
Decision Maker: EXECUTIVE

18th October 2023

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy, Development and Scrutiny Committee together with the Executive, Resources and Contracts Policy Development and Scrutiny Committee on Tuesday 17 October 2023

Decision Type: Non-Urgent Executive Key

Title: LEISURE CENTRE MAJOR WORKS PROGRAMME

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Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: Orpington; West Wickham;

1. Reason for decision/report and options

- 1.1 Following Executive's approval of the Procurement Strategy for the Leisure Centre Major Work Programme (report no: HPR2023/044) in August 2023, which was subject to this report, Executive are now asked to consider the options and recommendations contained within this report in order to bring forward the major works required at the Walnuts and West Wickham Leisure Centres.

2. RECOMMENDATION(S)

The Renewal, Recreation and Housing PDS, together with the Executive and Executive, Resources and Contracts PDS is asked to note the contents of this report and make any comments available to the Council's Executive.

Executive and Full Council are asked to:

General Recommendations:

- 2.1. Delegate authority to the Director for Housing, Planning, Property and Regeneration, in consultation with the portfolio holder, to put in place arrangements for the future tenant of the facilities pending Member's decision on this matter in the Part 2 report.
- 2.2. Subject to 2.1 being approved, approve the capital budget as set in the Part 2 report.
- 2.3. Approve Option 3 of the Programme Options, outlined in 3.24, which, pending final approval of budgets in Spring 2024, will allow for all works to be complete by Spring 2026.
- 2.4. Delegate authority to the Director for Housing, Planning, Property and Regeneration, in consultation with the portfolio holder, to approve the submission of grant funding applications and to accept any subsequent awards of funding in relation to both Leisure Centres.
- 2.5. Delegate authority to the Director for Housing, Planning, Property and Regeneration, in consultation with the portfolio holder, to approve any reasonable changes to the works needed after Executive approval in order to keep the works within budget.
- 2.6. Note that additional funding may be needed for the construction works, as per 3.6.1 of the Part 2 report, above the OPR's indicative budget of £27.1m, to deliver the core requirements identified in 3.14 and 3.16 of this report and indicatively costed in 3.8 and 3.12 of the Part 2 report.
- 2.7. Approve £1.867m from the OPR's budget for Leisure Centre Works to fund RIBA 3/4 works for both leisure centres (as set out in 2.10 and 2.14).
- 2.8. Approve £150k from the OPR's budget for Leisure Centre Works, to fund any ancillary legal matters arising from the developments up to RIBA 4.

West Wickham:

- 2.9. Approve the core requirements for West Wickham Leisure Centre as set out in 3.14 of this report so that officers can progress these plans through RIBA 3 and 4.
- 2.10. Approve the award of contract to Alliance Leisure Services for £1.047m, funded by the OPR's indicative budget for leisure centres, to progress the West Wickham Leisure Centre Major Works Programme to RIBA 4 based on the core requirements laid out in this report.
- 2.11. Note that the current estimate for the works contract for West Wickham Leisure Centre, beyond RIBA stage 4, is contained in the Part 2 report. Following conclusion of RIBA stage 3, a subsequent report will be brought forward detailing more accurate costs for the works.
- 2.12. Delegate authority to the Director for Housing, Planning, Property and Regeneration, in consultation with the portfolio holder, to resolve any ancillary legal matters at West Wickham arising from the developments up to RIBA stage 4.

The Walnuts:

- 2.13. Approve the core requirements for the Walnuts Leisure Centre as set out in 3.16 of this report so that officers can progress these plans through RIBA 3 and 4.
- 2.14. Approve the award of contract to Alliance Leisure Services for £820k, funded by the OPR's indicative budget for leisure centres, to progress the Walnuts Leisure Centre Major Works Programme to RIBA 4 based on the core requirements laid out in this report.

- 2.15. Note that the current estimate for the works contract for the Walnuts Leisure Centre, beyond RIBA stage 4, is contained in the Part 2 report. Following conclusion of RIBA stage 3, a subsequent report will be brought forward detailing more accurate costs for the works.
- 2.16. Delegate authority to the Director for Housing, Planning, Property and Regeneration, in consultation with the portfolio holder, to resolve any ancillary legal matters at the Walnuts arising from the developments up to RIBA stage 4.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Positive impact on vulnerable adults and children.
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Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority (*delete as appropriate*):
 - (1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - (4) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: £2m
 2. Ongoing costs: Not Applicable: one-off costs.
 3. Budget head/performance centre: OPR Capital Budget
 4. Total current budget for this head: £27.1m
 5. Source of funding: Capital Receipts
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Personnel

