

Classification: Private

Key Decision: Yes

Gravesham Borough Council

Report to: Cabinet

Date: 7 November 2022

Reporting officer: Jamie Izzard – Director (Communities)
Sarah Parfitt - Director (Corporate Services)

Subject: Cascades Leisure Centre Project Update

Purpose and summary of report:

To provide Cabinet with an update of the Cascades Leisure Centre project and proposed next steps.

Recommendations:

1. Cabinet is asked to endorse the view that the council proceeds with Option Three as set out in section 7.1 of this report, namely progressing with the project, recognising the financial viability challenges and seeking to:
 - Contain costs within the current estimate;
 - Increase capital funding for the scheme; and/or
 - Identify opportunities to reduce costs further where they are not significantly detrimental to the key objectives of the project.

2. Cabinet are asked to record that any decision to proceed will be considered as a Key Decision taken by the Executive Leader in accordance with Annex 1.6 of the Constitution, recognising that this will have no impact on the approved capital programme for 2022/23.

Key Implications:	
Item	Implications
Legal	The approval and commissioning of building works is an executive function for which the Cabinet have responsibility once the budget has been approved by the Council. Such a delegation is within the gift of the Cabinet, however, within the 31 January 2022 report it was outlined that Cabinet must be content that the level of member input into the project from hereon will be limited and thus they are satisfied there will be an adequate level of checks and balances, and accountability. Selected senior officers have delegated authority to carry out all necessary steps to deliver a completed leisure centre within approved budgets without further consideration by the cabinet. This includes the procurement of Early Contractor Involvement (ECI), following a competitive procurement process through the Pagabo 'Major Works' Framework.

Finance and Value for Money	<p>The financial considerations for the council are set out within the 31 January 2022 Cabinet Report and the subsequent latest financial evaluation is included in this update report.</p> <p>To demonstrate value for money a competitive procurement process will be undertaken through the Pagabo ‘Major Works’ Framework. Contractors on this Framework and the reserve list will be invited to tender. The successful candidate will be invited to enter a Pre-Construction Services Agreement (PCSA) with the Council. This assumes a two-stage process: pre-construction services ahead of a construction contract. The candidate that provides the PCSA scope will not necessarily be appointed for the second stage, construction contract – as the Council will reserve the right to re-engage the market should budget parameters be breached.</p>
Corporate Plan	<p>Our ambition to deliver this new state-of-the-art building at pace, in line with the project vision and sustainability objectives and the Corporate Plan commitments.</p> <p>Key Corporate Plan commitments include:</p> <ul style="list-style-type: none"> • Deliver an ambitious and diverse programme of building • Design a quality and affordable leisure offer • Carbon neutral borough • Positively promote sustainable development
Climate Change	<p>A decision to undertake this project will have a direct impact on the delivery of the council’s Climate Change Strategy. This will contribute to Priority 1: GBC – the organisation and, specifically, the progression of plans to replace the largest energy-using operational assets of the council. In 2020-21 the council produced carbon emissions totalling 1,760.3 tCO₂e. Of this, 255.4 tCO₂e (15%) could be attributed to Cascades Leisure Centre.</p>

1. Introduction and Background

- 1.2 The Council previously commissioned Knight, Kavanagh, & Page (KKP) to undertake a feasibility study of the Council owned leisure centres, currently located at Cascades Leisure Centre and Cygnet Leisure Centre. The key focus of the study was to refresh the Council’s Indoor Leisure Strategy and to redefine its needs and options for investment in its facility portfolio.
- 1.3 As part of this work, a new design option at Cascades Leisure Centre was developed which offered an attractive, cohesive facility mix giving prominence to the core family focussed activities, and dedicated space for health referral and consultation. A total capital cost of circa £33.8m was identified at the time within the feasibility study, inclusive of approximately £3.5m allocation for enabling works including landscaping, creation of an outdoor ‘active environment’ area and demolition of the existing Regan’s Bar public house.
- 1.4 On the 31 January 2022, Cabinet approved the proposals for a new centre and delegated authority was given to the Director (Communities); in consultation with the

Leader, the Director (Corporate Services) (in the role of S151 officer) and the Monitoring Officer, to take all necessary practical, financial and legal actions required; including entering into the relevant formal legal agreements required to engage consultant/contractor support and commence the procurement process. This also included evaluating and appointing the successful contractor(s), approve the design, commence construction and certify the acceptance of completion of works.

