

## Cabinet

01 April 2025

### Part 1 - Public

#### Executive Key Decision / Recommendation to Council



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Cabinet Member	Des Keers (Cabinet Member for Communities) Robin Betts (Cabinet Member for Climate Change, Regeneration and Property)
Responsible Officer	Robert Styles (Director of Street Scene, Leisure & Technical Services)
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#### Replacement Angel Leisure Centre

##### 1 Summary and Purpose of Report

- 1.1 This report brings forward a List C Capital Plan Evaluation for the replacement of the Angel Leisure Centre in Tonbridge. The report separately seeks approval for the site selected for the new facility and the appointment of an external leisure development partner. The replacement of the Angel Leisure Centre will be a major project for the Council delivering a state of the art, carbon neutral and financially sustainable facility for the community.
- 1.2 It is recommended to Full Council that the scheme is included in Capital Plan List A.

##### 2 Corporate Strategy Priority Area

- 2.1 Efficient services for all our residents, maintaining an effective council.
- 2.2 The replacement of the existing Angel Centre is identified in the Council's new Annual Service Delivery Plan 2025/26 and will help to facilitate the Council's wider development plans for Tonbridge Town Centre. It also supports the Council's aspiration to be carbon neutral by 2030.

##### 3 Recommendations

- 3.1 Cabinet is asked to consider the List C Capital Plan Evaluation for the replacement Angel Leisure Centre at **Annex 2** to the report and **recommend to Council** the scheme be transferred to List A of the Capital Plan.
- 3.2 Cabinet is requested to **approve** that Sovereign Way Mid Car Park be selected as the site location for the new Leisure Centre.

- 3.3 Cabinet is asked to note the timeline for the project as shown in **Annex 5**.
- 3.4 Subject to approval of the project by Full Council, Cabinet is requested to approve the appointment of Alliance Leisure Ltd as the Council's leisure development partner to progress the project through the RIBA stages.
- 3.5 Following RIBA Stage 4 Cabinet approval is sought prior to progression of the project to construction stage.

#### **4 Introduction and Background**

- 4.1 The existing Angel Leisure Centre built in 1981 is no longer fit for purpose and in the short to medium term will require a range of replacement building services including boilers, ventilation systems and electrical installations. Further substantial works would be required to meet the net zero requirements of the Council. At the meeting of Extraordinary Cabinet on 10 January 2024 it was agreed that "*In principle the Angel Centre be demolished and replacement leisure and community facilities be provided in Tonbridge and all options be kept on the table for the future location and nature of such replacement leisure and community facilities*". Subsequently, external leisure development partners, Alliance Leisure Ltd were commissioned to undertake a Feasibility Study (RIBA Stage 1). This was presented on 26 September 2024 to the Tonbridge Town Centre Programme Board. At its meeting on 12 November 2024, Cabinet approved the Tonbridge and Malling Leisure Trust as the future operator of the new facility.
- 4.2 Following consideration by the Tonbridge Town Centre Programme Board and publication of a Cabinet Member Decision Notice on 9 December 2024, Alliance Leisure Ltd were commissioned to undertake a more detailed Business Case for the replacement facility considering operational income and expenditure for the new facility. The outcome of this work is summarised at 7.6 below.
- 4.3 At its meeting on 24 January 2025 the Tonbridge Town Centre Programme Board recommended "*That Option 1 (direct award to Alliance Leisure using the UK Leisure Framework) is the procurement method recommended with additional measures in place for supplier selection.*" On 4 March 2025, Cabinet endorsed and agreed this procurement route for the design and construction stages (RIBA 2-7) of the replacement facility.

#### **5 Proposal**

- 5.1 The proposal is to replace the existing Angel Leisure Centre with a new state of the art facility located in the town centre area east of the high street. The final design of the facility will be developed over the next 12 months though it is proposed that it will include fitness facilities, including gym, group exercises and spin studio, family facilities, including play and café, multi use community facilities, including power assisted wellness hub, and a sports hall together with changing

rooms and flexible multi-purpose rooms. The design will be reported to the Tonbridge Town Centre Programme Board and will be subject to public consultation and planning approval.

