

REPORT TO EXECUTIVE

PORTFOLIO AREA: ENVIRONMENT & INFRASTRUCTURE

Date of Meeting: 16 February 2009

Public

Key Decision: Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: SANDS CENTRE DEVELOPMENT

Report of: Director of Community Services

Report reference: CS 07/09

Summary:

The Director of Community Services to submit a report seeking approval to spend up to £50,000 from existing budgets on the further development of the Sands Centre scheme and to further develop facilities in Carlisle in conjunction with the University of Cumbria.

Recommendations:

1. That the Executive authorises the Director of Community Services to further develop the project utilising up to £50,000 funding from the City Council to deliver the identified feasibility studies and report the detailed outcomes back to the Executive.
2. To endorse a letter of intent with the University of Cumbria providing the Council's commitment to further develop the scheme and to incorporate the University's requirements within the potential project.

Contact Officer: Richard Lewis

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: CS 27/08

1. BACKGROUND INFORMATION

- 1.1 At the Executive Meeting on 2nd July 2007 members considered options for the redevelopment of the Sands Centre as an enhanced events and conference venue, with provision of a new four badminton court sports hall on the same site.
- 1.2 The redevelopment originally envisaged was to build a new sports hall on the Sands Centre site and to refurbish the current hall and upgrade it to allow the entertainment side of the Centre's operation to be developed. This would allow for accommodation of bigger, more lucrative and higher profile entertainment events and conferences to be staged there.
- 1.3 The Executive agreed initial expenditure of £20,000 to fund a study into the possible redevelopment of the Sands Centre.
- 1.4 The assessment, plans and costs of this project were nearing completion when Carlisle Leisure Limited offered to look at the scheme, at no cost to the Council, and to come up with alternative proposals. This was done and costs came in at around £3M.
- 1.5 Following the work by Carlisle Leisure Limited, further developments and discussion have now led to possible additional components which could further enhance any potential developments.

2. CURRENT POSITION

- 2.1 The University of Cumbria has shown a keen interest in being involved with the Sands Centre project, as they require a base for their sports science degree courses. They wish to add teaching facilities and specialised sports fitness testing and performance assessment areas adjoining the new sports hall proposal. The University has a budget of approx. £3 – 4 million to build and equip such facilities.
- 2.2 In addition, the option of providing a new swimming pool on the site has been considered. This would be a 25 metre pool. The rationale for such a development is the need to replace the Pools as identified in the Sports feasibility study and due to the current state of the James Street facility, which is in need of extensive refurbishment. If a 25 metre pool were to be built on the Sands Centre site, it would not be a replacement for James Street, and another 25 metre pool and teaching pool would be needed to be built elsewhere in the City to cater for the loss of the Pools complex and a range of options for this are emerging. Appendix A provides an early indicative impression of a potential development at the Sands with a Pool.

- 2.3 The existing pool site could become part of a master planning exercise for the use of the space beyond the immediate requirements of the University on Caldew Riverside as Carlisle Renaissance develops in the future. Those unknown future uses could provide a capital receipt for future pools development. However, the issue of the current site and facility will require attention in the short to medium term if the Council wants to maintain the provision at the current level, due to the poor condition of the site. It is estimated that approximately £1.5M would be required in the short term to maintain the existing facility at its current level of operation and customer service over the next 3 years.
- 2.4 The University wish to work on detailed and fully costed proposals for the Sands Centre (It should be noted that the University do not require the pool option for their requirements, although if one was provided it might be of help to them). The University have to have a sports science facility in place for October 2011 to coincide with their Cumbria wide estates programme.

3. FINANCIAL IMPLICATIONS

- 3.1 Currently there is no capital allocation for this scheme in the Council programme. It is anticipated that the University proposals combined with those which the Council and Carlisle Leisure Ltd had previously drawn up would be in the region of £6 – 7 million without a pool. It is not yet known what the additional cost of the scheme would be including the Pool. In addition to this as set out in the report, funding for refurbishment of the existing Pool of c £1.5m will be required over the next 3 years and/or provision of an additional Pool.
- 3.2 The University has between £3– 4 million to contribute. Carlisle Leisure Ltd estimates that £100,000 could be generated annually from this proposal which they would borrow against if required to contribute to the development. Without a Carlisle Leisure contribution, the capital cost to the Council would be in the region of £3 million without Pool expenditure included.
- 3.3 No funding proposals to Sport England, NWDA etc. have been factored into the potential funding pot. The NWDA are currently considering locations for potential sports village projects in the North West. A sports village is a number of sports facilities located on the same or adjacent sites. The City has a ribbon of development from Carlisle United to the Sheepmount, including the golf course, the Sands and Bitts Park and incorporating the Rugby and Squash clubs. The development opportunity at the Sands Centre could potentially attract additional

