



# **REPORT TO EXECUTIVE**

## **PORTFOLIO AREA: COMMUNITY ENGAGEMENT**

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**Date of Meeting:** 28TH AUGUST 2007

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**Public**

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**Key Decision:** Yes

**Recorded in Forward Plan:** Yes

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**Inside Policy Framework**

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**Title:** SANDS CENTRE DEVELOPMENT

**Report of:** MARK BEVERIDGE

**Report reference:** CS 58.07

### **Summary:**

This report provides the Executive with options to consider for progressing the project further.

### **Recommendations:**

The Executive is asked to consider the comments from Community Overview & Scrutiny, together with the original report and decide:

1. To progress the scheme further or halt work at this stage.
2. If progress is approved request a £20,000 supplementary estimate from Council to progress the project to.

**Contact Officer:** MARK BEVERIDGE

**Ext:** 7350

**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: None**

## **1. INTRODUCTION**

- 1.1 The Executive has previously considered report CS 37.07 which outlined options for altering the Sands Centre main hall to accommodate events only and providing a new sports hall on-site. (Copy appended for information)
- 1.2 This report was presented to Community Overview and Scrutiny on the 19<sup>th</sup> July and their comments are on the agenda of this meeting.

## **2. CONCLUSION**

- 2.1 The project can be moved forward if Members so wish. This will require £20,000 budget to progress which if members wished to proceed will require a request to Council for a supplementary estimate. This budget would be used to procure detailed plans and a full analysis of the business case which CLL have prepared. Both areas of information would be reported back to the Executive at a future date to enable a final decision to be taken on the scheme.

## **3. CONSULTATION**

- 3.1 Consultation to Date.  
CLL, PFH, Community Overview and Scrutiny, SMT and Executive.
- 3.2 Consultation proposed.  
None at this stage.

## **4. RECOMMENDATIONS**

- 4.1 The Executive is asked to consider the comments from Community Overview & Scrutiny, together with the original report and decide:
  - 1. To progress the scheme further or halt work at this stage.
  - 2. If progress is approved request a £20,000 supplementary estimate from Council to progress the project .

## **5. REASONS FOR RECOMMENDATIONS**

## 6. IMPLICATIONS

- Staffing/Resources – It would be the intention to utilize this funding to commission external consultants to progress the design and costing estimates to the next stage ,overseen by City officers
- Financial – The Council has limited capital and revenue resources and prior to approving feasibility costs of various initiatives should consider the likelihood of which of those may ultimately go forward in the light of its priorities and resources available. The Council should take care not to commission feasibility expenditure for schemes which have little certainty of being progressed after that study.

Should it be decided that the work be progressed the £90,000 budget set aside for the IT CRM system will not all now be required and could provide the source.

- Legal – Legal comments were set out in report CS 37/07 and explained the need for appropriate variations to the Contract with CLL to be agreed and put in place if changes of the nature proposed were to be implemented and issues relating to potential claims for loss of income to be negotiated and agreed. Regard also needs to be had to the necessity of continuing to use the Sands facilities for election counts and how this might be safeguarded if the proposals are taken forward.
- Corporate – The project has yet to be subject to examination by the Council Capital Project Board, this would occur prior to the next Executive if the project proceeds.
- Risk Management – Any scheme would be subject to the corporate risk register.
- Equality and Disability – Any Council scheme would be fully DDA compliant.
- Environmental – Any scheme would be in accordance with the Council environmental policy.
- Crime and Disorder –
- Impact on Customers –



# COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE

## *Committee Report*

**Public**

**Date of Meeting:** 19th July 2007

**Title:** SANDS CENTRE

**Report of:** DIRECTOR OF COMMUNITY SERVICES

**Report reference:** CS 37 07

**Summary:**

This report provides as an appendix the Executive Report on the Sands Centre. The report provides a proposal for the capital development of the Sands Centre for events as well as sport.

**Questions for / input required from Scrutiny:**

**Recommendations:**

Members consider the report and provide a response to the Executive on the proposals being made.