2. Appointment of a Design Team

- 2.1 The successful delivery of a project of this scale and complexity is a challenging one, of which the Council does not have all of the requisite skills, expertise or capacity required in-house. For this reason, the Council needed to appoint and work with a number of specialist consultants in order to develop the concept that had been developed as part of the feasibility study work. Using the RIBA Plan of Work stages in order to organise the project through a number of development and construction phases.
- 2.2 It was recommended within the original Cabinet Report that the procurement is approached in a two-stage manner, with the procurement of consultancy services being separate from that of selecting a construction partner. Therefore, the Council made a single appointment of a Lead Consultant, through use of a Pagabo Framework Contract to Faithful & Gould, in order to work through the various early stages of the RIBA Plan of Work, through to handover and use at RIBA Stage 7. This approach was outlined in a report to Leader and officers with delegated authority in February 2022.
- 2.3 As Faithful & Gould are already a tier one contractor as part of the Pagabo Framework, one of the main benefits is that it is extremely flexible, in allowing a team to be built for the council from various other consultancy firms, based on what best to meet our needs rather than anything pre-prescribed or restricted. This framework therefore allowed KKP and Space & Place to continue working on the project from the original feasibility phase.

3. Timeline/Milestones to date

- 3.1 The below gives an indication of key points within the project timeline as the various workstreams were completed;

<ul style="list-style-type: none"> 5 January 2022 – KKP Leisure Centre Feasibility Report Issued.
<ul style="list-style-type: none"> 31 January 2022 – Cabinet Report on proposals for new centre at Cascades.
<ul style="list-style-type: none"> 23 February 2022 – Procurement route Report (Pagabo and SCAPE Frameworks) for professional services outlined.
<ul style="list-style-type: none"> 23 May 2022 – Faithful & Gould and associated sub-consultants contracted.
<ul style="list-style-type: none"> 7 June 2022 – Early Contractor Involvement Report outlined.
<ul style="list-style-type: none"> 16 June 2022 – Cascades Client Brief Workshop 1.
<ul style="list-style-type: none"> 18 July 2022 – Cascades Client Brief Workshop 2.
<ul style="list-style-type: none"> 9 September 2022 - RIBA Stage 1 Report issued.
<ul style="list-style-type: none"> 19 September 2022 - Options Appraisal Report (inc. financial options for the various designs) issued.

4. Development of the Proposal and Facility Options

- 4.1 Once the design team was fully in place, a number of design meetings and workshops were organised in order to review the original feasibility study outline and consider the mix of facilities the new centre should provide. These were supplemented with updated operational information from the existing leisure centres within the borough (particularly relevant following Covid-19 and the changes to patron usage and behaviours) and some early feedback from the public on the proposals within the January 2022 Cabinet Report and facility make-up that was publicised at the time.
- 4.2 Through this process, the core facility requirements were identified as the provision of:
- an eight-lane 25m swimming pool capable of hosting regional competitive swimming events
 - a teaching pool and leisure pool area to promote and support water confidence and learning to swim
 - a sports hall able to support sports development and competitive events
 - fitness suite and provision for studio space for class activity
 - community space
 - squash court provision
 - an active reception and café/Seating Area with soft play and clip and climb facilities
 - an outdoor active environment
- 4.3 Proposals were also developed to consider where facilities could be expanded or enhanced further, including the provision of a Health Suite facility on a separate floor, enhanced water space areas, such as a larger leisure pool area and enhanced permanent seating adjacent to the 25m pool. Other options that were looked at were, additional squash courts which could be opened up into one large leisure space, as well as a climbing wall within the reception area and a larger soft play area and community room space.
- 4.4 In addition, three energy efficiency design options were considered in line with the Council's own commitment for its operations to be carbon neutral by 2030:
- Part L Compliant – Minimum energy efficiency level which still burns significant levels of fossil fuels, but which is an improvement on the current energy efficiency of Cascades Leisure Centre.
 - BREEAM Excellent – Excellent energy efficiency levels and changes the balance to minimise the usage of gas, with increased usage of electricity.
 - Targeting Passivhaus – Optimum energy efficiency level with no gas consumption and optimum insulation and air tightness of the facility.

5. Scheme Proposals - Appraisal and considerations

- 5.1 The environment in which a new leisure centre will be brought forward has significantly changed since the original feasibility study was produced and reported at the start of this calendar year.