funding to assist with the scheme, if this area was awarded sports village status. Funding applications may not fit in with the tight timescales identified for delivery of this project.

- 3.4 The option for a pool makes sense both from an operational perspective with complimentary facilities on one site and economically, because it would be less costly to run compared to a stand alone pool facility. Some of the costs of new swimming facilities could be met by redeveloping the James Street site, however no work has been undertaken to date on future possible uses.

4. NEXT STAGE

- 4.1 Should the Executive consider this project to be a priority then further work would be required to develop the proposals up to a stage where a final decision could be made on the project. This work would build upon the body of work already undertaken to include:-

- Detailed plans/layouts (to planning application stage)
- Cost estimates
- Transport assessment
- Funding details/options
- Impact on the contract with Carlisle Leisure Ltd
- Revised business plan/revenue implications
- Basis of an agreement with the University of Cumbria

Some of this work would be commissioned externally and other elements developed with CLL and the University.

- 4.2 Whilst the City Council will lead the project CLL and the University of Cumbria are major partners in the project. The CLL Board have considered and support the overall proposals and have agreed to contribute £10,000 towards the costs of the further work. Similarly the University of Cumbria are extremely enthusiastic about these proposals and a letter of intent from them is included as Appendix B to this report. They have indicated that they would be prepared to contribute to the costs of the project development.
- 4.3 The costs of the next steps is estimated to be in the region of £50-60,000. The City Council could contribute up to £50,000 from existing budgets.

- 4.4 It is anticipated that the project development work would take 3-4 months. It is important for the Council to be aware of the timescales required by the University for their facilities to be in place by Autumn 2011. Should this project not proceed they will need sufficient time to develop alternative proposals elsewhere in Cumbria.

5. CONCLUSIONS

- 5.1 The development of the Sands Centre has considerable merit which would make a bold and positive contribution to the Council's priorities. It does come with the requirement to make a significant investment but would create a long term legacy for the City to be proud of. The pool, whilst desirable, could be seen as an option which could be added at a future date.

6. RECOMMENDATIONS

- 6.1 That the Executive authorises the Director of Community Services to further develop the project utilising up to £50,000 funding from the City Council to deliver the identified feasibility studies and report the detailed outcomes back to the Executive.
- 6.2 To endorse a letter of intent with the University of Cumbria providing the Council's commitment to further develop the scheme and to incorporate the University's requirements within the potential project.

7. IMPLICATIONS

- Staffing/Resources – External Support would be provided for specialist activities
- Financial – As stated in the report the costs of the feasibility study are to be shared between this authority, Carlisle Leisure Ltd and the University. These are estimated to be between £50k to £60k. The share has yet to be agreed but Carlisle City Council's share will be met from a virement from existing Community Services budgets. The Council's Contract Procedures Rules which apply to contracts in excess of £35k will be followed in the commissioning of the work.
This report is only to requests authority to commence the feasibility of the development work but it is important to bear in mind the longer term implications if it does go ahead as they are significant and involve estimated capital investment by the Council of c£3m, without any Pool expenditure.

The estimated cost of the potential development of the Sands Centre provided at Paragraphs 3 above are **very broad brush**.

Much more detailed information will be required to firm up the development and ongoing cost and consider how they will be shared between the Council, Carlisle Leisure Ltd and Cumbria University.

The budget requirement which will ensue should the project go ahead will be include both capital and revenue expenditure, neither of which are included in the current Medium Term Financial Plan or the 2009 Budget. Some of the revenue costs will be recurring and how these will be met and by which partner will be considered as part of any plan going forward. The Council has no additional revenue resources at its disposal and in fact needs to deliver considerable savings over the next 5 year period, as set out in the recent budget resolution approved by Council on 3rd February 2009.

