

South Lakeland District Council
Cabinet
Wednesday, 9 February 2022
Ulverston Leisure Site

Portfolio: Economy, Culture and Leisure Portfolio Holder
Report from: Director of Strategy, Innovation and Resources
Report Author: David Sykes – Director of Strategy, Innovation and Resources
Wards: Broughton & Coniston; Cartmel; Furness Peninsula; Grange; Ulverston East; Ulverston West;
Forward Plan: Key decision in the Forward Plan as published on 21st December 2021

Links to Council Plan Priorities:

Working across boundaries – The proposals will improve prospects for employment growth by releasing land to repurpose as employment land.

Delivering a balanced community – The proposals will help secure the provision of facilities which promote participation in active lifestyles, promote club and volunteer activity.

A fairer South Lakeland – The proposals will help secure provision of facilities which can help work in partnership to reduce health inequalities

Addressing the climate emergency – Planning for future built facilities provides opportunity to improve and sustainability of buildings and services.

1.0 Expected Outcome and Measures of Success

1.1 Options for the Ulverston Leisure site are considered and a way forward for the scheme is agreed. Approval would see the first phase of development progress which would enable the relocation of uses from the GlaxoSmithKline (GSK) sports site to Priory Road. This will release land for future employment use. Further project development work on phases 2 and 3 will enable the Westmorland and Furness Council to determine an appropriate strategy for provision and reinvestment in leisure facilities.

2.0 Recommendation

2.1 (1) That Cabinet (subject to 2.1.3 and 2.1.4) recommends that Council receives the £2 million from GSK for replacement Leisure provision

(2).That Cabinet approves the progression of Phase 1 of the Ulverston Leisure Site with the proceeds of the £2 million from GSK (subject to 2.1.3 and 2.1.4)

(3) That Cabinet approves the entering into of an agreement to receive the £2 million this to be delegated to the Director of Customer and Commercial Services in consultation with the Monitoring Officer and the Portfolio Holder for Finance and Assets

(4) That Cabinet approves the amendment of the existing contract with GLL to facilitate the delivery of Phase 1; this to be delegated to the Director of

Customer and Commercial Services in consultation with the Monitoring Officer and Portfolio Holder for Economy, Culture and Leisure.

(5) That Cabinet approves that further project development takes place on Phases 2 and 3, for the purpose of providing detailed proposals for consideration by the new Westmorland and Furness Council with regard to future implementation.

(6) That Cabinet recommends to Council amendments to the Capital Programme in light of the revised estimated costs of the scheme and a phased approach to delivery

3.0 Background and Proposals

3.1 The Council has been developing proposals for a new leisure facility at the Council's Priory Road site in Ulverston. The proposals would realise opportunity to co-locate facilities currently provided by GSK together with reinvestment in the Council's facilities. (Previous reports to Cabinet are referenced in the background documents section). These proposals faced challenges with regard to the estimated costs being in excess of funding likely to be available and through the impact of the pandemic on leisure use and operational business plans. As the impact of the pandemic eases and there being progress on the interrelated developments at the GSK site, further work has been undertaken to consider opportunities for progressing the proposals.

3.2 The rationale for the scheme is summarised as:

- **Investment in Place** – providing a good leisure and sports offering, promoting the benefits of Ulverston as a place to live, work and invest.
- **Improving health** – providing facilities and programming which promote active lifestyles
- **Employment Land use** – opportunity for the re purposing of land at the GSK site to support future employment use, enabled by the relocation of facilities at Priory Road.
- **Sustainable facilities** – addressing reinvestment in aging facilities, reducing cost and environmental impact, extending community participation in the provision and operation of facilities.
- **Responding to current circumstances** – As part of proposals which mitigate the impacts of change at the GSK site

3.4 Recent study work with the support of leisure consultants FMG has been undertaken to assess:

How the GSK sports centre facilities and football pitches can be accommodated on the Priory Road site with less resources.

How a new swimming pool can be delivered at Priory Road with less resources.

How the investment in facilities can drive improvement to health and wellbeing for the town – using 'Leisure Local' community hub mixed delivery model.

How delivery may be phased and risks managed

Whether there is stakeholder support for this approach

How the resultant proposals coordinate with the Masterplan study for the GSK Donation Land (that land currently the site of the GSK sports facility and which GSK seek to donate to support future employment use).

