

## Overview and Scrutiny Committee

11 September 2025

### Part 1 - Public

#### Recommendation to Cabinet



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| Cabinet Member      | Adem Mehmet - Cabinet Member for Infrastructure and Tonbridge Regeneration |
| Responsible Officer | Robert Styles - Director of Street Scene Leisure and Technical Services    |
| Report Author       | Darren Lanes - Head of Street Scene and Leisure                            |

#### Angel Leisure Centre- Replacement Project Report

##### 1 Summary and Purpose of Report

1.1 Following the Replacement Angel Leisure Centre All Member Presentation on 29<sup>th</sup> July 2025, this report provides an update on progress with the project and provides Members of this Committee the opportunity to ask questions of the Project Team and make any recommendations or comments to Cabinet.

##### 1.2 Corporate Strategy Priority Area

1.3 Efficient services for all our residents, maintaining an effective council.

1.4 The replacement of the existing Angel Leisure 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.

##### 2 Recommendations

2.1 Members of the Committee are asked to comment on the project and make any recommendations or comments to Cabinet.

##### 3 Introduction and Background

3.1 The project to replace the existing Angel Leisure Centre has been progressing since December 2023 and is currently in the RIBA Stage 2 design stage. The slides of the recent All Member Presentation are attached (**Annex 1**) for information, which gives a comprehensive summary of progress with the project to date. Members of the Committee will recall that all aspects of the project were

covered by the presentation including the background, objectives, decision making, timeline, update on current position, costs and finances, public consultation and the way forward.

- 3.2 Members of the Council welcomed the presentation on a project which will represent the largest capital investment made by this Council to date. Members made a range of comments, and a number of changes were made to the public engagement exercise to make the accessibility of the questionnaire as widely available as possible. This included the ability to complete questionnaires at the Angel Leisure Centre and Tonbridge Castle by hand and a presentation at Tonbridge Community Forum. Members noted that the project was now estimated to cost £19m, having previously been estimated to cost £23m. Members particularly welcomed the potential inclusion of new facilities in the design such as soft play and dedicated spin studio.
- 3.3 At the All Member Presentation the full Project Team attended including Officers, Alliance Leisure (the Council's development partner), the project architect and the CEO of the Leisure Trust. In order for Members of this Committee to ask any questions or raise any issues on the project it is again the intention to have the full team present at the meeting.

#### **4 Progress**

- 4.1 Since the All Member presentation good progress has been made with the project as part of the RIBA Stage 2. Most notably the public engagement exercise has commenced. At the time of writing this report over 750 responses have already been received reflecting a strong public interest in the project. The survey is for a 6 week period so will close on 24<sup>th</sup> September 2025 following which the results will be collated.
- 4.2 A presentation on the replacement Angel Leisure Centre was made to the meeting of Tonbridge Community Forum on 1<sup>st</sup> September 2025 and a verbal update will be made at this meeting on any issues raised.
- 4.3 Site visits are being planned to other leisure facilities offering the same potential facility mix proposed for the replacement Angel Leisure Centre. This will be invaluable in assisting with determining proposed future operational arrangements including financial performance and market demand.
- 4.4 A key element of RIBA stage 2 is the selection of the building contractor. This is a competitive process overseen by Alliance with the involvement of the Council. Following previous comments on procurement made by the Town Centre Programme Board and endorsed by Cabinet the Cabinet Members for Infrastructure and Tonbridge Regeneration and Finance, Waste & Technical Services will be involved in a full day of interviews with the short list of building contractors which is a key element of the selection process.

## **5 Proposal**

- 5.1 The proposal is to replace the existing Angel Leisure Centre with a new state of the art facility located on the existing Sovereign Way Mid car park in the town centre area east of the high street. The final design of the facility is currently being developed though it is proposed that it will include fitness facilities, including a larger gym, group exercise studios and dedicated spin studio, family facilities, including soft play and café, multi use community facilities, including power assisted active wellbeing hub, and a sports hall together with changing rooms and flexible multi-purpose rooms.

## **6 Other Options**

- 6.1 Early in the process consideration was given to the option of refurbishing the existing Angel Leisure 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.
- 6.2 A refurbishment of the existing facility was estimated, at the time, 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.
- 6.3 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 refurbished 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 Leisure 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 The estimated cost of the replacement facility including build cost, fees, equipment, contingency and build inflation is £19m. This is clearly a substantial sum and would represent the biggest investment in a project by this authority. The estimated cost 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
- 7.2 The Head of Finance 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, a contribution from the Leisure Trust, developer contributions 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 the time of writing this report the reserve balance stands at £9.15m.

- 7.3 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 6.49%.
- 7.4 Council 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 is based on the indicative facility mix arising from the Stage 1 Feasibility Study and is being refined as RIBA Stage 2 progresses.
- 7.5 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.
- 7.6 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.
- 7.7 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.

## **8 Risk Assessment**

- 8.1 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

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. Liaison with officers from both Legal Services and the Mid Kent Procurement Partnership is undertaken as required.

## **10 Consultation and Communications**

10.1 Members will be updated at the meeting on the level of feedback from the public engagement process referred to earlier in these papers.

## **11 Implementation**

11.1 The current project timeline is included within the presentation in **Annex 1**. 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 of this scheme.

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 Leisure Centre will remain operational until the new replacement facility is complete 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.

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| Background Papers | None                    |
| Annex 1           | All Member Presentation |