Also set out in the Council's Budget, the Council's capital reserves will reduce over the next five year period due to the existing planned capital programme. After capital spending plans to 2011/12, the current forecast is that there will be in the region of c.£3.6m remaining in unallocated capital resources. This project would take up the majority of this remaining projected funding and the opportunity cost implications on other potential schemes will also need to be considered. There are however potential receipts from the sale of Morton Land which have not as yet been factored into the Capital projections. Information regarding the capital receipt which may arise from the disposal of the existing swimming pool (or other assets) will also assist in setting out how the capital expenditure could be funded.

As set out in the report a full Business Case will be produced and considered by the Capital Projects Board which includes the above considerations amongst others such as the impact and potential changes required to the existing contract with Carlisle Leisure Ltd due to expire 30 November 2017.

- Legal – The Executive would need to be clear as to the contents and commitment given in any letter of intent to make sure that it did not impose obligations on the Council more extensive than was intended at this stage of the process.
- Corporate – This project has the potential to make a significant contribution to our corporate priorities and to further develop links with the University of Cumbria in Carlisle. The project would require a significant capital contribution from the Council the impact of which would need to be carefully assessed.

- Risk Management – Specific project risks will be developed during the next phase of work if approved.
- Equality Issues – The development of the project and subsequent use of the new facility will embrace this issue.
- Environmental – Again energy minimisation and environmental issues would be embraced in the design.
- Crime and Disorder – The provision of the new facilities at the Sands would provide a wide range of facilities and activities for all sectors of the community.

DRAFT

Letter on University of Cumbria Stationery

Carlisle City Council
Civic Centre
Carlisle
Cumbria

30th January 2009

For the attention of Ms Maggie Mooney, Chief Executive

Dear Ms Mooney,

**University of Cumbria and Carlisle City Council – Joint Working Arrangements to
Develop University Sports Facilities at The Sands Centre, Bitts Park and The
Sheepmount - Subject To Contract**

This letter sets out the intentions of Carlisle City Council (CCC) and the University of Cumbria (UoC), (The Parties) in respect of the proposed above named developments.

The headquarters of the UoC is located in Carlisle and the University proposes to build a new campus on land owned and land potentially to be acquired by Carlisle City Council within the Caldew Riverside Regeneration Area. That project is itself the subject of separate and ongoing discussions. This work is being facilitated through a joint project board which consists of members of the UoC, CCC and Carlisle Renaissance. The UoC will also continue to operate from its current site on Fusehill Street for the foreseeable future.

The proposed UoC developments in Carlisle will be truly transformational, in terms of academic offering, economic development and the establishment of Carlisle as a true and full Learning City. In accordance with these aspirations, it is necessary for the UoC to develop excellent sporting facilities, for both academic sports-related courses and recreational facilities for all students. In addition, and in line with the University's desire for inclusiveness, it is proposed that University facilities, wherever practically possible and

financially viable and feasible, will be open for public use, thereby allowing the community to feel they hold a stake in the University.

Joint working between The Parties has identified an opportunity to create additional sports facilities at The Sands Centre, consisting of sport-specific teaching spaces and laboratories, conditioning suites, staff accommodation, and access to a sports hall and ancillary sporting facilities, e.g. climbing wall, dance studio, etc.. Feasibility studies have been carried out and this letter signals an intention for the project to move to Stage D of the design process. This stage should clearly identify the cost of development and a suitable funding contribution model will be agreed between The Parties, as should a suitable legal agreement to govern the use of facilities and a funding contribution model for associated operating costs. It is proposed that The Parties work toward a definitive contractual position in a later memorandum of understanding. Until a definitive contractual position is reached, including agreement of cost allocation between the parties, each party will bear its own costs.

An agreed initial project plan will form part of the memorandum of understanding. The project plan will clearly identify major work packages, responsibility for discharge and management of work packages, and timescales for each element of the project. All procurement activity for services associated with this development, will be carried out in accordance with the prevailing procurement legislation.

In addition to development at The Sands Centre, the UoC will be granted primary use of sports facilities at Bitts Park and The Sheepmount. Again, the legal nature of this grant will be defined within the proposed memorandum of understanding.