**Contact Officer:** MARK BEVERIDGE

**Ext:** 7350

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: None

## 1. INTRODUCTION

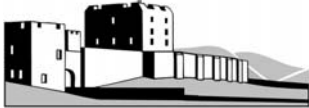
- 1.1 The Sands Centre is more than a sports centre, it is very much a multi-purpose venue and has been from its conception. However, in fulfilling that role it has meant sport and entertainments often have to compete for the same space.
- 1.2 The Executive considered the appended report and seek comments from scrutiny on the merits or otherwise of the proposals it contains.

## 2. THE PROPOSAL

- 2.1 The basic proposal is to remove sport from the main hall and use it for events only. The displaced sport could be accommodated by building onto the Sands or at another location.
- 2.2 This idea builds upon that identified in the Stage 1 Theatre/Arts Centre Feasibility Study. However, it should be seen as complimentary to that and not as a replacement.

## 3. CONCLUSION

- 3.1 The proposals set out in the appended report will require further work before members are in a position to make a decision. That is estimated to cost up to £20,000 which would need to be a request for a supplementary estimate, as there is no budget provision in the 07/08 Council Budget.



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: COMMUNITY ENGAGEMENT

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Date of Meeting: 2nd JULY 2007

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Public

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Key Decision: Yes

Recorded in Forward Plan: Yes

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Inside Policy Framework

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Title: SANDS CENTRE

Report of: DIRECTOR OF COMMUNITY SERVICES

Report reference: CS 37 07

**Summary:** This report considers options for transforming the Sands Centre main hall into an events only venue and the subsequent accommodation of the displaced sports usage.

**Recommendations:** The Executive are recommended to:

1. Consider the options outlined for the Sands as an events venue
2. Forward the report to Community O&S on 19 July 2007 for comment

Contact Officer: MARK BEVERIDGE

Ext: 7351

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: None

## **1. INTRODUCTION**

- 1.1** Following the presentation of the stage 1 theatre/arts centre feasibility study to the Executive it was agreed that a joint officer/CLL group would investigate the potential options for converting the Sands Centre main hall to an events only venue. This would enable the range of events to be expanded, for example snooker championships, major darts events, concerts by leading artists on week days (currently this is by exception) and exhibitions which require several days to stage.
- 1.2** This proposal was and is seen as complimentary to the theatre study and also linked to the outcome of the sports facility feasibility study. That study also determined the need for additional community based facilities in addition to the existing provision in the City, which could be part of any revamp of the Sands if required.
- 1.3** The Sands Centre from concept to operation has been a building with dual use catering for both a sport and a cultural focus. The net result has been an uneasy alliance between the two competing demands. Whilst the centre has developed and flourished as the primary events venue between Lancashire and Clydeside, there have been a number of occasions where either sport or events have had to take precedence to the exclusion of the other. The benefits of having a venue dedicated to events in the City would be measured both in the number of visitor bed nights derived from participants and visitors, but also the enhanced profile for the City and the sub region, which can be gained especially when televised events are attracted. For example, the snooker events have helped Sheffield in their marketing of the city. The value of such major events can run into millions of pounds, such is the value of the media exposure. The Sands already attracts from a wide geographical area and the potential market is available for events as evidenced by the huge numbers of people who travelled to see Elton John recently in the city.
- 1.4** A joint working group comprising Council and CLL representatives, have considered what can be achieved at the Sands Centre to improve upon the existing service. Whilst the options related to the Sands have been developed (see appended plans), the options for re-locating sport into the community is linked to the secondary school review which has yet to be completed.
- 1.5** None the less, this report considers the position and offers options based on the current available information. It is important to note that in the Sports Facility Feasibility Study, considered by the Executive at its meeting on 20<sup>th</sup> November 2006, the report estimated that there was sufficient unmet demand for 4 badminton

court size hall in the City in addition to the Sands Centre main hall. Therefore, when in this report the issue of moving sport into the community is raised, that does not necessarily mean that the indoor sports provision at the Sands has to be fully accommodated elsewhere. Although it could be an option, but that there is still demand for additional community based space above that currently provided at the Sands Centre. However, if the main hall is used for events alternative provision for sport would still be required somewhere, to simply retain the status quo.