3.5 Through this work, FMG and Council officers have re-engaged with user groups of the GSK and Priory Road sites, National Governing Bodies (NGBs) of sports, Sport

England, GSK, Greenwich Leisure Limited (GLL – the Council’s Leisure provider) and local health services. The study has refreshed the needs assessment, considered design and layout of the Priory Road site and proposed a phasing of approach and the associated costs of implementation.

Study Outcomes:

3.6 The **needs assessment** supports:

- The relocation of three full size grass pitches and provision of new changing rooms
- The provision of an informal running circular route at Priory Road
- The provision of a replacement crown green bowling green for the GSK bowling club
- A gym facility with 60 station gym and studio
- An approach to work with the football, rugby and bowling clubs to develop long lease proposals through which they invest in and maintain their playing facilities
- Retention of two indoor tennis courts and consideration of the repurposing of the other courts for wider community use as a four court sports hall and fitness facility.
- That the existing squash court at GSK is not replaced, nor the provision of a play area at Priory Road
- The provision of a new six lane swimming pool, with changing facilities and at least two consultation rooms

3.7 **Engagement with the user groups and stakeholders** has been undertaken. This has included The GSK Sports and Social Club, clubs which use the GSK facility, tennis, rugby league, football local clubs, users and their regional and National Governing Bodies, Sport England, National Health Service (NHS), GSK and GLL. A briefing has also been provided to members of Ulverston Town Council.

3.8 The general feedback has been positive with the tennis club and Lawn Tennis Association (LTA), local football clubs, rugby league club, and volleyball clubs all in favour of a proposed move to Priory Road through a repurposed indoor tennis centre providing a minimum of two indoor courts for tennis. The consultation with the NHS and local surgeries revealed an exciting opportunity for the old swimming pool site should it become vacant in the future. The demand for health services in Ulverston is outstripping supply with current surgeries full.

3.9 The local harriers running club have concerns about the move to Priory Road, primarily because they train on the cross country section at the GSK sports site and run a large event every year there which raises funds for the club. Further discussions are currently taking place between the club, GLL and SLDC with regard to how the activities are best provided for through the change. Similarly, further discussion are taking place with the Radio Controlled Car Club. The bowling club would prefer remain at their current location, though the construction of a new crown green and facilities is provided for at Priory Road in the Phase 1 plans, and further dialogue will progress with the bowling club.

3.10 Sport England policy is to protect playing fields from loss or their use being prejudiced by development. To meet their policy test, playing fields being lost need to be replaced in an equivalent or better in terms of quantity, quality and accessibility. This results in a requirement for three pitches to be re-provided. At present the Council’s land at Priory Road can accommodate an additional two pitches. In taking the project forward, the council will need to explore with Sport England how the equivalency of the third pitch may be provided. The Council is also progressing a

Playing Pitch Strategy as part of the South Lakeland Local Plan. Evidence and engagement through this process, allied with the needs assessment will enable a solution, including consideration of improvement to other playing fields in Ulverston.

3.11 Members of Ulverston Town Council welcomed the further work on the proposals and are very supportive of improvements to leisure and sports facilities, recognising the contribution they make to the quality of life in the town and its surrounding areas. Whilst they recognise the need for a phased approach, they remain keen that all phases are implemented, securing modern and sustainable facilities for the town. They made a number of suggestions with regard to individual facilities which will inform detailed design.

3.12 The study recommends a **phased approach** to the proposals. In summary;

Phase 1 would include; the provision of 3 football pitches, changing facilities, remodelling of the indoor tennis centre, provision of the crown green bowling green, and the informal running route. This is estimated to cost in the region of £1.8m and would be enabled by the GSK financial contribution. A delivery period of circa 12-15 months would be required from commencement to all the facilities being available.

Phase 2 would include; the provision of the swimming pool, car parking re modelling, and further internal work to the tennis centre. This is estimated to cost in the region of £5.4m and would require the new facility's business plan to provide revenue which supports prudential borrowing, together with potential for grant funding. A delivery period of circa 18 months would be required from commencement.

Phase 3 would include refurbishment of the existing all weather hockey pitch and refurbishment of the outdoor tennis courts. This is estimated to cost in the region of £0.3m and would require the new business plan to provide revenue which supports prudential borrowing, together with potential for grant funding. A delivery period of circa 2 months would be required from commencement.