Construction Costs

- 5.2 In May 2022, Cabinet was informed of further pressures being placed on the council's budgets due to the national fiscal and economic situation. A significant construction project such as the development of a new leisure centre is equally impacted by the inflationary and other pressures set out in that report affecting works and service contracts, the cost of external borrowing and energy prices, in particular.
- 5.3 Since the original feasibility study was completed, construction costs have increased nationally by between 20-30% with both material cost and labour costs rising. The impacts of the UK leaving the EU and the Covid-19 pandemic have also contributed to supply chain issues, creating uncertainties over material availability and securing fixed price costs and logistics disruption, which all have had a detrimental impact on construction costs. In addition, there is a market uplift of around 15% for Passivhaus construction techniques that were not incorporated in the original feasibility study, albeit this would be offset by reduced utility expenditure when considering the whole-life cost of an asset.

Sustainability

- 5.4 The council is committed to reducing carbon emissions from its operational assets by 2030, of which the current Cascades Leisure centre contributes approx. 15% (255.4 tCO₂e). There is an upfront capital cost implication in constructing sustainable buildings, estimated to be around 15%, as set out in paragraph 5.3 above.
- 5.5 To support decision making, analysis was undertaken to better understand the carbon benefits derived from the three energy efficiency design options proposed alongside the likely reduction in revenue running costs each design option would produce. Also taken into account was the Government's legislative commitment, through the Climate Change Act 2008 (amended 2019), requiring the UK to achieve net zero by 2050 and the associated government policy paper *Net Zero Strategy: Build Back Greener*.
- 5.6 The analysis indicated that a Part L Compliant building would reduce estimated carbon emissions from the Leisure Centre to 144.7 tCO₂e. Whilst being the most financially efficient design in terms of upfront capital costs, ongoing revenue streams would likely be affected and significant additional capital investment costs incurred very early in the expected life of the asset due to retrofitting requirements for plant and machinery to meet the national statutory target for net zero by 2050, which would also create disruption in the provision of leisure services from the centre.
- 5.7 Targeting BREEAM Excellent would reduce estimated carbon emissions significantly further to 48.1 tCO₂e, albeit there would still likely be impacts to revenue streams and additional capital investment costs incurred very early in the expected life of the asset due to retrofitting requirements.
- 5.8 Targeting Passivhaus would reduce estimated carbon emissions to 36.7 tCO₂e. This approach therefore most accords with the council's net zero commitment, removes reliance on gas consumption (in line with the national Net Zero Strategy), and eliminates to the greatest extent the associated impacts on future revenue streams and retrofitting requirements from meeting the legislative requirements of the Climate Change Act 2008 (amended 2019).

Latest Estimate of Project Costs and Financing

- 5.9 Comparative capital construction cost projections for the project have increased by some 27% from those estimated in January 2022.
- 5.10 Further detail on the projected costs are included in Part B of this agenda.
- 5.11 The cost of borrowing has also escalated since the report to Cabinet in January, with projections around PWLB Borrowing Rates provided by the council's Treasury Management Advisors, Link Asset Services Limited, shifting to take into account the Bank of England's Monetary Policy Committee (MPC) decisions to increase interest rates currently to 2.25%, from 0.25% at January 2022.

Link Group Interest Rate View		8.11.21												
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.50	0.60	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
10 yr PWLB	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
25 yr PWLB	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
50 yr PWLB	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50

Link Group Interest Rate View		27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50	
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50	
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60	
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70	
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20	
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20	
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40	
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10	

- 5.12 It has been well reported that leisure providers are being adversely and disproportionately affected by rising energy costs due to leisure centres have high energy demands, especially for those facilities with swimming pools. Energy costs are typically a leisure operator's second highest cost after staffing costs, and any increase in costs reduces the level of residual income to meet future costs of borrowing. Pursuit of a leisure facility targeting Passivhaus is intended to provide a level of stability for both financial planning and any future operator.
- 5.13 Options modelling has indicated that from a financial perspective, the council could seek to take forward the project in a manner that would incorporate the core scheme requirements outlined at 4.2 and target Passivhaus in terms of energy efficiency design. It should be noted, however, that achieving viability is currently heavily reliant on achieving a reduction of circa. £2m on level of borrowing required delivered through securing additional external funding for the project or reducing the overall capital cost of the project. The financial viability of the current proposed scheme is also significantly sensitive to any changes in modelling assumptions, particularly those influenced by economic conditions. Should these conditions change and become increasingly challenging moving forwards, it will negatively affect viability of the project. Further modelling on these scenarios is included at Part B of this agenda.
- 5.14 The inclusion of any proposals that would expand or enhance the core facilities, including the provision of a full Health Suite facility, are not considered to be financially viable within the current economic climate, but could be considered in future phasing of provision at the site. Early provision of some health suite facilities poolside will also be considered alongside any other potential changes identified through the public consultation.

