fisher (Winchester City Penguins Swimming Club) stated that the new Centre would offer a great opportunity for the community with regards to the additional water space, including competitive swimming and welcomed the assurances given regarding affordable access. It was estimated that the Club would contribute over £6m over the life of the new centre and would be seeking to organise approximately 30 competitive events per year. He was looking forward to working in partnership with the new operator, including discussions over equipment for the new facilities (and potential for financial contributions from the Club). He would also welcome further investigation of the potential for swimming scholarships to be offered by Winchester University.

Geoff Wright (St Giles Hill resident) noted that his written questions submitted to The Overview and Scrutiny Committee on 4 February 2019 (as he had been unable to attend the rearranged date) had been answered at that meeting. Whilst supporting the new centre, he remained concerned regarding the FBC being able to be built, operated, managed and financed with no net financial contribution from the Council. His concerns included the following:

- the comparatively high construction costs;
- perceived difficult relationships with some sports groups and concern that the new facility would not be fit for purpose;
- no increase in numbers of courts to be provided than at the existing leisure centre;
- decrease in sum offered by the University towards the project;
- assessment of the income from the operator to the Council indicated a long period at the start when the Council is paying out more than receiving.

5. **WINCHESTER SPORT & LEISURE CENTRE – FULL BUSINESS CASE (LESS EXEMPT APPENDIX)**
(CAB3082(LC))

The Committee received a presentation on the Full Business Case from the Strategic Director: Place and the Head of Programme, together with the following consultants who were present at the meeting:

- Simon Molden – The Sports Consultancy (TSC)
- Olivia Burton and Sean Clarke - MACE

The presentation was available on the Council's website via [this page](#).

In response to the presentation and comments made during public participation, in summary the following points were made:

- All sports clubs and groups with a connection to the district had been invited to consultation events (over 200 groups), comments had been documented and taken account of. The results of the engagement had all been reported to Cabinet (Leisure Centre) Committee on 25 July 2018 (Report

CAB3067(LC) refers). However, it was not possible for each, sometimes competing, demand to be met.

- The operator and the Council would continue to work closely with local groups to try and meet their various priorities.
- Hampshire County Council contribution was based on the facility being of the required standard for the Hampshire Institute of Sport. It was noted that the facility was for residents of the district and the wider area.
- Winchester SALT had provided useful information on sports club usage which had been discussed with the consultants. In addition, Emma Back had met with the consultants and the Council.
- The prices for using the new centre would be agreed by the Committee following discussion by the Advisory Panel. The FBC was based on a 15% price increase from 2018 prices.
- The offer by Winchester City Penguins Club to work with the Council was welcomed and it was intended that a meeting between the Club and the Operator be arranged as soon as possible.
- The suggestion for the University to offer swimming scholarships was also noted as a possibility.
- MACE highlighted the difficulties of undertaking cost comparisons of different leisure centres as each centre had different facilities (for example, another centre with a 50 metre pool and hydrotherapy centre). MACE did undertake checks at each stage that the facility offered value for money. He offered to investigate further if specific examples were suggested. Mr Molden advised that the Sports Consultancy had worked on 21 leisure facilities over the last 20 years and this project was comparable in terms of costs.
- The FBC had been prepared based on zero capital or revenue contribution from the University. The construction cost contract passed financial risk to the construction company. The FBC demonstrated a positive financial position for the Council on an un-discounted payment basis (exact details contained in exempt appendix).
- The Strategic Director: Resources advised that there was a deficit to the Council at the start of the scheme but after 40 years, there was estimated to be a net surplus. 40 years was chosen as that was the estimated life of the asset. MACE clarified that core structure of the building was estimated to last for at least 40 years, whereas secondary elements (such as external cladding or internal plumbing) were warranted for 25 years (but normally last longer in practice) and replacement costs were factored in.
- The facility mix had been agreed by Cabinet at its meeting on 13 November 2017 (Report CAB2970 refers). There was a detrimental impact on the business case of increasing the size of the sports hall. In addition, a bigger hall would have resulted in increased loss of football pitches and a bigger building overall, to the potential detriment of nearby residents. A larger building may also have significant planning challenges.
- The size of the eight court hall proposed was 250 sq.m larger than the eight court hall at the existing centre. In addition, there was twice the amount of studio space provided which would reduce the pressure on hall usage.
- Simon Molden confirmed that bidders for the operator contract had been provided with the detail of sports club usage and it was stipulated that the centre was primarily to be operated for community use. The needs

assessment had been carried out following the approved Sports England process (it was the accepted desktop model for assessing need).

