

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

17 July 2007

Report of the Chief Leisure Officer and the Cabinet Member for Leisure, Youth & Arts

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 LARKFIELD LEISURE CENTRE (LLC) – CAPITAL DEVELOPMENT

Summary

This report updates the Board on progress on the current capital development project at LLC and details the latest anticipated loss of income associated with the works.

1.1 Background

1.1.1 The Board will be aware of the current phased capital development project at LLC. Following the successful refurbishment of the swimming pool changing rooms and car park (Phase 1) prior to Christmas 2006, there are two remaining phases to be progressed.

1.1.2 Phases 2 and 3 are scheduled as follows:

- Phase 2 – 16 April 2007 to 31 August 2007

This phase upgrades the changing facilities and provides a new, glazed entrance foyer and dedicated reception desk for Lifestyles Health & Fitness. Two new consulting rooms will be provided for fitness and GP Referral customers, and the remaining dry changing rooms will also be refurbished. New sports hall stores are being built concurrently to facilitate Phase 3.

- Phase 3 – 10 September 2007 to 7 December 2007

This phase lowers the internal walkway to provide level access through the building for all customers including those with disabilities. The new sports hall stores will be completed and the current ramp area, that will become redundant, will be formed into a new meeting room.

- 1.1.3 The Leisure Contracts Manager (LCM) will make a short presentation to the Board outlining the benefits of the capital works and identifying key issues.

1.2 Progress

- 1.2.1 At the time of writing this report, the Phase 2 works are progressing to schedule, and regular updates from the building contractor suggest that the work will be completed by the due date. The LCM will provide a further update at the meeting.
- 1.2.2 The building contractor has worked closely with the LLC operational management staff to reduce the disruption to customers as far as possible. Again at the time of writing, it is anticipated that the dry changing rooms will have been returned to operational use on 6 July 2007.

1.3 Loss of Income

- 1.3.1 In considering the phased development through the Council's Capital Plan process the LCM, in liaison with the Director of Finance (DF), has previously reported an anticipated loss of income to the Leisure Services Business Unit associated with the works as shown below;

	(£)
Phase 2	87,750
Phase 3	58,725
Total	146,475

These figures were based on initial assumptions regarding the length and scheduling of the work and the impact upon various facilities and activities.

- 1.3.2 In considering the detailed designs and work programme in liaison with the consultant architect, it became apparent that scheduling of the work would alter, and Phase 3 in particular, would take significantly longer than first anticipated. As a consequence the LCM, in liaison with DF, has revised the anticipated loss of income as follows:

	(£)
Phase 2	98,200
Phase 3	87,950
Total	186,150

- 1.3.3 The increase of around £40,000 results primarily from a longer closure of the changing facilities for health and fitness users, for which a 20% discount is being offered on demand; a longer closure of the sports hall than anticipated; and a greater allowance for compensation claims from sub-contractors (eg the catering sub-contractor). This has been offset to some degree by a reduction in anticipated losses from swimming courses as it was originally anticipated that the teaching pool would close during Phase 3.

1.3.4 The revised loss of income has been reported to Management Team, which recognises the impact on the trading position of the LSBU, and is supportive. The LCM will endeavour to ensure that the loss of income is minimised wherever possible.

1.4 Legal Implications

1.4.1 Nil.

1.5 Financial and Value for Money Considerations

1.5.1 The latest anticipated loss of income associated with the works has been updated as outlined in the report. The loss of income calculation will be revisited as part of the revised estimate process later this year and adjusted as appropriate.

1.6 Risk Assessment

1.6.1 The LSBU Operational Risk Register identifies the need to deliver capital projects on time and within budget. It recognises failure to deliver may impact upon the trading position/ financial viability of the LSBU. The loss of income claim and monitoring role of the Officer Study Group overseeing the project protects the LSBU against these risks as far as practicably possible.

1.7 Recommendations

1.7.1 It is, therefore, **RECOMMENDED** that:

- 1) the progress with the capital development works at LLC to date be noted; and
- 2) the revised loss of income related to the works be revisited and adjusted as appropriate as part of the revised estimate process.

The Chief Leisure Officer confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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