6. Preferred scheme

6.1 The proposed preferred scheme key facilities include;

- A café/hub/reception zone
- Soft play, clip and climb facilities, with additional café seating and associated party room area
- Leisure water area with slash pad and associated internal flumes
- 25m - 8 lane swimming pool capable of hosting regional competitive swimming events
- 17m x 7m adjacent learner/teaching pool
- 100 permanent spectator seating/viewing area for the main pool
- 6 court sports hall for sports development and competitions with bleacher type seating
- Large fitness suite, with 100+ stations,
- 1 Spin studio, 2 fitness studios for class activity
- Community space/rooms
- Squash court provision with removable middle wall for multi-functional activity area
- An outdoor active environment with enhancements to existing surrounding open space.

6.1. The proposed latest drawings for the preferred scheme can be found at appendix 2.

7. Option Appraisal

7.1 In formulating this report and developing the preferred scheme, consideration has been given to the following options:

Option One – taking a decision not to proceed with the new Leisure facility at the Cascades Leisure site

- 7.1.1 As set out in the report to Cabinet in January 2022, the council is committed to addressing health inequalities in the Borough, with the Corporate Plan specifically referencing the importance of ensuring that residents are 'safe, healthy and active' and the improvement of facilities and creative sports programmes to tackle local health inequalities.
- 7.1.2 The strategic leisure needs assessment concluded that the current Cascades and Cygnet Leisure centres are ageing and have issues in respect of their building quality. Whilst being well located in respect of their accessibility to Gravesham residents, they do not provide a modern, flexible offer to the community. The assessment also set out a Borough shortfall of 6-8 lanes equivalent of water space in respect of swimming provision. In addition, there is demonstrated demand for swimming lessons locally, relatively strong demand for sports hall and health & fitness provision and a clear gap in the market locally in respect of soft play provision.

- 7.1.3 Progression of option one would not deliver the council's corporate objective of addressing health inequalities in the borough, would not address the assessed leisure needs of the borough and would still require the council to make significant investment in maintaining a building that is beyond its useful life and no longer fit for purpose.

Option Two – delaying progress of the project until economic conditions become more stable

- 7.1.4 Delay in bringing the project forward would not deliver the Corporate Plan commitment of the council to address health inequalities in the Borough and improve facilities and creative sports programmes to tackle local health inequalities.
- 7.1.5 There is little certainty currently on how the economic situation of the country as a whole will develop, whether it will improve or worsen, and how long any recovery may take. Delaying the project is therefore considered unlikely to deliver sufficient certainty against any meaningful timescale, given the ageing nature of the current Cascades Leisure Centre that is beyond its original useful life.
- 7.1.6 Progression of option two would not deliver the council's corporate objective of addressing health inequalities in the borough, would not address the assessed leisure needs of the borough and would require the council to continue to investment in maintaining a building that is beyond its useful life and no longer fit for purpose until such time that economic conditions had improved.

Option Three – progressing of the project, recognising the financial viability challenges and seeking to contain costs within the current estimate and increasing capital funding for the scheme, or identifying opportunities to reduce costs further where they are not significantly detrimental to the key objectives of the project

- 7.1.7 This is considered to be the most effective option to progress, which enables the council to fulfil its commitment to addressing health inequalities in the Borough and improving facilities and creative sports programmes to tackle local health inequalities, whilst also responding the strategic leisure needs of the borough.
- 7.1.8 Option three continues to recognise the limitations of the current Cascades Leisure Centre in respect of its age and building quality but identifies that for the project to be financially viable in the current economic situation, further work will be necessary in the coming months to firm up the capital costs of the project and pursue external funding opportunities to reduce the cost of borrowing.
- 7.2 Cabinet is asked to endorse the view that the council proceeds with Option Three and agree to officers progressing with the scheme, recognising the financial viability challenges and seeking to contain costs within the current estimate and increasing capital funding for the scheme, or identifying opportunities to reduce costs further where they are not significantly detrimental to the key objectives of the project.
- 7.3 The financial provision made for the project in the approved Capital Programme is considered to be sufficient for the current financial year, with any construction activity on site unlikely to commence before Summer 2023. Total project costs,