- 5.2 At the meeting of the Tonbridge Town Centre Programme Board on 12 March 2025 the location for the replacement Leisure Centre was considered. A note of that meeting is attached at **Annex 1** in **Part 2** of these papers and Cabinet will note that the Board has recommended to Cabinet that the new location is Sovereign Way Mid Car Park. In selecting the location, the expertise of the Council's Leisure development partner and Masterplanning consultants, and the views of Members to ensure the selected site fits into the broader objectives of the town centre master planning exercise have been taken into consideration. It can also be noted from **Annex 1** in Part 2 of these papers that the Board acknowledged that it was not feasible to consult with the public over the location of the replacement Angel Centre due to the technical nature and complexity involved in site viability, alongside the tight timescales associated with the delivery of the scheme. The public will be engaged in the broader scheme as part of RIBA stages 2-3 and will also be able to comment at the planning application stage.
- 5.3 The decision regarding the location of the replacement leisure centre is being proposed ahead of the main Town Centre Masterplan being presented to Members. This is based on the wider project drivers for the replacement leisure facility and the programme of procurement and design development required to deliver that facility in accordance with the proposed project timescale. The Masterplan has been developed with Members through a series of workshops and the final report will be presented to Members as soon as possible, having considered the opportunities and issues with providing the replacement leisure facility in its proposed location. It is estimated that this staged approach to placeshaping decisions for the town centre will bring forward the delivery of the new facility by several months.

## **6 Other Options**

- 6.1 Early in the process consideration was given to the option of refurbishing the existing Angel Centre but this was not considered by Cabinet to be viable or meet the objections of the project at its meeting on 10 January 2024. A refurbishment of the existing facility was estimated to be up to £15m and would involve the replacement of mechanical and electrical systems, internal alternations and reconfiguration, and replacement and upgrades to the building fabric. Costs were based purely on square metre rates and no survey or design works were undertaken to inform them. A refurbishment option would also incur a significant loss of income claim from the Leisure Trust and also a loss of market share in the future as people would need to find somewhere else for the leisure activities whilst the work was being undertaken. The life of the new building would not be as long as the proposal to replace the building. If detailed costings were required to refurbish the existing building, a feasibility study would need to be progressed. Multiple options were considered, reviewed and evaluated with regard to the

proposed location for the replacement facility. The existing Angel Centre will continue to operate whilst the replacement facility is being constructed, following which it will be demolished and considered within the wider master plan for the town centre.

## 7 Financial and Value for Money Considerations

- 7.1 Cabinet will note from the capital plan evaluation at **Annex 2** that the estimated cost of the replacement facility including build cost, fees, equipment, contingency and build inflation is £23m. This estimate came forward from the RIBA Stage 1 Feasibility Study undertaken by Alliance Leisure Ltd and as part of the next stages of the project careful consideration will be given to achieving a reduction in the overall project cost where possible. This is clearly a substantial sum and would represent the biggest investment in a project by this authority. The £23m should not be considered in isolation as the cost to refurbish the existing Angel Centre including the boilers and mechanical and electrical elements of the existing facility was estimated to be up to £15m, if it were to include achieving carbon neutral status and energy efficiency enhancements.
- 7.2 The Director of Finance and Transformation is in the process of considering how the project could be funded and it is envisaged that the funding will be a mix of reserves and external borrowing. The approved estimates for 2025/26 allowed for additional contributions to the earmarked reserve to reduce the need for external borrowing. At 1 April 2025 the reserve balance will stand at £8m.
- 7.3 Further review of the Council's earmarked reserves is being undertaken by the Director of Finance and Transformation and her staff to identify additional resources.
- 7.4 The level of borrowing which may be required to balance the project will be determined after we have received the final tenders. Discussions with the Trust regarding the business plan and more generally the impact on the overall Management Fee are taking place, stressing the importance of the debt charges from borrowing needing to be covered. Members are advised that at the time of writing PWLB rates for a 40 year loan are around 6%.
- 7.5 As highlighted above at 4.2, following the RIBA Stage 1 Feasibility Study, a team of Officers have worked alongside Alliance Leisure Ltd and the Leisure Trust to develop a draft Business Case for the future operation of the replacement facility. The draft Business Case, which has been shared with the Programme Board and is attached at **Annex 3** in **Part 2** of these papers, is based on the indicative facility mix arising from the Stage 1 Feasibility Study as outlined in 5.1 above.
- 7.6 Within the draft Business Case, consideration was given to current and future anticipated revenue expenditure and income to give an indication of the potential impact on financial performance of the new facility. The draft Business Case has made a number of assumptions including being based on the current indicative

facility mix and current market conditions. The draft Business Case also provides two financing scenarios based on a 20% and 40% increase in latent demand. Both scenarios suggest an improved financial annual operating position. The draft Business Plan does, therefore, give reassurance on future operating costs though these figures are indicative at this time and will have the potential to alter (positively or negatively) through the development of the project. It will clearly be important throughout the design stage to consider the commercial viability of each element of the facility mix.