- The Needs Assessment had flagged up the potential for an additional four court sports hall in the southern parishes and a further report would be brought to Committee on this later in the year.
- The Head of Programme confirmed that Winchester Netball Club had been consulted and officers had worked closely with the Club to try and find suitable alternative accommodation. He noted that the Club was not satisfied with facilities at the ATR and agreed to continue to work with the Club to try and find an alternative solution both in the short term and also to try to enable the access required to the new leisure centre. The contract specification required priority for local club use. However, he highlighted that it would not be practically possible for all clubs to always have access at peak times.
- The Strategic Director: Resources confirmed that the proposal to use some reserves to fund the project would not impact upon other proposed projects.
- With regard to inflation forecasts, the Strategic Director: Resources advised that the exempt appendix included scenario planning. However, the average inflation rate over the last 30 years had been 2.6% (with 19 years above and 11 years below 2%).

Cabinet agreed to the following for the reasons outlined above, discussed during the exempt session below, and set out in the Report.

RESOLVED:

1. That the contents of the Full Business Case (FBC) in Exempt Appendix A be acknowledged and noted.
2. That the preferred option for a new Sport & Leisure Centre as detailed in the FBC be approved.
3. That the Corporate Head of Asset Management be authorised, subject to agreeing terms, to enter into a construction contract with Willmott Dixon Construction Ltd to build the Sport and Leisure Centre.
4. That authority be delegated to the Head of Programme:
 - a) to agree terms for the Funding/ Collaboration agreement with the University of Winchester;
 - b) to agree and enter into a contract with the Operator based upon the outcome in relation to facilities to be included within the management operation.
5. That subject to Council approval of the revised budget, the total capital expenditure and associated revenue consequences as detailed in Exempt Appendix A for the construction and associated costs of the Sport and Leisure Centre be approved.

6. That the Corporate Head of Asset Management be authorised to oversee the construction of the Sport and Leisure Centre on the Garrison Ground.

6. **MINUTE EXTRACT FROM THE OVERVIEW AND SCRUTINY COMMITTEE HELD 4 FEBRUARY 2019 (LESS EXEMPT MINUTE)**
(CAB3146(LC))

The Committee noted the minute extract and that the majority of questions from the Committee had been addressed under the above minute.

In addition, the Head of Programme clarified the following:

- The contract covered the early termination of the contract with Places for People;
- The Council would retain management of the car park, working alongside the operator. It would also consult local residents regarding on-street parking matters.
- With regard to attracting hard to reach groups, the saver card facility would be retained enabling discounts to certain groups.

RESOLVED:

That the minute extract from The Overview and Scrutiny Committee held 4 February 2019, less exempt minute, be noted.

7. **EXEMPT BUSINESS:**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
8	Exempt minute of the previous meeting) Information relating to the) financial or business affairs of) any particular person (including) the authority holding that) information). (Para 3 Schedule) 12A refers)
11	Winchester Sport & Leisure Centre – FBC (exempt appendix)))
12	Exempt minute extract The Overview and))

8. **EXEMPT MINUTES OF THE PREVIOUS MEETING HELD 14 JANUARY 2019**
(CAB3146(LC))

RESOLVED:

That the exempt minutes of the previous meeting held 14 January 2019 be approved and adopted.

9. **WINCHESTER SPORT & LEISURE CENTRE – FULL BUSINESS CASE**
(EXEMPT APPENDIX)
(CAB3082(LC))

Cabinet considered the contents of the exempt appendix to the report which provided further detail regarding the FBC (detail in exempt minute). Simon Molden (The Sports Consultancy) along with Olivia Burton and Shaun Clarke (MACE) remained in the room during the exempt discussion to provide response to any questions relating to the exempt appendix.

10. **EXEMPT MINUTE EXTRACT FROM THE OVERVIEW AND SCRUTINY**
COMMITTEE HELD 4 FEBRUARY 2019
(CAB3146(LC))

Cabinet considered the content of the minute extract (detail in exempt minute).

The meeting commenced at 4.30pm and concluded at 7.30pm