- however, have significantly increased and will need to be further considered by Full Council through consideration of future year capital budget provisions.
- 7.4 Any decision to proceed would be considered as a Key Decision, given the financial impact of the decision will exceed the £100,000 threshold. In accordance with Annex 1.6 of the Constitution, the Executive Leader may take a Key Decision.
- 7.5 The lead consultants through a project risk register have identified a number of risks, the associated risk consequences and the various controls that are in place to mitigate these risks. This will be updated at regular intervals and Appendix 1 (for September 2022) gives an indication of the breadth and scope that this will cover as its populated during the project's development through the various RIBA stages to completion.

8. Next Steps - Consultation and Planning, Early Contractor Involvement (ECI)

- 8.1 **Consultation** – A public consultation to seek residents' views on the preferred scheme proposal is currently running for a four week period, which started on Monday 24 October and will run until midnight on Sunday 20 November 2022. The consultation survey, together with further information about the proposals is available on the Council's dedicated Cascades Leisure Centre page;
- <https://www.gravesham.gov.uk/sports-leisure/update-new-cascades-leisure-centre>
- 8.2 Paper copies are also available if requested. There is also a drop-in session for residents wishing to speak to someone from the design team and to find out more about the proposals for the new leisure centre on Tuesday 8th November 2022, from 12 noon to 7pm. This will include information boards which will stay on site for a period of time during the consultation phase, which will be replicated at the Civic Centre for information only.
- 8.3 **Planning Permission** – The preferred scheme is similar in size to the existing facility and thus the Green belt and Environmental Impact Assessment (EIA) risk issues should be mitigated, unlike the designs that are proposed for optimum and optimum plus schemes. These latter options would possibly require a full EIA as well as notification/self-referral to the Secretary of State. The preferred scheme location, which is very similar to the original feasibility study option, would be built on the existing car park, meaning the current site could be kept open during the build and the existing green space by the existing car park would not be affected. Although all leisure facility tenants would not be affected by the new build (e.g. Gravesend Golf Centre, model railway and Legends Sports etc), Regan's Bar would have to be demolished and removed from the site to make way for the new leisure centre. Assuming that there are no major issues with the preferred scheme, it is proposed that a formal submission will be made to Planning by the nominated planning consultants, Lichfield's, by the end of November 2022 along with the associated supporting documents and related studies.
- 8.4 **Early Contractor Involvement (ECI) Process** - ECI is targeted to commence in RIBA Stage 2/3, subject to the successful conclusion of a procurement process to find a suitable pre-contractor partner through the Pagabo Major Works Framework. Potential candidates have already attended a presentation and Q&A at the Civic Centre on 23 August 2022. The presentation was given by Lead Officers, the Lead Consultant and Design Team. The presentation day acted as an informal Expression of Interest (EOI) opportunity in advance of the issue of an Invitation to Tender (ITT) document through/and administered by Pagabo. It is anticipated that an award for a construction partner will be determined in early 2023.

- 8.5 **Future Management Operating Model** – Gravesham Community Leisure Ltd currently have a contract with the Council for the management of Cascades and Cygnet Leisure Centres up to 2025. Therefore, KKP are currently developing a state of the market and management options report, in order to give some guidance as to the future operator options available to the council, taking into account the agreed management contract philosophy as well as the type of working relationship it wishes to pursue going forward in order to meet it's strategic aims and financial requirements.

9. University of Kent (UOK) Involvement

- 9.1 In line with the proposed facility encompassing Passivhaus design principles, the project is receiving support from a small number of design students from the University of Kent's MSc programme in Architecture and Sustainable Environment. The students are researching three different areas:
- 9.1.1 The existing building to identify different paths where energy is being consumed, apart from the swimming pool.
 - 9.1.2 Looking at swimming pool alone to understand how much energy it consumes and investigating more energy efficient ways in which we could maintain the pool at the new centre.
 - 9.1.3 The design of the new building to the highest environmental standards normally specified for domestic homes and how that specification can be adapted for areas such as the gym, pool, offices, sports hall, etc.
- 9.2 An article was published in a recent edition of Your Borough outlining this joint initiative. The finalised dissertations will be discussed with the students shortly as it is intended that these studies will help to positively outline the rationale for developing a new Centre to encompass Passivhaus design principles, which will in turn support the Council's long term carbon emission targets.

