

Westland Leisure Complex – Progress Report

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Purpose of the Report

1. This report seeks to provide the District Executive with a summary of the progress in delivering the Westlands Leisure Complex Project as approved by the District Executive.

Forward Plan

2. This report has been part of the District Executive Forward Plan following the District Executive decision in October 2015 to enter into an agreement with Agusta Westland (AW) (now Finmeccanica Helicopters) to take over the management and operation of the Complex for a 30 year term.

Public Interest

3. 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.
4. 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.
5. 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.
6. 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.
7. 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.

8. As part of the project governance arrangements, members requested quarterly progress updates report. This report and its supporting appendices seeks to provide the District Executive with a summary of the progress for the first quarter ending on 24th January 2016.
9. **A number of Appendices for this report are 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(s)

10. That Members note the new project governance arrangements and progress made.

Background

11. 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.

Progress

Project Governance and Mobilisation

- 12. Project governance arrangements were put in place in October 2015 comprising:
 - a. Project Board and Project Team (see Appendix 1 and 2).
 - b. Budget and budget monitoring arrangements.
 - c. Programme.
 - d. Risk Register.
 - e. Highlight Report (see Appendix 3).
- 13. The new arrangements have bedded down well and are operating effectively.

Project Highlights

- 14. 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 Appendix 3.
- 15. In brief, the key highlights are:

General:

- a. Project Governance Structure mobilised.
- b. Financial Structure mobilised.
- c. HoT submitted and negotiated with UK AW Board. Finmeccanica approval expected 27th January 2016.
- d. Parish and Town Council Financial Support sought. We are grateful to Yeovil Town Council and Yeovil Without Parish Council who have committed revenue support. This amounts to £33,887.23. Brympton Parish Council have declined providing any support, and we are still awaiting responses from 5 Parish Councils.
- e. Mobilised Friends of WLC.
- f. The project is performing to budget. All project risks are being actively managed and are under control. Work on new Operating Programme and 3 Year Business Plan has commenced.

Conference and Entertainment Complex:

- g. Design team appointed. Project Manager: Kirkham Board. Architects: Robert Limbricks. M & E Designers: EDP Environmental.
- h. Appointment contracts prepared.
- i. Prepared Design Brief.
- j. Briefed Design Team.
- k. Prepared Design Configuration, accommodating PB requested changes.
- l. Commissioned R & D Asbestos Survey.
- m. Updated Project Programme.
- n. Agreed Two Stage Tender Process. Tender invitation shortlist prepared.
- o. Prepared Room Design Data Sheets.
- p. Prepared detailed design of retractable seating, and issued tenders.
- q. Reviewed and revised lighting and sound specification, and identified suppliers to be invited to tender.
- r. AW have agreed to submit planning application, with SSSC acting as agent, for application covering new foyer/reception area.
- s. Pre-application meeting scheduled with planning. Submission timescale can be put back without impacting the programme.
- t. Access for All assessment arranged.

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

- u. Completed fitness market appraisal.
- v. Prepared and submitted bid to Sport England for £492,463. Bid passed Stage 1 and Stage 2. SE have identified the project as having significant potential to contribute to the outcomes of the Improvement Fund and formally invited us to submit final details. A final funding decision will be made at the end of April once they have completed their final stage of assessment and decision making with us. Final decision expected on 29th April 2016.
- w. Updated Sport Business Plan to including new Fitness Centre proposal.
- x. Prepared and submitted bid to Badminton England for £50,000. In-principle Award offered on Friday 11th December, subject to confirmation in February 2016, and spend in 2016-17 financial year.
- y. Formed and briefed SSSC Design Team.
- z. Commissioned Structural Engineer to assess the floor load capability to assist with fitness centre design and equipment layout.
- aa. Prepared Design Options and New Layout Configuration, accommodating PB requested changes.

- bb. Tested proposals with LED Leisure Management, and invited them to submit a proposal to operate the Sport Facilities under an extension to our existing contractual framework.
- cc. Invited Technogym to work up the gym equipment layout.
- dd. Held two Sport Club Stakeholder Group meetings.
- ee. AW have agreed to submit planning application, with SSDC acting as agent, for application covering new foyer and demolition of various outbuildings.
- ff. Pre-application meeting scheduled with planning. Submission timescale can be put back without impacting the programme.
- gg. Planning to tender work as part of Two Stage Conference and Entertainment Tender process, to achieve better value.
- hh. Access for All assessment arranged.

Sport Phase 2 – New Pavilion:

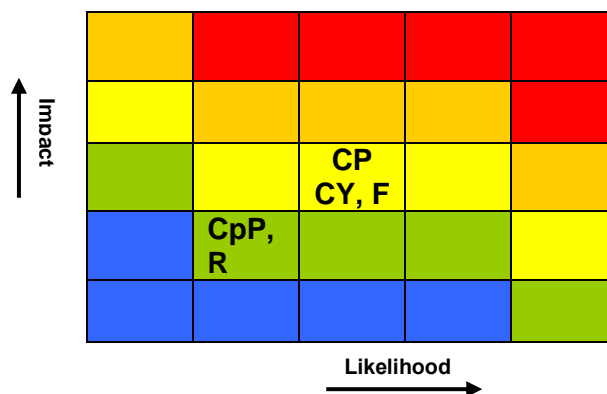
- ii. Prepared and submitted bid to Sport England for £492,463. This decision is central to us being able to deliver the Sport Phase 2 Scheme as the funding is crucial for the new Pavilion.
- jj. Pavilion design requirements identified with Cricket and Bowls Clubs.
- kk. Rifle range requirements identified with the Rifle Club.
- ll. Design option work is scheduled to commence in February, now that the Stage 2 outcome of the Sport England Bid is known.

Financial Implications

- 16. There are no new financial implications stemming from this report. Only £7,700 of the allocated budget has been spent to date. The project is on track to be delivered to budget.

Risk Matrix

- 17. The risks associated with the delivery of the project are summarised in the Risk Matrix below.



Key

Categories	Colours <i>(for further detail please refer to Risk management strategy)</i>
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Corporate Priority Implications

18. 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

19. The refurbishment proposals set out in this report 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, sound equipment and rain harvesting installation proposals. As part of the detail design process that would be associated with the next stage of development of the project further consideration will be given to the environmental credentials of the modernisation programme, ensuring the refurbishment works accord with current good practice.

Equality and Diversity Implications

20. The project will enhance access by all members of our communities. The proposed refurbishments will deliver a significant range of DDA compliant improvements.
21. The design proposals are currently subject to an Access for All assessment.

Background Papers

Westlands Leisure Complex
District Executive September 2015

Westlands Leisure Complex
District Executive October 2015

Westlands Leisure Complex
Full Council October 2015