

APSE Seminar

Driving Value through Sports Development & Leisure Services



Thursday 26th April 2018

**Richard Shwe, Deputy Chief Executive
(Commercial & Development)
St Albans City & District Council**

Can we underpin Council revenue streams through leisure services?

Commercial & Development

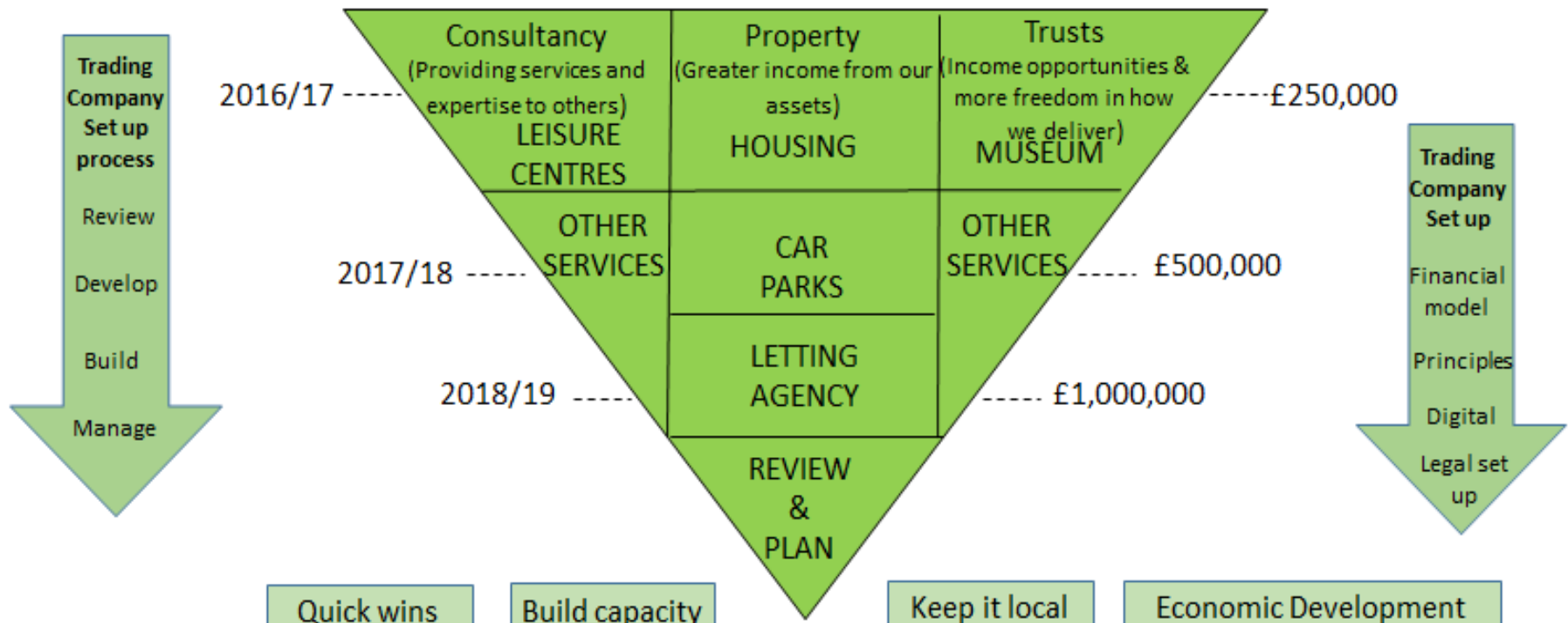
Department Guiding Principles

These are the department's five guiding principles

1. Invest or develop, if for public good
2. Sweat the assets
3. Invest in maintenance (whole life costs)
4. Lead by example
5. Accept calculated risk

Commercial and Development strands

SADC Staff – Volunteers – Partners – Contractors – Commercial Awareness



GREATER VALUE FOR SADC

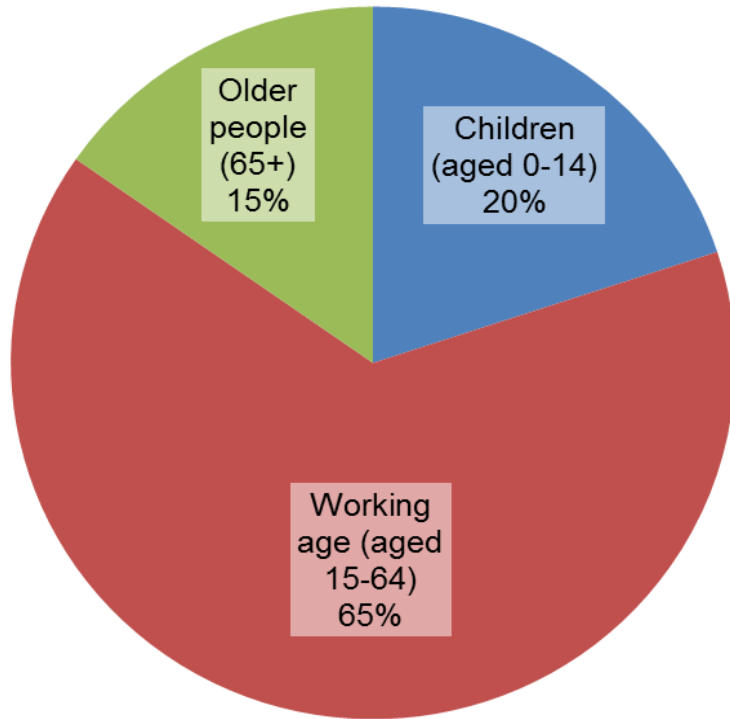
Increased understanding Create income Promote SADC Support others
 Build opportunity for income Better for residents