10. Lower Thames Crossing & Ebbsfleet Garden City

- 10.1 Options regarding leisure development in Gravesham going forward also need to take account of the Lower Thames Crossing (LTC) programme, which may have a degree of overlap with leisure centre construction. In this regard, the LTC development includes the compulsory purchase of the Southern Valley Golf course. National Highways is negotiating a voluntary purchase the course, but in the interim the owners have closed it. Discussions to date have involved the potential for the acquisition of part of the Southern Valley site by GBC to replace the existing council owned nine-hole par three course (which is also earmarked for compulsory purchase by LTC), as part of a land swap arrangement. These discussions and potential agreements will help to create a second phase of leisure development within the area, especially with regards to outdoor team sports.
- 10.2 The Planning Inspectorate have notified the Council that they expect the DCO (Development Control Order) for the LTC scheme to be submitted to them on 28 October 2022. A start on site is expected in 2025 and potential completion by 2030, assuming the DCO is granted in mid-2024. Therefore, discussions with LTC representatives will be on-going over the coming months, especially with regards to potential synergies around construction timings if feasible and transport routes for construction vehicles

- 10.3 As reported previously, proposals for a hub leisure facility at Ebbsfleet Garden City (if delivered) will also provide a potential competition standard facility for swimming and sports hall provision. Therefore, the future plans for the current Cygnet Leisure Centre site will need to be considered and agreed once it is known whether the Ebbsfleet landmark leisure facility is to be developed, and if so, when it will be completed, along with its actual location within the Garden City. It should however be noted that there remains a commitment for there to be two municipal leisure centres in the borough, and interim measures to support the ongoing operation of Cygnets are currently being considered.

11. Conclusions

- 11.1 The preferred scheme delivers a range of facilities to create an exemplar community leisure centre. This includes a range of wet and dry facilities, from a pool capable of hosting competitions including regional events, with leisure water, sports hall, indoor children's play and a community café.
- 11.2 Financial viability of the scheme is challenging, and the current economic situation is amplifying the risks associated with the scheme, relative to construction cost inflation and likely borrowing rates. It is considered that the council has a number of options available to it to seek further financial certainty and resilience in its plans, including seeking further capital contributions to the project or considering ways in which the cost of the project could be reduced without significantly detrimentally affecting the delivery of the project objectives. Should these options not deliver the required outcomes, or the macro-economic situation worsens, there will be a need to review the project further and determine how it may best come forward.

12. Appendices

- 12.1 Appendix 1 – Project Risk Register
- 12.2 Appendix 2 – Building Plans

13. Background Documents

- 13.1 The following background documents were used:
- 13.1.1 Decision Report – Appointment of Design Team – February 2022
 - 13.1.2 Decision Report – Early Contractor Engagement – June 2022
 - 13.1.3 Gravesham RIBA Stage One Report – September 2022
 - 13.1.4 Gravesham Business Plan Options Appraisal – September 2022

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Secondary Implications

Risk Assessment

Replacement of a leisure centre is a large project for a district council, so it is important that the necessary resources are dedicated to this project to ensure that all risks are covered. The council does not have the necessary capacity or professional expertise in some of the areas required to deliver this complex and large-scale project. A Risk Register (Appendix 1) has been developed by the lead consultants which will be updated as the project moves through the various RIBA stages.

Data Protection Impact Assessment	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	<p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner's Office website via the above links.</p> <p>No</p>
	<p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>Not applicable</p>
	<p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk.</p> <p>As above.</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.</p> <p>No</p>
	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p>
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Crime and Disorder	The new centre will enable the site as a whole to be looked at in terms of access/egress from the site, especially with regards to ASB, as well as layouts of the new centre itself to mitigate historic issues associated with the existing facility.
Digital and website implications	The current leisure centre is operated by a partner organisation, so at this stage this is not an issue.
Safeguarding children and vulnerable adults	All contractors used will need to adhere to the Councils Safeguarding policy.