Both the Sands Centre and Sheepmount are managed under contract by Carlisle Leisure Limited who have a lease and management agreement with the City Council. Any agreement made between the University of Cumbria and Carlisle City Council will have to be reflected in changes to this arrangement with Carlisle Leisure Limited. The City Council will be responsible for making these changes and reflecting the University's requirements within any new arrangement

Upon signing this letter, The Parties clearly signal their intention to continue the development of their excellent partnership, with a proposal to move to a more formal contractual position through firmer definition of terms within a memorandum of understanding for the joint development of the Sands Centre and Sheepmount scheme. Although this scheme plays an integral part of the University's overall developments, it is intended that this scheme will be treated as independent to other developments elsewhere in Carlisle to allow the scheme to progress at its own pace and in line with the University's

and the City's leisure service delivery requirements, intended to be operational by October 2011.

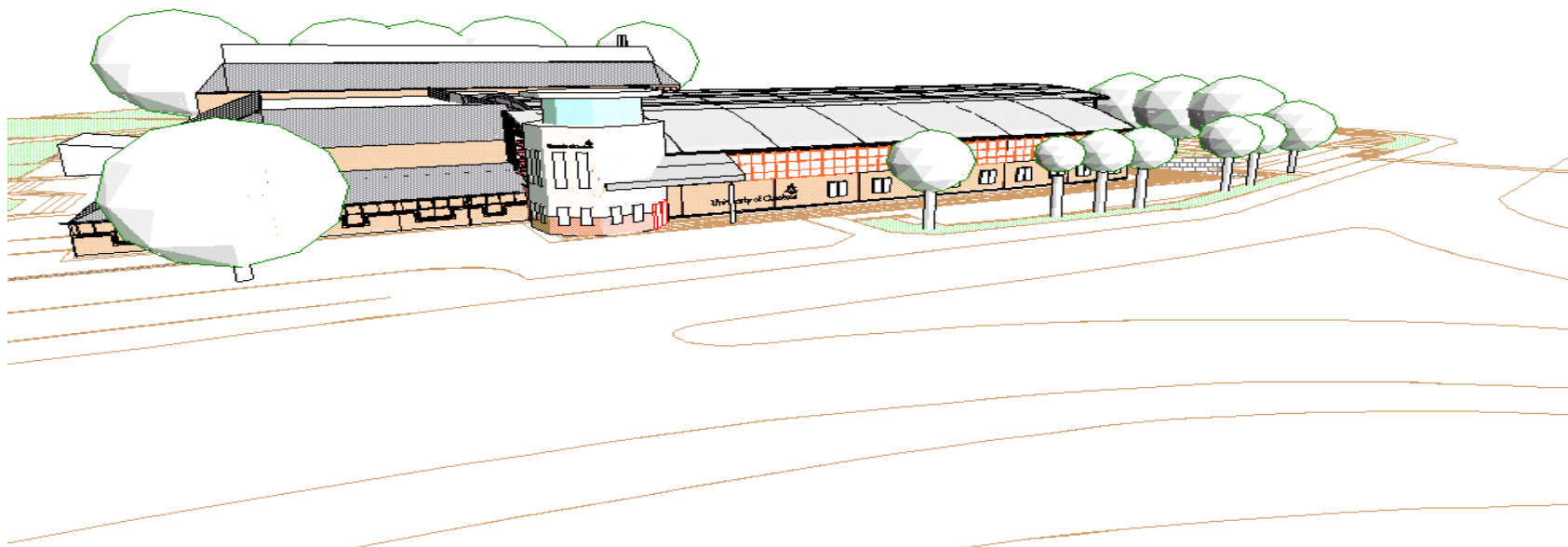
Signed by, as a statement of intention, and agreement and acknowledgement of the ambitions of the plan set out in this statement of intent :-

Ms Maggie Mooney
Chief Executive
Carlisle City Council

Peter Armer FCMA
Director of Resources, Finance & Estates
University of Cumbria

Dated

Dated



Carlisle Leisure Ltd
Proposed Alteration & Extension to The Sands Centre, Carlisle
Perspective View





Carlisle Leisure Ltd
Proposed Alteration & Extension to The Sands Centre, Carlisle
Perspective View