Enhancing the commercial value of Leisure Centre stock

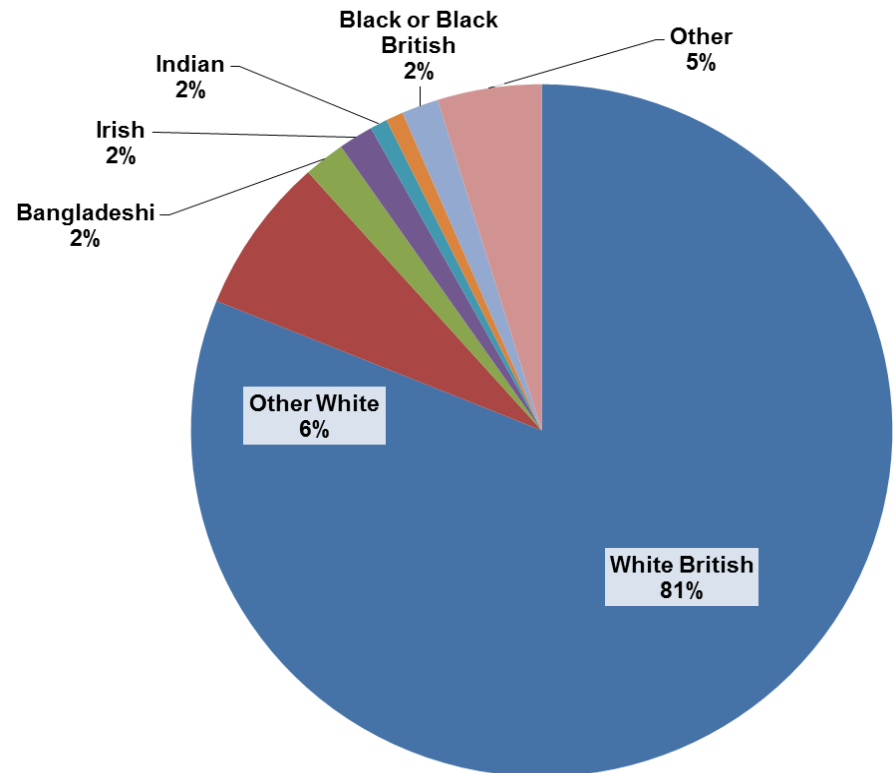


Building a new a 21st Century Leisure Centre

St Albans - Population Breakdown



Age group composition of St Albans

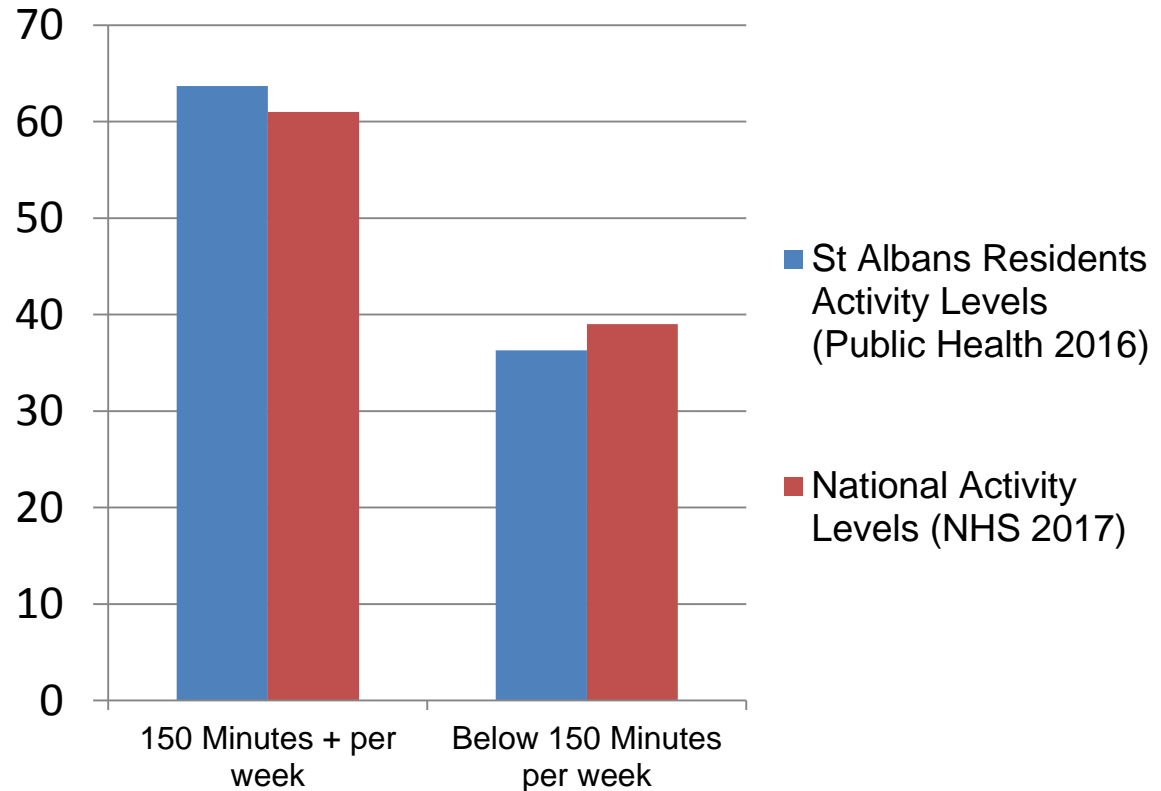


Ethnic group composition of St Albans

Office for National Statistics (2015)
Annual Mid-year Population Estimates 2014

Activity Levels in St Albans

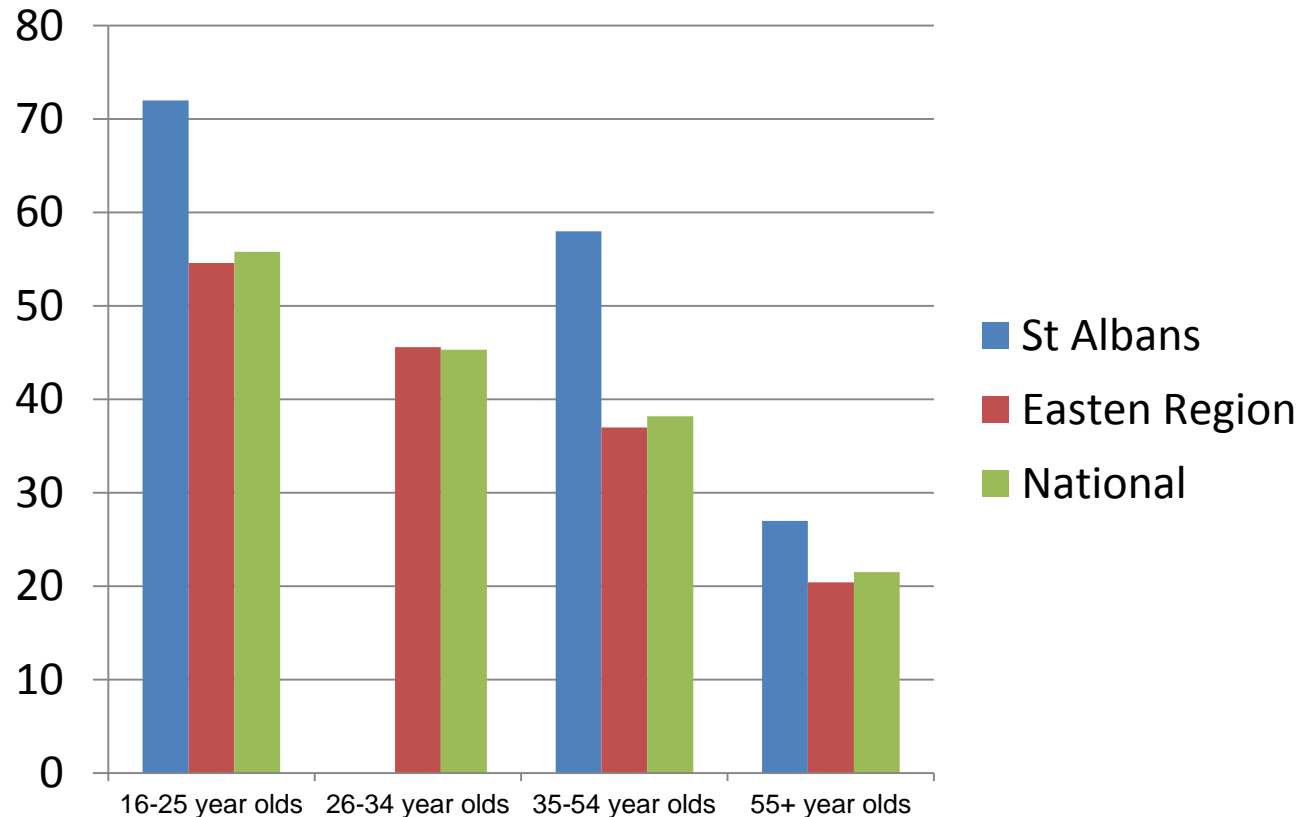
- St Albans residents activity levels shown as a percentage (%).
- The recommended amount each person should be achieving is 150 minutes per week.
- 63.7% of St Albans residents are achieving more than the recommendations compared to 61% of the nation.



Activity Levels in St Albans by Age Group

- Percentage (%) of people who are active in St Albans by age band.
- Unfortunately there was no data recorded in St Albans for the 26-34 year old age band.

Active User Survey 2016



Expected Population Growth in St Albans

- Population of St Albans is increasing year on year
- Number of those participating in leisure activities is increasing
- Therefore increased demand for leisure facilities resulting in better facilities within the District.

Age Band	2012	2017	2022
15-24	14,100	13,100	13,600
25-34	17,200	18,200	18,600
35-44	22,600	22,700	23,300
45-54	20,900	22,200	22,000
55-64	15,400	16,300	18,600
65-74	11,600	13,100	13,100
75-84	7,800	7,900	9,300
85+	3,400	3,900	4,700

Data provided by Housing Provision on behalf of SADC

ISSUES FOR FEASIBILITY STUDY

- To use a major capital investment in leisure to create local and regional benefits for the local community, businesses and visitors
- The need for co-ordinated objectives and visions from both the Council, Operator, Stakeholder and limited engagement with the Community
- Spectrum of ageing facilities between 25 to 30 years old
- Limited capital investment
- Fragmented maintenance provision
- Client/contractor relationship
- Workload of staff and necessary skills set needed
- Outdated contract & specification
- Community Consultation and Community Engagement is essential