## **2. OPTIONS**

- 2.1 Currently the main hall at the Sands Centre is a sports hall which is converted with the addition of seating both tiered and floor based, as well as a stage and some drapes. However it is clearly obvious that people and performers are in a sports hall. This does not prevent it being a very popular venue but it does tend to provide a different atmosphere compared to a purpose built venue. In considering the options outlined the objective was to see how the hall and the experience of visiting it from a customer and performers perspective could be enhanced. This would have the benefit of increasing the demand by people who do not visit currently and making the venue more attractive to promoters when considering the touring schedules of their clients. Both would be expected to increase the revenue stream for the space.
- 2.2 It is envisaged that with a venue which is focused on events then more of the larger touring productions such as the recent Joseph and Blood Brothers promotions, could be staged enabling local people access to the sort of shows which they would have to travel to say Sunderland Empire or Manchester to see. This has the benefit of raising the profile of the City but economically helping the development of the night-time economy and as part of Carlisle Renaissance and help in the overall economic re-generation of the City. In addition such a venue would help to attract conferences which are staged elsewhere because the City cannot offer the venue to meet the needs of organisers. It is possible to see that the development of the airport and the proximity to the Lakes could prove attractive to organisers of such events.
- 2.3 The options outlined provide an approximate cost of delivery based on current costs. The following event and sport options are not mutually exclusive, one option each from both the event and sports alternatives would need to be selected if members wish officers to explore these proposals further.



## 2.4 Events Venue in the Main Hall at the Sands

The capacity of an events space in the main hall, without amending walls, would be up to 1350 seated and 1700 standing.

This comprises 3 alternatives:

- a) Basic upgrade would see some cosmetic improvements to the main hall but it would continue to be used as currently. Whilst providing an improved appearance there are no other tangible benefits to this option.  
Approximate cost £100k
- b) Major upgrade – replacement of main hall roof, M&E works, aesthetics' within the hall. The hall would have some shared use, but the sport element would be limited to casual pay an play when events were not booked, so leagues etc could not be staged which require definite space allocations. This would create a flexible events space.  
Approximate cost £1.5m
- c) Major upgrade and ancillary work – This would include b) above plus significant additional technical upgrades enabling the Sands to attract a range of entertainment not currently catered for and remove any casual sport from the hall. Also included would be refurbishment of foyer and provision of new entrance for sports users  
Approximate cost £3m

## 2.5 Sports Provision at the Sands

- 2.6 If a major upgrade to the main hall is carried out, the only sports use of the hall, apart from specific sports related events, would be casual pay and play during periods when the hall was not booked out for events. This would be very limited and unlikely to be pre-booked.
- 2.7 Therefore replacement sports facilities would be required for the current Sands main hall provision. If these were provided for at the Sands Centre:

Sports Hall and ground floor extension to existing fitness suite, including additional changing rooms to replace those lost with changing the use of the main hall, plus extensive external works Up to a maximum of £2.4m

An addition to the sports provision outlined above could be to build an extended mezzanine floor in the existing ancillary hall, which would increase flexibility and more importantly enhance revenue potential, this would cost around £250,000

(Note: all costs are based on a class 1 estimate for the 1<sup>st</sup> quarter 2007 and exclude VAT)

- 2.8 If the facilities were constructed at the Sands Centre it carries the benefits of utilising existing ancillary facilities and staffing which would help to mitigate the total revenue implications and maximise overall income. Although some car parking provision would have to be sacrificed if a development of sports facilities were undertaken at the Sands.
- 2.9 However, the Sands is not the only venue for sports facilities, if a redevelopment of the main hall were to be embarked upon.

### **3. ALTERNATIVE SPORTS PROVISION**

- 3.1 The current review of secondary school provision could release space or indeed create additional capacity depending upon the final decision. However a major constraint could be the limited daytime term access that is achieved, as school use would be the primary customer. Although if a new build were to take place, imaginative and innovative design would help to minimise access issues for community use during the day.

#### **3.2 SYNTHETIC PITCH**

- 3.3 Work has already been carried to assess the viability of a pitch at the Sheepmount and this will be the subject of a further report to the Executive in due course. If constructed it could provide a base for the majority of five aside bookings currently located at the Sands. Presently football represents 11% of sports use in the main hall.

### 3.4 A STAND ALONE SPORTS HALL

- 3.5 Such a facility could if land were available be built away from the Sands Centre in a community setting to replace the current main hall. Although location of such an option would play a key part in the long term success it would have in attracting people to use it. The central location of the Sands is an attraction to many people currently. Stand alone facilities are more expensive to operate because the benefit derived from being linked to an existing building, for example: a school or community centre would be lost.