- 7.7 Members should note that in the event of the Council deciding not to proceed after RIBA Stage 4 the costs incurred to date would be sunk costs chargeable to revenue.
- 7.8 By utilising the Council's own reserve to negate borrowing, there will be an impact on the Revenue Budget due to reduced investment income receipts. This will need to be factored into the Medium Term Financial Strategy if Members decide to proceed.
- 7.9 With regard to procurement costs, Cabinet will note from sub section 4.2 above that at its last meeting it was agreed by Cabinet that the UK Leisure Framework be used as the procurement route to progress the scheme through RIBA stages 2-4. A detailed fee proposal has been received from Alliance Leisure for RIBA Stage 2 which is included at **Annex 4 in Part 2** of these papers. The proposal has been reviewed by Officers to ensure only essential fees are required at this stage and the proposal is as cost effective as possible. Provisional fee levels for RIBA Stages 3 and 4 were included at feasibility stage and these will be updated subject to the outcome of stage 2. After each RIBA stage the Council has the option to discontinue with the appointment and only progress with the next stage if it chooses to do so. This might be needed for example if the government restricts capital spend within the context of local government reorganisation. It is therefore important to note that if Cabinet were minded to approve the recommendations in this report, they would only be financially committing to RIBA Stage 2 at this stage as a review of the project after Stage 2 will be undertaken. After Stage 2, there will be more detailed information available on both capital costs and revenue predictions. The fees cover a range of consultancy services including architects, structural engineers, mechanical and electrical engineers, landscape architects, carbon and sustainability consultants and the management of the principal contractor. In addition, the fees also include undertaking a significant number of surveys ranging from topographical to utilities and drainage to services capacity. The appointment will be made through the UK Leisure Framework following Cabinets approval.

## **8 Risk Assessment**

- 8.1 As outlined in the capital plan evaluation at **Annex 2**, key risks within the project relate to:

- Potential Local Government devolution/reorganisation and in particular, the Government placing restrictions on the Council's spending
- The Council being unable to fund the project, including anticipated costs escalating beyond the Council's approved budget during the design phase
- Delays in the planning process
- Delays in the Council's decision-making process
- Delays in wider Tonbridge Town Centre work, leading to uncertainty with the replacement Angel Centre project.

8.2 Whilst it is proposed that Alliance Leisure will be awarded the contract through the RIBA Stages, it should be noted that 'Decision Gates' will be in place throughout the process. Most fundamentally following RIBA Stage 4, when final facility design and the Stage 4 Cost Plan will be brought back to Members for consideration and approval prior to proceeding to construction. The ability will also be contained within the contract for the Council to pause or halt any further work after RIBA Stages 2 and/or 3 should any unforeseen issues arise or there is a funding restriction imposed by Government as part of local government re-organisation proposals.

## **9 Legal Implications**

9.1 The project is being progressed through an internal Project Officer Group with representation from both Legal Services and the Mid Kent Procurement Partnership to ensure all legal requirements are met.

## **10 Consultation and Communications**

10.1 As outlined in the Capital Plan Evaluation at **Annex 2**.

## **11 Implementation**

11.1 A project timeline is attached at **Annex 5**. Subject to approval of Council, it is planned that construction will commence in June 2026 and be handed over to the Council in March 2028.

## **12 Cross Cutting Issues**

12.1 Climate Change and Biodiversity

12.1.1 Climate change advice has been sought in the preparation of the options and recommendations in this report. The Council's Climate Change Officer has been engaged during the production of the Stage 1 Feasibility Study and will be consulted through the remainder of the project. Sustainability is a key aspect to the proposed project with the ambition being to provide a carbon neutral facility.

## 12.2 Equalities and Diversity

12.2.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users. Full consideration will be given equalities, diversity and accessibility through design stages of the project.

## 12.3 Other If Relevant

12.3.1 Procurement – Advice and guidance has been, and will continue to be, sought from the Mid Kent Procurement Team to ensure compliance with legislation.

12.3.2 Business Continuity / Resilience – It is proposed that the current Angel Centre will remain operational until the new replacement facility is ready to ensure continuity of service for the public.

12.3.3 Healthy Lifestyles – The proposal aims to provide opportunities for health and leisure in the local community.

Background Papers:	None
Annex 1 (Private) Annex 2 Annex 3 (Private) Annex 4 (Private) Annex 5	Town Centre Programme Board – Notes - 12 March 2025 Capital Plan Evaluation Draft Business Case Alliance Leisure Pre-Construction Fee Proposal Project timeline