3.13 Appendix 1 provides a concept plan for the layout of facilities on the Priory Road site and concept diagrams of the proposed repurposing of the tennis centre and locations for a new swimming pool. These would form the basis for further detailed design work. With regard to the Tennis Centre, two courts would continue as exclusive use for tennis, one court would be repurposed as a multi-sport sports hall, capable of continued use for tennis as required and one court repurposed for gym and studio use.

Considerations for the Council

3.14 The study re confirms the rationale for investing in leisure facilities in Ulverston and mitigating risks associated with change at the GSK site. It demonstrates a good level of user and stakeholder support for taking a scheme forward. The study demonstrates the potential to achieve reinvestment in a phased approach and at less cost than previous designs required. The first phase is considered to be deliverable utilising the financial contribution committed by GSK.

3.15 The study presents the scheme at a stage of concept design. Further project development work is required on each of the phases.

Phase 1 will require:

- Finalisation of the funding arrangement with GSK.

- Investigation of the provision of a third pitch or enhancement to other playing surfaces in Ulverston, the current Council's landownership at Priory Road being able to accommodate 2 of the 3 pitches.
- Securing planning consent for provision of pitches, bowling green and new build structures
- Agronomist study to inform specification for construction of the pitches
- Design and tendering of new changing facility and changes to Tennis Centre
- Construction of new build and changes to the Tennis Centre.
- Design and construction of playing pitches and crown green bowling green
- Amendment to the Leisure Contract for the additional areas of the pitches
- Transition planning, to enable construction and bringing forward of replacement facilities whilst maintaining user access to provision.

Further project development work on Phases 2 and 3 would include:

- Consideration of options to extend the Leisure Contract and negotiate change to financial arrangements which will enable enhanced revenues through a new pool and facilities to be applied to prudential borrowing
- Outline design of new pool and changes to car park to enable greater cost certainty and business plan.
- Work with Sport England with regard to grant funding
- Development of proposals for the optimum means of delivering the scheme

- 3.16 Local Government Reorganisation: As part of the process of reorganisation, Government is likely to make Directions on the expenditure of the existing Councils for the period between the Structural Changes Order coming into effect and prior to vesting day. The effect of these Directions will likely require the written consent of the Shadow Authority's Cabinet prior to entering contracts which involve Capital expenditure above £1m or revenue to a commitment above £100k where they extend beyond 2022/23.
- 3.17 Phase 1 is a relatively straightforward phase and has high degree of certainty that costs can be met by external financial contribution. It is considered that a decision by Cabinet to proceed with Phase 1 would be straightforward to achieve subsequent consent of the Shadow Authority when entering the contracts for capital works.
- 3.18 Phases 2 and 3 require more significant project development work to achieve a similar degree of confidence on costs and how they may be met. They will also be dependent on extension of the Leisure Contract. Whilst it is recommended that Cabinet approve further development work, Cabinet would not be in a position to agree to implement phases 2 and 3 prior to a Direction being made. Further project development work would be below the revenue threshold and in its self would not create commitment beyond 2022/23.

Options to consider

- 3.19 The project is at a pivotal point. It is intrinsically linked to the future use of the land at GSK which enables future employment use and as part of mitigation of the change at the GSK site. It has made progress in narrowing the funding gap of the previous proposals and has broad support from stakeholders to progress. Local Government Reorganisation is imminent which will bring the considerations of a new Council to future strategy and provision of services. The following options are considered:
- 3.20 **Do nothing.** The Cabinet could decide not to undertake further work on the scheme. This would mean that the opportunity to reinvest in leisure facilities and to repurpose

land at GSK for employment use would be lost. The rationale for the scheme would be lost. It would increase the risk of sports facilities being closed at GSK without replacement or the economic benefit of future employment land. The financial contribution from GSK would not be realised. Whilst the Council's current facilities would continue, opportunities to investigate how they can be re provided and funded, addressing risk from the increased aging of the current facilities would be lost. The development of informed options for consideration by the new Westmorland and Furness Council would be foregone. This option is not recommended.