### 3.6 MULTI-USE GAMES AREA

- 3.7 The City has 3 free open access sites, which offer facilities for football, basketball and tennis. Realistically these types of facilities should be seen as additional community based areas which provide sporting opportunities for young people to engage in and are a development tool for getting interest stimulated which can be developed at indoor sites. They are not replacements for indoor sports hall provision. Adding to the 3 existing sites would help in providing community based facilities. A location in the west and north of the city would provide excellent urban coverage plus one or two site in the rural areas would be a tremendous asset to the City and provide places for young people to use. However, there is limited external finance available for these facilities currently, although they could be delivered as a result of future developments arising from Carlisle Renaissance or 106 agreements.
- 3.8 If the Sands Centre main hall was primarily events only, there would be approximately 80,000 user visits displaced. This would require the equivalent of another 4 court sports hall, plus a mezzanine floor on the secondary hall and the synthetic pitch to accommodate the usage, simply to accommodate that displacement without any additional community based facilities.
- 3.9 There is limited existing capacity in the present range of community facilities available to be used for sport, as those that can be used already have bookings from local clubs.

## 4. **CONTRACTUAL IMPLICATIONS**

- 4.1 The Sands is part of the leisure management contract which the Council and CLL agreed in December 2002. It runs for 15 years and so any changes to it would have to be agreed by both parties, if the Sands were to be changed as described in this report it would require a negotiated variation to the contract or a re-negotiation of

the existing contract entirely. There is also the potential of a claim for loss of income from CLL during any period of disruption during completion of any of the options outlined.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 At this time it is unknown if CLL would be able to contribute any meaningful sum to the substantial capital costs outlined, although it is thought unlikely that they would be in a position to do so within the remaining years of the contract, which may require a contract re-negotiation. Obtaining external sources of finance for such a scheme are limited, but have not yet fully been explored which would be part of any further work if members wanted officers to progress this work.
- 5.2 The revenue implications overall of such a development at the Sands are predicted to be positive, although further work is needed to develop a full business case. The cost of a detailed study would require some external specialist advice and could cost up to £20,000. Dependant upon any future decision regarding the theatre this could be met from existing budgets. Events generally make more than they cost to stage, although with national and international events there can be bidding by rival locations to stage them which requires investment in advance of being awarded the events. However for a range of entertainment type events, the Sands could capitalise on its geographical position with promoters and the unrestricted offer of mid week bookings would accommodate many more performers than are currently able to use the venue.

## **6. CONCLUSION**

- 6.1 The potential benefits of a re-vamped Sands hall for events only and new sports facilities could help the economy both directly with people visiting the City for events, but also over time increasing the profile through media exposure. Local people would get the opportunity of a greater choice of events to see without the need to travel outside of the County or even the region. If combined with increasing the range of community based facilities as well there could be significant contributions to the corporate priorities of learning city and cleaner, greener, safer, through the increase in participation of young people particularly.
- 6.2 At this stage the work has been primarily a desk based exercise to consider the practicalities of such a move and identify some of the costs involved. This has shown that the scheme could be worth exploring further and if members consider this to be a priority.

The study would develop a full and independent business case and explore community sports options in more detail.

## **7. CONSULTATION**

**7.1** Consultation to Date - Carlisle Leisure Ltd, SMT, PFH

**7.2** Consultation proposed.

Executive, Community O&S

## **8. RECOMMENDATIONS**

The Executive are recommended to:

1. Consider the options outlined for the Sands as an events venue
2. Forward the report to Community O&S on 19 July 2007 for comment

## **9. REASONS FOR RECOMMENDATIONS**

To enable the proposals to be debated fully prior to any decision being taken on whether to move into a more detailed assessment of the viability.