CONSIDERATIONS FOR THE FEASIBILITY ON A NEW LEISURE CENTRE

Key considerations in approaching rationalisation in the facility mix for a new leisure centre :

- Demonstrate strategic need including supply and demand analysis
- Business case and detailed options appraisal is crucial
- Consider the impact of developments in neighbouring authorities
- Stakeholder and political support
- Community consultation (power of the internet)
- Changes in the local market during project development
- Site specific issues and sensitivities
- Planning and highways
- Continuity of service for users, particularly clubs
- Competitive management operator and building contractor market

21st CENTURY LEISURE CENTRE SWOT

STRENGTHS

- Well used facility
- Sports Hall / Emergency Centre
- Key money spinners – gym membership (sign-ups & renewals)
- Set high standards for operators
- Key costs of construction & procurement, project management

OPPORTUNITY

- New facilities for 21st Century
- Purpose built leisure centre for dry & wet with catering & spa facilities
- Viable swimming proposal should meet demand not club's performance needs

WEAKNESSES

- Dated facilities
- Roof leaks
- Poor maintenance
- Poor gym facilities
- Mix facilities – not knowing its USP (unique selling point)
- Too many corridor and circulation spaces not linked to main facilities

THREATS

- Cannot replace like for like
- Community not involved in plans
- Old Leisure Centre fails before the new leisure centre opens
- Too many concepts that has not got business planning considerations
- Need good project management and contract negotiations with builder

FEASIBILITY STUDY CHARACTERISTICS OF A NEW FACILITY

- Deliver new leisure centre within the available budget and on time
- All sites in the park should be :
 - a well designed, cost efficient and quality building
 - sensitive to planning needs e.g. WLLC (parkland location & needs to compliment its surroundings, and be part of the town's public realm environment)
 - Income generation and flexible spaces, for families, young and older generations
 - A place where everybody likes and architectural pleasing
- Sustainable (energy usage and recycling) – min. BREEAM 'Very Good' rating
- Focus on making centres that have whole life costs
- Minimise life-cycle costs
- Fully accessible for people with disabilities – DDA compliant
- Existing leisure centre to remain operational throughout building phases.
- Hard and soft landscaping around old and new leisure centre sites - part of a cohesive landscaping design, sensitive to the surrounding park

PROCUREMENT FOR THE FEASIBILITY STUDY

- Traditional Build – We buy an architect who designs everything based on the brief we write. We then buy in some one that builds exactly what has been designed.
- Design and Build – We buy in a team that designs then builds everything based on a strategic brief that we write.
- Construction Management – We buy in and directly manage lots of different teams to directly deliver every element from the design to completion.
- Management of the Facility – This can be a second phase procurement or linked to one of the above.
- Cost Benefits from Procurement – DO a Joint Venture, Use a construction framework; like SCAPE or PAGABO, Construction Tender which will be OJEU Processed.

RECOMMENDATIONS & NEXT STEPS :-

- ✓ Design, Build, Operate & Maintain using a construction framework tender this will reduce the original tender process by 18 months.
- ✓ Explore ability to sell land and the risk involved
- ✓ Engage Project Manager and external team (approx. 5% of capital costs of entire scheme)
- ✓ Transport Impact Assessment
- ✓ Environment Impact Assessment

BALANCED SCORECARD FOR NEW LEISURE CENTRE

Perspectives	Criteria
Financial	<ul style="list-style-type: none">• Cash flow• Return on equity• Return on assets
Customer	<ul style="list-style-type: none">• Assessment of ability to anticipate customers' needs• Effectiveness of customer service practices• Percentage of repeat business• Quality of communications with customers
Internal Business Processes	<ul style="list-style-type: none">• Asset utilization improvements• Improvements in employee morale• Changes in turnover rates
Learning and Growth	<ul style="list-style-type: none">• Improvements in innovation ability• Number of new products compared to competitors'• Increases in employees' skills

3 NEW LEISURE CENTRES IN 4 YEARS (£37 MILLION)

Purpose:

- upgrade poor facilities
- upgrade offering
- generate revenue/
reduce subsidy
- deliver quality buildings



Westminster Lodge, Verulamium Park

Replacement of old centre built 1971



New centre opened 2012



Batchwood Sports Centre

Replacement of burnt down centre in 2011



New centre opened 2013



Cotlandswick Leisure Centre – London Colney

London Colney Recreation Centre



Cotlandswick Leisure Centre superseded the Recreation Centre on a new site in London Colney and opened in 2015



Rationalisation plan

New Leisure Centre in the South (London Colney)

- Proposed 'public' leisure provision to include as a minimum:
 - 2 - 4 badminton court sports hall
 - Multi-purpose room
 - Fitness suite (gym)
 - Male & female dry changing rooms (or other combination)
 - Full size synthetic turf pitch and changing rooms
 - Vending zone
- Supplemented by additional commercial facilities from preferred development partner
- The Recreation Centre was closed two weeks before the new Leisure Centre was opened to the public in June 2015.