- 3.21 **Progress all Phases as a single scheme.** Further stages of design, funding and leisure contract renegotiation would be required in order to inform the Cabinet of all relevant considerations prior to a decision to progress all phases as a single scheme. Understanding the implications and requirements of the Leisure Contract post Covid will take some time. Progressing as a whole risks pushing the project back a number of years and doesn't allow earlier delivery of benefits which are possible through a phased approach and better meet the timetable of change occurring at the GSK site. This option is not recommended
- 3.22 **Progress Phase 1 to implementation.** This option enables earlier delivery of benefits, including the future repurposing of the GSK land for employment use. It enables and secures the application of financial contribution from GSK and reduces risk of the potential for closure of sporting facilities. This is the recommended option.
- 3.23 **Continue project development work on Phases 2 and 3.** This option enables further development work to ascertain greater cost certainty, funding and associated contractual change. This work would be required to fully inform future options for the Council's facilities and leisure provision in Ulverston and helps mitigate the risks from the increased aging of facilities. It will enable options to be considered by the new Westmorland and Furness Council. This is a recommended option.

4.0 Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Ulverston Leisure Site – concept designs
2	Health and Sustainability impact assessment
3	Equalities and Diversity Impact Assessment

5.0 Consultation

- 5.1 A summary of the consultation undertaken by the study is provided in paragraphs 3.7 – 3.11 It remains important for users and stakeholders to be engaged as design and implementation proceeds.

6.0 Alternative Options

- 6.1 Alternative options are presented in paragraphs 3.19 to 3.22 of the report

7.0 Implications

Financial, Resources and Procurement

- 7.1 The Capital programme (KLC03 – New Ulverston Leisure Centre) currently identifies the original scheme, based on previous study work, as having value of £9.2m

	2022/23	2023/24	2024/25	Total
KL03 New Ulverston Leisure Centre	£2m	£4m	£3.2m	£9.2m

As described in paragraph 3.1, the scheme faced a gap between estimated costs and available funding so has not been fully funded.

- 7.1.1 The current work estimates the capital cost, (including fees and contingency) as follows:

Phase 1	Phase 2	Phase 3	Total
£1.173m	£5.353m	£0.297m	£7.373m

This reduction is primarily due to the market now coming forward with more cost effective design and construction solutions for the provision of swimming pools in response to the national picture of requirement for swimming pool replacements.

- 7.1.2 The sources of funding for the revised scheme are identified as follows:

Source	£
Financial contribution from GSK	£2.00m
Council prudential borrowing. (This would need to be justified and funded by revenue savings on the leisure management fee plus savings in annual lifecycle maintenance costs)	£3.66m
Sport England Strategic Facilities Fund	£0.50m
Potential for developer contributions (development of the GSK site)	£1.00m
Capital receipt (sale of existing pool site)	£0.25m
Total	£7.41m

- 7.1.3 At this concept stage, the study has confirmed that a scheme can be delivered at less capital cost than originally envisaged. Further project development work will be required through which costs are tested through more detailed design and sources and quantum of funding are refined and confirmed.
- 7.1.4 The proposed phasing of the scheme indicates that Phase 1 is fundable by the financial contribution of GSK. Subject to its receipt, detailed design and implementation of Phase 1 could proceed.
- 7.1.5 The current year's revenue budget has provision to fund the project's development work and it is recommended that the balance of £76,050 is carried forward into 22/23 to support project development work for the implementation of Phase 1 and continued development of proposals for Phases 2 and 3.
- 7.1.6 It is recommended that the Capital Programme be amended to show the revised estimated costs of the scheme.

	2022/23	2023/24	2024/25	Total

KL03 New Ulverston Leisure Centre	£2m	£2m	£3.37m	£7.37m
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7.1.7 The Procurement Schedule 2022/23 includes the proposed procurements which would be required for consultants, design work and delivery of Phase 1.

Human Resources

7.2 The delivery of the scheme will require inputs of estates and building surveyors, legal and finance specialists. There will also be requirement for dedicated project management. The revenue funding identified in paragraph 7.1.6 will be used to supplement existing capacity as required.

Legal

7.3 Section 111 (1) of the LGA 1972 provides:
"Without prejudice to any powers exercisable apart from this section but subject to the provisions of this Act and any other enactment passed before or after this Act, a local authority shall have power to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions".

7.3.1 The proposed actions are considered to be conducive to the discharge the local authority's functions as outlined in the report. The Council's proposed actions are likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

7.3.2 The Council has properly considered its power to act.

7.3.3 Legal advice will be provided on the agreements referenced in this report and on the Article 24 Directions as they are received.