## **10. IMPLICATIONS**

- Staffing/Resources – If this work is to be progressed beyond the initial work carried out a budget of up to £20,000 would be required to appoint specialist consultants who could prepare the detailed business case, incorporating all the financial and legal implications that the Council would need to consider before any decision was taken
- Financial –  
The Head of Financial Services comments as follows:  
The Council has limited capital resources and the use of these requires prioritising against the Corporate Improvement Plan objectives. The use of resources on one initiative limits the capacity to use them on an alternative initiative. This opportunity cost and the cost of interest lost if additional receipts are not realised needs to be included in the business case as do the revenue costs arising. The Capital Strategy sets out various initiatives which are in the early stages of being progressed. Costings have not yet been provided nor resources allocated. The question as to whether this initiative takes priority over

the others set out there, should be considered before allocating resources to it at the cost of other initiatives.

The question of whether the existing services are of a lesser priority than this area should also be considered as transfers may be necessary to fund any ongoing revenue costs.

- Legal – A variation to the Contract with CLL will be required. When assessing any claim for loss of income, the expected increase in income should be taken into account. It should also be noted that the main hall at the Sands is used for election counts and this should take priority over other events.
- Corporate – The benefits of improving the leisure offer would have an impact on the corporate priorities, the extent and range would be determined with more detailed work, although it is anticipated that such a major investment would be a significant contribution as part of the work arising from Carlisle Renaissance
- Risk Management – The risks associated with the capital outlay outlined in the report would subject to full analysis as part of a fully worked up business case if this study was to be taken on further
- Equality Issues – Any capital project would be fully accessible
- Environmental – Any capital investment would adhere to the Council environmental policy
- Crime and Disorder – If in addition to the existing provision sport was more accessible through being available at a community level, as is the case with multi-games areas there is evidence to show it has a direct and positive impact on crime and disorder
- Impact on Customers – Improvements to Council assets has a positive impact on customer experiences of the services this has been seen with the investments to-date at the Sands, golf course and Sheepmount.

## 2.4 Events Venue in the Main Hall at the Sands

The capacity of an events space in the main hall, without amending walls, would be up to 1350 seated and 1700 standing.

This comprises 2 alternatives:

- a) Basic upgrade would see some cosmetic improvements to the main hall but it would continue to be used as currently. Whilst providing an improved appearance, albeit limited, there are no other tangible benefits to this option.  
Approximate cost £100k
- b) Major upgrade – upgrading of main hall roof, Mechanical and Electrical work, aesthetics within the hall. The hall would not provide shared use for casual sport. This would create a flexible events space and address the principal issues surrounding the current feeling of attending an event in a sports hall. Therefore for example: sports fixtures and fittings would be removed and improvements to the ventilation system made, thereby giving the ambience of an event venue and an overall increase in customer satisfaction. Providing uninterrupted access to events throughout the week.  
Approximate cost £1.4m

## 2.5 Sports Provision at the Sands

- 2.6 If a major upgrade to the main hall is carried out to make it events only, thereby changing the usage policy, sports use of the hall, apart from specific sports related special events, would cease.
- 2.7 Therefore replacement sports facilities would be required for the current Sands main hall provision to satisfy the 80,000 visits annually. If these were provided for at the Sands Centre, the following option is proposed:

A new Sports Hall including an equipment store and separate sports entrance which would satisfy the demand of the displaced users from the current main hall.

Approximate cost £1.6m

(Note: all costs are based on a class 1 estimate for the 1<sup>st</sup> quarter 2007 and exclude VAT, but include an estimate for fees, it would be advisable before any final decision on the scheme was made to submit an application for planning)

- 2.8 If the facilities were constructed at the Sands Centre it carries the benefits of utilising existing ancillary facilities and staffing which would help to mitigate the total revenue implications and maximise overall income. Although some car parking provision would have to be sacrificed if a development of sports facilities were also undertaken at the Sands. The proposals if implemented

seek to maximise the impact of events, enabling CLL 7 day access to promote the venue, whilst also giving uninterrupted access for sports in a dedicated hall. The two entrance points are proposed to further emphasise this point and enhance the visitor experience of the respective groups that would use a “New Sands Centre”.

- 2.9 However, the Sands is not the only venue for sports facilities, if a redevelopment of the main hall were to be embarked upon.

### **3. ALTERNATIVE SPORTS PROVISION**

- 3.1 The current review of secondary school provision could release space or indeed create additional capacity depending upon the final decision. However a major constraint could be the limited daytime term access that is achieved, as school use would be the primary customer. Although if a new build were to take place, imaginative and innovative design would help to minimise access issues for community use during the day.

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