New Leisure Centre in St. Albans City (WLLC)

- 25mx10 Lane 50% moveable floor
- Learner Pool -17m x10m
- Confidence Water
- Pool Spectator for 250
- Poolside viewing area
- Village style wet side changing
- Fitness Gym – 180 stations
- Spa Experience
- Café/ Bistro (75 covers)
- Climbing Wall
- Youth Gym
- Crèche with Soft Play
- Two studios
- Male and Female Fitness Suite Changing
- Club / Recreational standard 4 Court Sports Hall
- Male and Female dryside (Sports Hall) changing

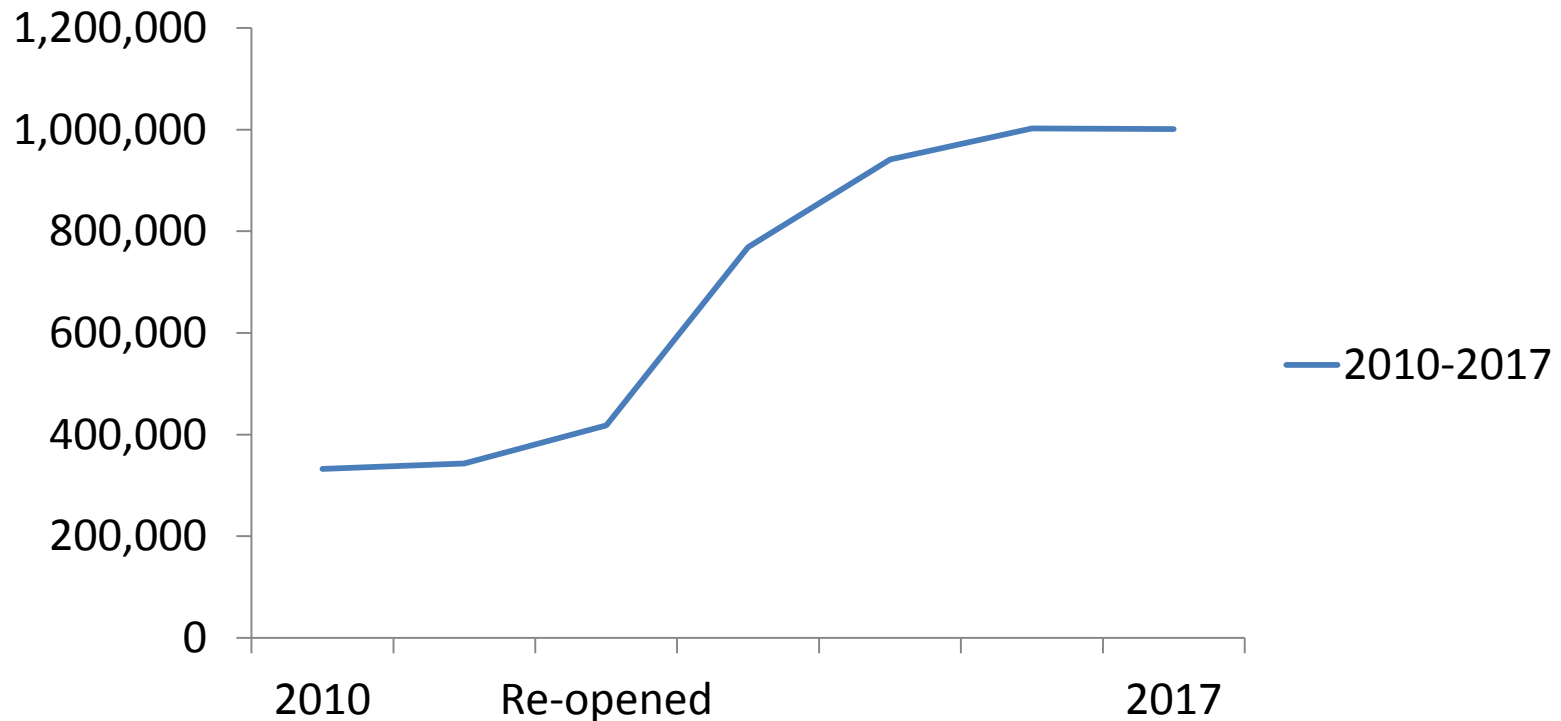
Funding & affordability

- **Closure of three leisure centres to enable the re-finance of the new build:**
 - Bricket Wood Sports Centre
 - London Colney Recreation Centre
 - Westminster Lodge Leisure Centre
- **Re-development / re-opening of two leisure facilities:**
 - Cotlandswick Open Space, London Colney – Developer led
 - Westminster Lodge, St Albans in 2007 circa £50M to build
- **Funding Proposal:**
 - Cotlandswick – Sec 106, Private Sector, other sources
- **Procurement Route:**
 - Cotlandswick – Developer led / Operator subject to development proposals
 - New Westminster Lodge - Design & Build, RIBA Stage E

