

## **Westlands Leisure Complex – Progress Report**

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### **Purpose of the Report**

This report seeks to provide the Area South Committee with a summary of the progress achieved in delivering the Westlands Leisure Complex Project since the last update presented in March.

### **Public Interest**

1. The Complex has been a locally important and long standing venue regularly hosting a vast array of sporting activities and different events ranging from functions, conferences, meetings, training events, to weddings, ballroom dances, award ceremonies, festivals and live music events.
2. The Complex is wholly owned by AW, and has been traditionally operated as a proprietors club for the benefit of AW employees, their families and associate community members under a formal constitution. On the 12th May AW announced their decision to close the Complex at the end of September 2015. The decision was taken due to increasing costs and the growing subsidy AW has had to make to keep the complex open. Other factors taken into consideration were the impending major investments that would be required to modernise the facilities and declining membership.
3. Recognising the value and importance of the Complex, SSDC and Yeovil Town Council (YTC) met with AW at the beginning of June to discuss its future. At the meeting all parties agreed to carry out a feasibility appraisal to assess the viability of SSDC or another organisation operating the site and continuing to provide a range of sport and leisure facilities for the overall benefit of the community.
4. The District Executive Committee considered the key findings emerging from this and further risk appraisal work at its September and October meetings, and in doing so agreed subject to financial approval by Full Council to seek to negotiate and secure satisfactory terms with AW and other funding partners.
5. As the District Executive only has the delegated authority to approve capital spend of up to 5% of capital receipts the decision to approve the internal loan of £1,865,046 rests with full Council. The full Council subsequently approved a 30 year £1,865,046 internal loan towards the costs of refurbishing the Complex in October 2015.
6. As part of the project governance arrangements, Area South members requested quarterly progress update reports. This report and its supporting appendix seeks to provide Area South Committee with a summary of the progress for the second period ending on 30<sup>th</sup> June 2016.
7. **Appendix 1 for this report is exempt from disclosure or publication under category 3 of part 1 of Schedule 12(A) to the Local Government Act 1972 as amended by Section 1 of the Local Authorities (Access to Information) (Variation) Order 2006 as it may comprise the Council's ability to secure best**

**value through the subsequent commercial negotiations, and some of the information is subject to a Non-Disclosure Agreement with AW.**

## **Recommendation**

That Members:

Note the progress made.

## **Background**

Through previous District Executive and full Council meetings held during October 2015, Councillors agreed:

- a. To authorise the Assistant Director (Health and Well-Being) in conjunction with Portfolio Holder (Leisure, Culture and Well-Being) to:
  - i. Submit and negotiate the Statement of Principles set out in Appendix 1.6 with AW.
  - ii. Seek an annual financial contribution from YTC towards the revenue costs and seek additional financial support from the other adjacent Parish Councils.
- b. Subject to approval by AW of the Statement of Principles authorise the Assistant Director (Health and Well-Being) in conjunction with the Assistant Director (Legal and Corporate Services), Assistant Director (Finance and Corporate Services) and Portfolio Holder (Leisure, Culture and Well-Being) and the Leader of Council to negotiate and finalise the Lease, Funding Agreement and Business Transfer Agreement.
- c. Subject to agreeing terms of the Lease, Funding Agreement and Business Transfer Agreement with AW, and a Funding Agreement with YTC and other funding partners, pursuant to recommendations a. and b:
  - i. Enter into an agreement with AW to take over the management and operation of the Complex for a 30 year term.
  - ii. Approve the use of up to £62,495 of general revenue balances to fund the revenue required to finance the operation of the facility, adding the requirement to the MTFP.
  - iii. Approve the once-off use of up to £89,850 of general revenue balances that may be required to fund the Loan Repayments whilst the Facility Levy scheme is implemented during year 1.
  - iv. Approve the once-off use of up to £60,000 of general revenue balances during the first year from handover to cover the net loss of revenue associated with the planned refurbishment works.
- d. To authorise the Assistant Director (Health and Well-Being) in conjunction with Portfolio Holder (Leisure, Culture and Well-Being) to work with the clubs and individuals supporting the venue and petition to raise further funds towards the overall refurbishment and operating costs.

## **Project Highlights**

A copy of the latest Highlight Report used by the Project Board to monitor stage and project progress, and by the Project Manager to advise the Project Board of any potential problems or areas where assistance is required from the Project Board is attached in Confidential Appendix 1.

Since the last update report in March, the key progress achieved includes:

### General:

- HoT, Lease and Supplementary Deed negotiated with Finmeccanica GFS and AW, and approved by the District Executive.
- Presented to West Coker, East Coker, Hardington and Yeovil Without Parish Councils. Financial support has now been confirmed from Yeovil Town Council, Yeovil Without Parish Council and West Coker Parish Council.
- Friends of WLC progressing. Initial corporate, buy a brick, and buy a seat fund raising schemes being worked with view to raising £25,000 to enhance the new pavilion and ballroom fit out.
- Progressed 'naming' competition in conjunction with the Western Gazette as part of rebranding the venue. A decision and announcement is expected in early July.
- The project is performing to budget. All project risks are being actively managed and are under control.
- Project Board has approved the proposed operating programme and new 5 year business plan for the complex.
- Mobilised interim site security, alarm, out of hours, rubbish collection, access opening and closing procedures.