Health and Sustainability Impact Assessment

7.4 Have you completed a Health and Sustainability Impact Assessment? Yes (attached at Appendix 2)

7.5 The Impact Assessment has been undertaken for Phase 1 only.

7.6 Summary of Health and Sustainability Impacts

		Positive	Neutral	Negative	Unknown
Environment and Health	Greenhouse gases emissions		Y		
	Air Quality		Y		
	Biodiversity		Y		
	Impacts of Climate Change		Y		
	Reduced or zero requirement for energy, building space, materials or travel		Y		
	Active Travel / Active lives	Y			

Economy and Culture	Inclusive and sustainable development	Y			
	Jobs and levels of pay		Y		
	Healthier high streets		Y		
	Culture, creativity and heritage	Y			
Housing and Communities	Standard of housing		Y		
	Access to housing		Y		
	Crime		Y		
	Social connectedness	Y			

Equality and Diversity

- 7.7 Have you completed an Equality Impact Analysis? Yes and attached.
- 7.8 Phase 1 is focussed on delivery of replacement facilities. Whilst some facilities may not be provided in exactly the same form as currently, they are intended to provide the same access to sport and physical activity. When considering the Equality and Diversity impacts, Phase 1 facilities provision is considered to have a neutral impact. Looking forward, there will be opportunities through the subsequent programming of use of the facilities to increase participation in active lifestyles amongst underrepresented groups. Future programming would consider opportunities for positive impacts on Equalities and Diversity.
- 7.9 Summary of Equality and Diversity impacts for the change to facilities only

Please indicate: P = Positive impact; 0 = Neutral; N = Negative; Enter "X"					
Age	P		0	X	N
Disability	P		0	X	N
Gender reassignment (transgender)	P		0	X	N
Marriage & civil partnership	P		0	X	N
Pregnancy & maternity	P		0	X	N
Race/ethnicity	P		0	X	N
Religion or belief	P		0	X	N
Sex/gender	P		0	X	N
Sexual orientation	P		0	X	N
Armed forces families	P		0	X	N
Rurality	P		0	X	N
Socio-economic disadvantage	P		0	X	N

Risk Management	Consequence	Controls required
Increasingly aged facilities	<p>Increasing cyclical maintenance costs.</p> <p>Risk of failure of plant and equipment</p> <p>Closures for maintenance and repair lead to reduced public access and impacts on activities supported by the facilities and losses of revenue</p> <p>Reduced level of usage as facilities age. Competition from others. Impact on the reputation of place.</p> <p>Leisure Contract becomes more challenging to re procure in future, without reinvestment in facilities</p>	<p>Facilities management</p> <p>Develop options for future re investment/ provision of facilities</p>
Change at GSK leads to closure of sports facilities available to communities of Ulverston and Furness	<p>Risk of loss of facilities</p> <p>Opportunity lost to repurpose land for employment use.</p>	<p>Develop and implement proposals to re provide facilities at Priory Road, utilising funding to be provided by GSK</p>
Local Government Reorganisation	<p>Will bring consideration of revised strategy towards the provision of facilities across the whole of the new Authority's area.</p> <p>Risk of momentum lost in respect of generating options for future provision of facilities</p>	<p>Proceed with Phase 1</p> <p>Prepare more detail on the options for Phase 2 and 3 for the new Authority's consideration.</p>
Affordability of proposals. Currency of costs and funding of proposals	<p>Phases become undeliverable if not affordable.</p>	<p>Maintain progress on the Phases, ensuring up to date costs and funding mechanisms are presented when considering the decisions on the phases.</p> <p>Consideration of delivery options to optimise affordability.</p>

Contact Officers

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Background Documents Available

Name of Background document	Where it is available
Agenda and Minutes of Cabinet meeting 20 th July 2016 Minute CEX 39 Ulverston Leisure Facilities Study	https://democracy.southlakeland.gov.uk/ieListDocuments.aspx?CId=121&MId=3767&Ver=4
Agenda and Minutes of Cabinet meeting 10th September 2018 Minute CEX 35 Ulverston Leisure Site Masterplan	https://democracy.southlakeland.gov.uk/ieListDocuments.aspx?CId=121&MId=4462&Ver=4

Tracking Information

Signed off by	Date sent	Date Signed off
Section 151 Officer	25/01/2022	31/01/2022
Monitoring Officer	25/01/2022	28/01/2022
CMT	27/01/2022	28/01/2022

Circulated to	Date sent
Lead Specialist	25/01/2022
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	25/01/2022
Committee Chairman	N/A
Portfolio Holder	25/01/2022
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	N/A