Westminster Lodge Usage Tracker

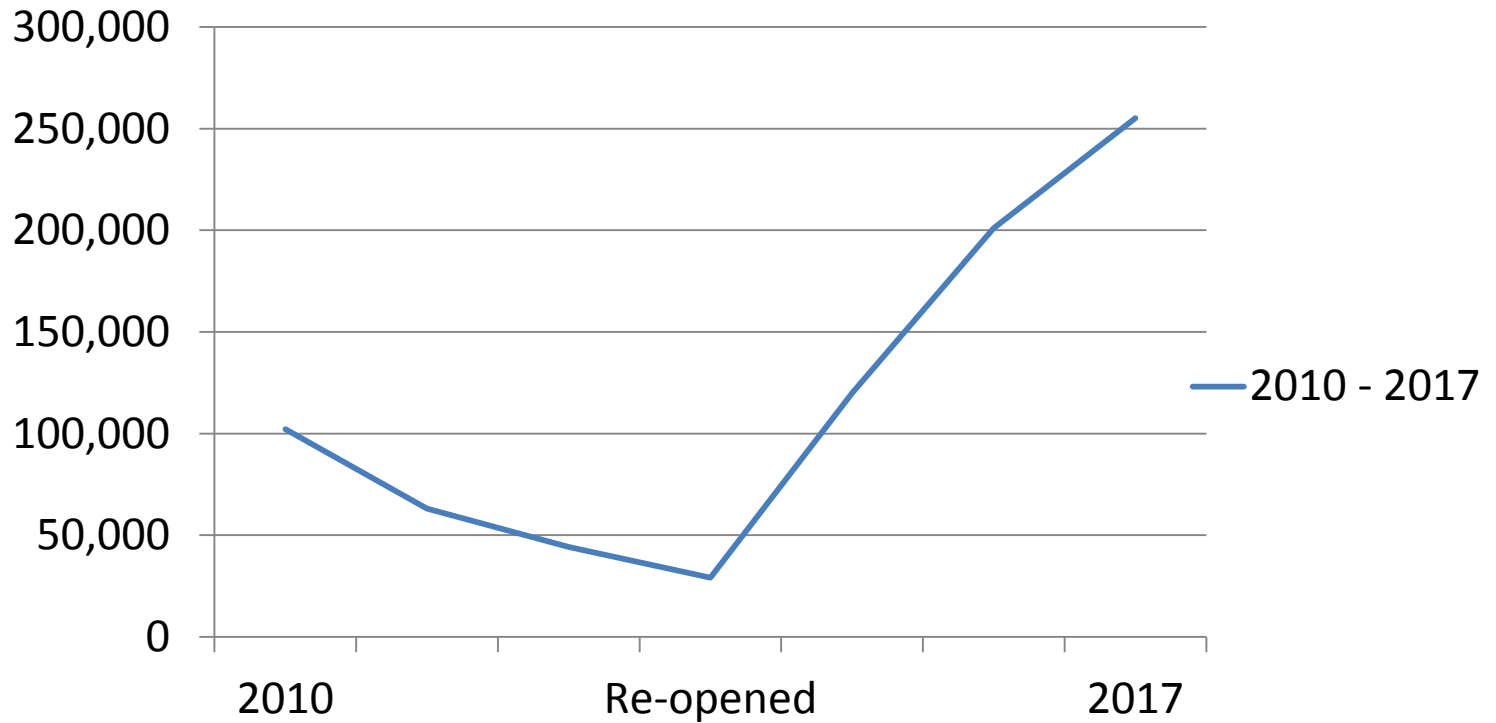
- £24.9m investment
- Contract for the new building was given to SLM in November 2012