### Conference and Entertainment Complex:

- Completed the detailed complex design, alongside full M & E design work. Please note that illustrations of the key room areas will be presented at the meeting.
- Reviewed and costed power upgrade options, and gained the necessary approvals for the preferred solution.
- Completed the Stage 2 Tender Process, and value engineering work within the budget parameters. The Project Board has appointed Enelco on a lowest adjusted tender basis. Letter of Intent to Contract has been issued, whilst the drawings are updated to reflect value engineering amendments and enable the JCT Immediate Building Contract 2011 Edition to be finalised. Pre-Contract meetings have been held.
- Building has been cleared, asbestos removal works commenced, and lead in work has been mobilised by Enelco. Principle contractor works commenced on site on 27<sup>th</sup> June.
- Completed the retractable seating tender process. Supplier appointed.

- Refined and issued the lighting and sound tenders.
- Planned our staffing recruitment strategy for implementation this Autumn.

#### Sport Phase 1 – Sport Hall, Squash and Fitness Centre:

- Secured Sport England grant funding amounting to £492,463. The District Executive has approved the Lottery Funding Agreement setting out the grant conditions.
- Secured Badminton England grant funding for £50,000, and approved the grant offer for spend in 2016-17.
- Updated Sport Business Plan to take account of new Fitness Centre proposal.
- Completed structural analysis of the buildings to assess various load capabilities.
- Completed detailed design, and M & E work, and gained approval from the Sport England Technical Team.
- Completed the Stage 2 Tender Process, and value engineering work. The Project Board has appointed Enelco on a lowest adjusted tender basis to deliver the sport contract. Enelco commenced on site on 27<sup>th</sup> June.
- Set up alternative toilet and catering facilities within the Wessex Room to support club use whilst the other sport facilities are being refurbished. This room will be handed over to the contractor at the end of the cricket / bowls season.
- Site maintenance equipment has been transferred to the clubs, and new licence agreements have been issued to the cricket, bowls and rifle clubs. Agreements are currently being developed for the Allotment Society and Model Engineering Clubs.

#### Sport Phase 2 – New Pavilion:

- Detailed design process has been completed with the clubs, ECB and Sport England.
- Received indications of ECB grant funding amounting to £50,000 to the new pavilion, subject to planning permission.
- Planning submission work has commenced. Submission planned in early July.

#### **Project Enhancements**

Through the Stage 2 Tender process and value engineering work, the Project Board is forecast to deliver the entire scope of the modernisation programme set out within the original District Executive report, together with the new fitness suite, within the agreed budget parameters. This scope covers:

- Main ballroom - to incorporate automated retractable seating to capable of accommodating up to 1000 people with good viewing lines, new stage fit, new sound system, new lighting system, new air handling system, fire alarms, flooring, and redecoration.
- Function and meeting rooms - including flexible room dividers, new ceilings, new flooring, desks, chairs, AV / wifi equipment, lighting, air handling and redecoration.

- Bars – enabling the creation of a more flexible bar space, with room dividers, new ceilings, new flooring, tables, bar fit, chairs, AV / wifi equipment, lighting, air handling and redecoration.
- Reception, toilets, administrative and other ancillary areas, including new access and CCTV control systems.
- Sports hall and squash courts – including new flooring, LED lighting, air handling, storage, sports equipment, lift, redecoration and changing room refit.
- New pavilion - with team changing rooms, official changing room, small kitchenette, bar and club area, adjacent to the cricket pitch and bowls green.

There are however two key enhancements that have emerged through the detailed design process that the Project Board would like to realise. This include the addition of a new entrance foyer to transform the entrance, and a covered artist's walkway linking the 1<sup>st</sup> floor artists green room to the stage. Costs £85,000 and £22,000 respectively, unfortunately these enhancements cannot be afforded within the current budget parameters.

In order to deliver the scheme comprehensively and to the quality residents and artists will expect, the Project Board shall be asking the District Executive to determine whether they would be prepared to fund these two enhancements.

#### **Financial Implications (NB – Report still subject to financial review)**

None at this stage.

#### **Corporate Priority Implications**

The decision to seek to take over the management and operation of the Westlands Sport and Leisure Complex is in accordance with Corporate Plan Focus Four - Health and Communities, where SSDC set out its priority to maintain and enhance the South Somerset network of leisure and cultural facilities.

#### **Carbon Emissions and Climate Change Implications**

The refurbishment will result in significant reductions to the current level of carbon emissions from the Complex. This will result in the main from the planned room divisions, air handling, stage, lighting, and sound equipment proposals.

Members should note that the contractors are in the process of clarifying whether they intend to put in place scaffolding as part of the front facia and down pipe replacement works. If the response is positive, then the project team will undertake further work to assess the viability of investing in a PV installation.

#### **Equality and Diversity Implications**

The project will enhance access by all members of our communities. The proposed refurbishments will deliver a significant range of DDA compliant improvements.

The design proposals are currently subject to an Access for All assessment.

**Background Papers:**

Westlands Leisure Complex  
DX September 2015

Westlands Leisure Complex  
DX October 2015

Westlands Leisure Complex  
Full Council October 2015

Westlands Leisure Complex  
DX February 2016

Westlands Leisure Complex  
Area South March 2016

Westlands Leisure Complex  
Special DX May 2016

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