2010-2017



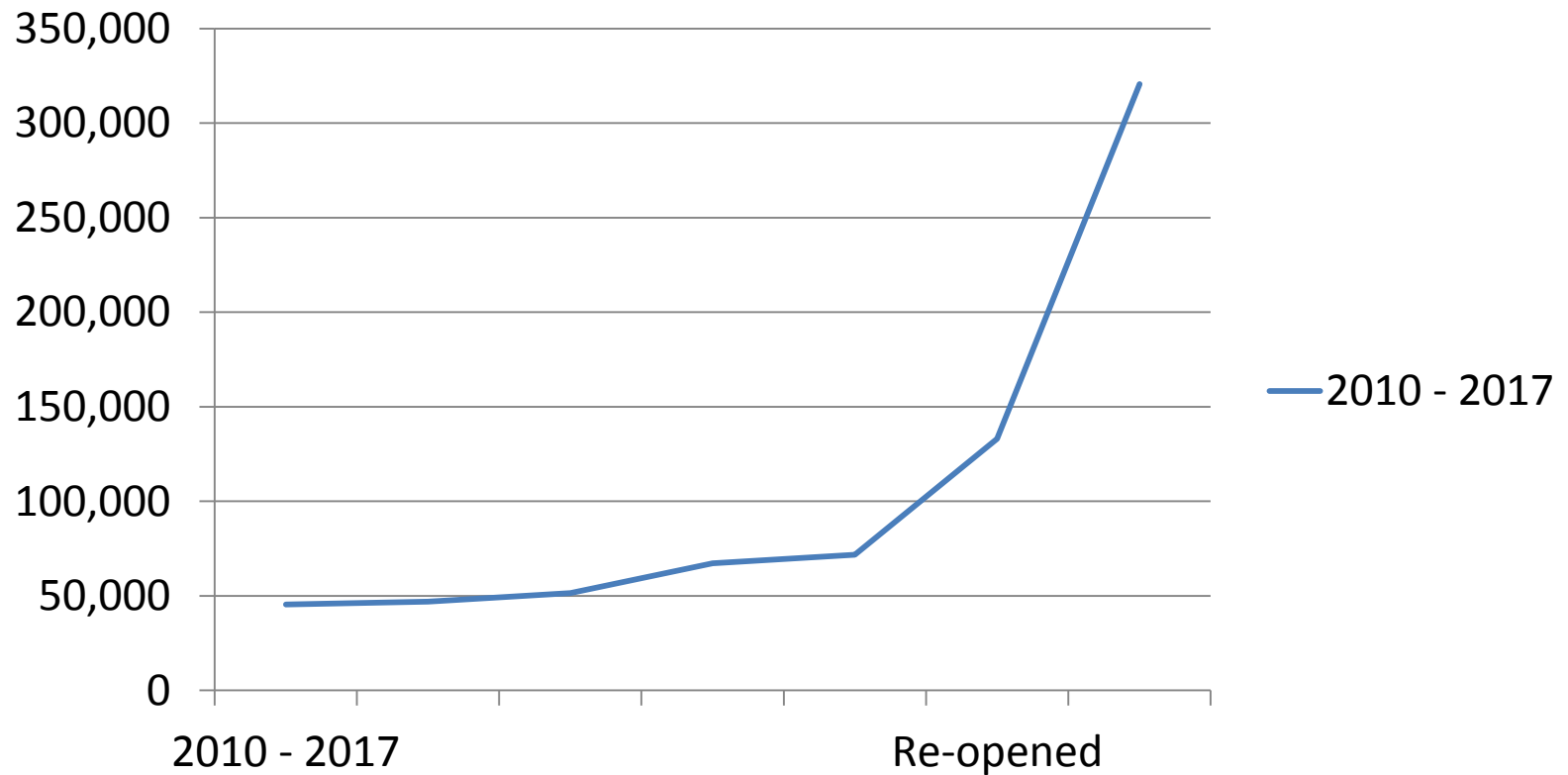
Batchwood Sports Centre Tracker

2010 - 2017



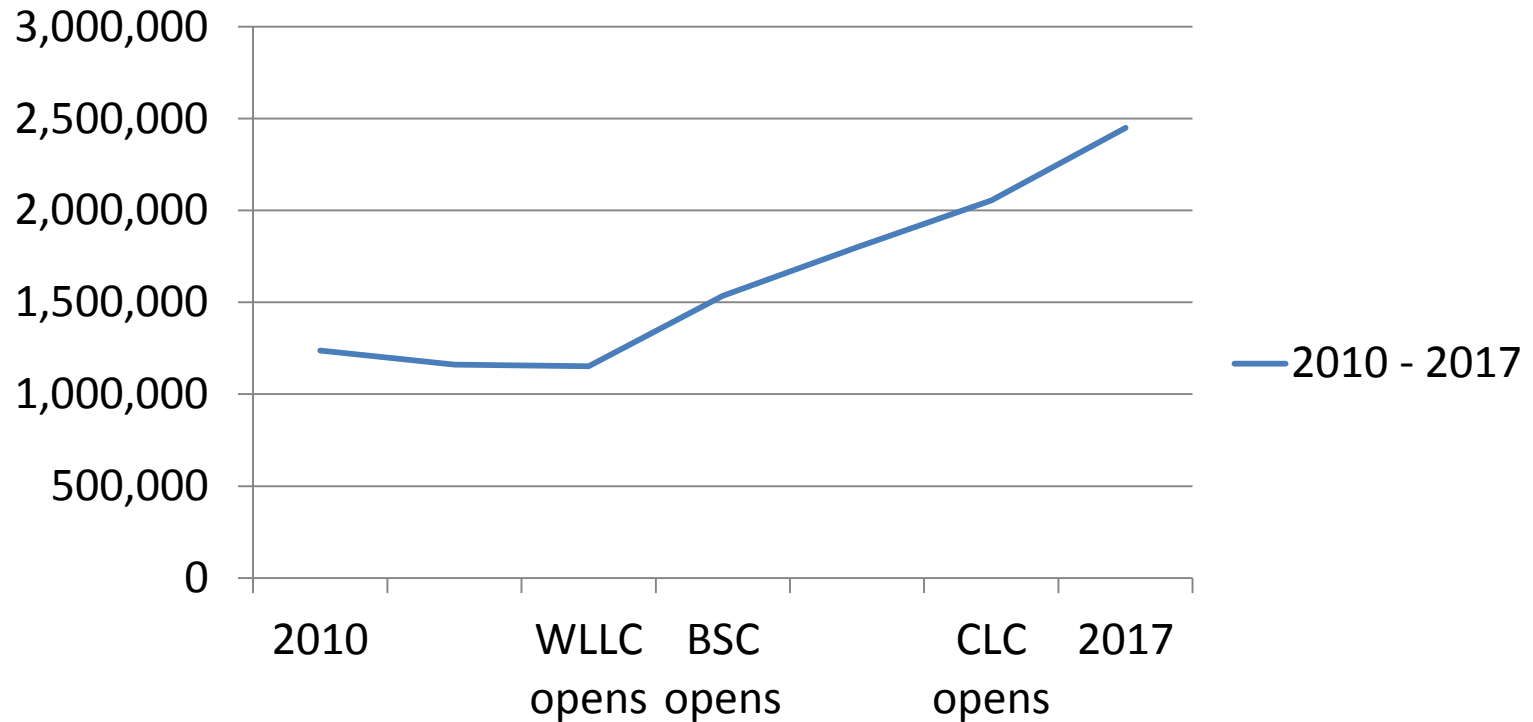
London Colney Recreation Centre / Cotlandswick Leisure Centre Tracker

2010 - 2017



Total St Albans Leisure Usage Tracker

2010 - 2017



Key

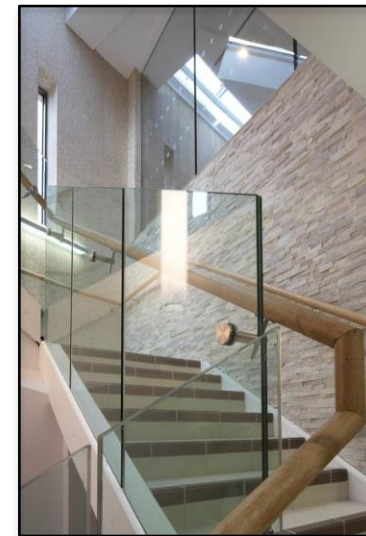
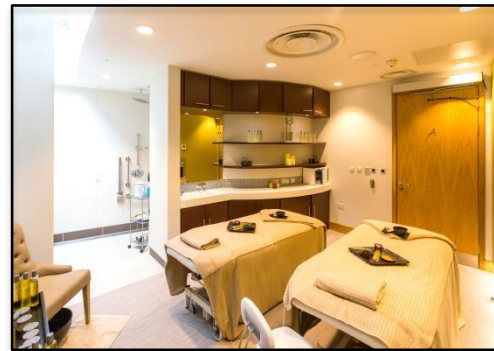
WLLC – Westminster Lodge Leisure Centre

BSC – Batchwood Sports Centre

CLC - Cotlandswick Leisure Centre (formerly Cotlandswick Recreation Centre)

97% increase in visits to Leisure Centres within St Albans as a result of investment in new facilities.

<https://www.stalbans.gov.uk/council-and-democracy/press-room/items/2017/September/2017-09-19-leisure-centre-visits-soar.aspx#0>



Verulamium Spa

St Albans also boasts a 5 star spa facility which was included in the design and build of the new Westminster Lodge Leisure Centre.

Facilities include:

Tepidarium (warm room)

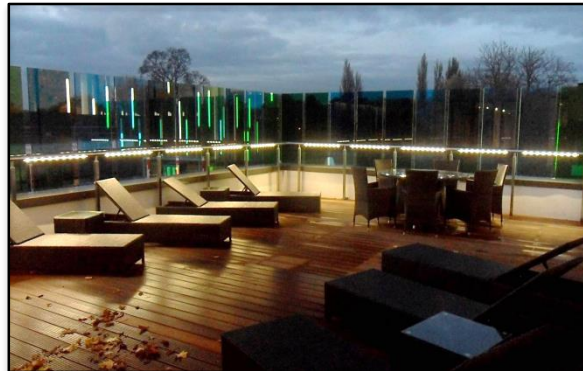
Lanconium (hottest room)

Aroma Steam Room

Caldarium – dry heat treatment room

Kelo Sauna – traditional sauna

Hydro Spa Pool – to aid relaxation & rehabilitation



Further details can be found on the spa's website.

<http://www.verulamiumspa.com/>

Everyone Active Highlights

- SLM working in partnership with 44 local authorities nationwide
- 11 new partnerships for the group this year including Westminster & Southwark
- Awarded ASA Operator of the Year
- UK Active Flame Operator of the Year
- 1 million visitors per year – 4 million in total
- Launch of new Hot Yoga studio
- £500,000 Gym refurbishment
- 6,000 members – 410 growth
- 3,500 children learning to swim
- Mayor's Sprint Triathlon - £3,000 raised for Rennie Grove
- Launch of new Youth Activities programme

everyone
ACTIVE
Feel better for it

1 Life – Contract Achievements

	Sept 16	Sept 17	Growth
Fitness Members	5752	5977	4%
Swim School	1545	1567	1%
Harpenden Children’s Programme	252	264	4%
Batchwood Tennis Programme	362	396	9%
Cotlandswick Pitch Bookings (Per week)	98 hrs	107 hrs	9%



Putting customers first

Knowing our stuff



Doing things well

Working together



Lessons learned

- Demonstrate strategic need including supply and demand analysis
- Business case and detailed options appraisal is crucial
- Consider the impact of developments in neighbouring authorities
- Stakeholder and political support
- Community consultation (power of the internet)
- Changes in the local market during project development
- Site specific issues and sensitivities
- Planning and highways
- Continuity of service for users, can't please all sports clubs all the time.
- Competitive management operator and building contractor market.
- Key cost of construction – interplay of elemental costs, value engineering, watch savings hitting lifetime costs, watch over-specification,
- Procurement Value of frameworks
- Need to manage the cost of control of new build – “A good project manager is worth their weight in gold”

What's next for Leisure Facilities within the District of St Albans?

Final Leisure Project

Harpenden Leisure Development

- This will complete the re-development of all the Council owned Leisure Facilities within the District in less than a decade.
- The existing structure was built in the late 1990s, prior to that the swimming pool facility was open air.

Harpenden Leisure & Cultural Centres Development

Existing swimming pool



Proposed combined leisure centre and swimming pool



Existing leisure centre



Proposed cultural centre



New Leisure Centre

- New 17mx10m Learner Pool with moveable floor
- Increase spectator viewing
- Larger wet change area with increased capacity
- Maintain Sports Hall provision
- New Steam/Sauna/relaxation
- New Cafeteria with 80 covers and a view to the park
- New external terrace
- New Fitness Suite with 160 workstations
- Two Multi-use studios of 140m²
- One Spin Studio of 65m²
- An expansion of the park entrance
- New Crèche
- New 100 space Car Park.



New Cultural Centre, Harpenden

- New theatre with a seating capacity of 511 seated, 610 standing
- Two Multi-use function rooms
- Dedicated Museum workshop and exhibition room
- Entrance at first floor level with views to the park
- Bar / Cafe facilities at first floor area to maximise views
- New accessible entrance
- Accessible stage area
- Significant increased crush bar capacity
- Green room and ancillary performance areas



Harpenden Leisure

Key milestone dates (indicative)

Planning committee date: July 2018

Secretary of State Approval AS Green Belt development:
August 2018

Construction begins: September/October 2018

Completion: January 2021