1. Number of staff (*current and additional*): Current staff 1.5
 2. If from existing staff resources, number of staff hours: n/a
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: This report seeks to award a Direct Award contract to Alliance Leisure, for 2 projects relating to West Wickham and The Walnuts Leisure Centres.
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Property

1. Summary of Property Implications: Coordination with Property team needed with regard to the future lease.
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Significant benefits following completion of works.
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Impact on the Local Economy

1. Summary of Local Economy Implications: Investment will have a positive economic impact.
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Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: short term negative impact, long term positive impact above and beyond what is currently available at the centres.
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Customer Impact

1. Estimated number of users or customers (*current and projected*): impact on customers mitigated by programme option 3.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Invited for comments, and any received will be tabled at the committee(s).

3. BACKGROUND

- 3.1. The Walnuts (built 1970) and West Wickham (built 1967) Leisure Centres are amongst the boroughs most used facilities, averaging in excess of c.20,000 visits per month. Leisure centres, although not a statutory service, provide important access to community health and fitness and are a key component of the Council's statutory public health remit. Both facilities are at the end of their natural design life and an Indoor Sports Facilities Needs Assessment for Bromley has identified that retaining both of these facilities is required to meet with demand, particularly in relation to swimming pool provision, therefore the facilities have formed part of the Operational Property Review.
- 3.2. As part of the Council's Operational Property Review, led by the Property division, a review of all Council properties has been undertaken. This review included leisure facilities, and both the Walnuts and West Wickham facilities were identified as requiring significant investment. A provisional sum of £27.1m (plus £500k feasibility funding) was identified for these works (Executive Report Nov 2022 and March 2023). This sum was based on high level appraisals of works needed at both sites in 2020/21 and was calculated before the construction sector experienced high levels of inflation, peaking at 10.4% in May 2022. Given the scale of works required, and likely total replacement of some significant parts of the facilities, this has been managed as a major works programme by the Regeneration team. The remit of the project is to secure the facilities for the future and increase the potential of the facilities to secure a rental yield.
- 3.3. In 2018, leisure centre facilities in Bromley were moved to 40-year leases with Mytime Active. The facilities were grouped into two lots: Group 1 facilities on a Full Repair and Insurance Lease (FRIL) with MyTime Active and Group 2 facilities, on a lease of the same length but with the Council retaining maintenance responsibilities. West Wickham and the Walnuts leisure centres are in the Group 2 leases. Upon completion of the Major Works programme, it is envisaged that both facilities will move to Group 1, where the tenant is responsible for a FRIL lease, as well as a commercial rent paid to the Council on the properties.
- 3.4. In July 2019, Executive (Report DRR19/038) approved £1.5m to replace the Boilers serving the Orpington District Heating System. Due to factors outside of the Council's control this was subsequently amended to works to decentralise the district heating networks into localised plant solutions. The revised proposals were approved by the Portfolio Holder in November 2021. This programme of work is still ongoing and comprises the following works: Orpington Library now has its own Air Source Heat Pump installation, and the Shopping Centre is now disconnected from the system. The Saxon Centre will be provided with its own dedicated boiler plant as part of its forthcoming OPR programme of works. The Walnuts Leisure Centre, as a temporary solution, will be connected to a containerised packaged boiler plant fed from a new dedicated gas supply. Whilst the container boiler is temporary, the gas supply can be utilised to supply the new mechanical installation work planned for during this refurbishment project. Therefore, the major works programme must also manage appropriate plant replacement.

COMMENTARY

- 3.5. To bring forward the Major Works Programme, and given the current identified condition of the centres, plus their importance and value in providing leisure facilities, the Council appointed a specialist leisure services partner (Alliance Leisure Services) via a compliant framework to undertake feasibility works that consider the following:
 - Engagement with residents and stakeholders to discuss their priorities.
 - Facilities modelling – predominantly looking at what facilities are available across the Borough and nearby to ensure we are meeting recommended levels of service.

- Surveys – to review the current state and what is possible on the sites and within the fabric of the existing buildings.
- Sustainability – operational modelling that ensures any investment becomes sustainable and generates a future income.

- 3.6. Given the public investment being proposed in these facilities, it is important to ensure that the facilities will be utilised to their full potential and meet demand both now and in the future. The plans put forward in this report are informed by users of the centres and the business modelling supported by independent, Sport England-accredited business consultants, Max Associates. To inform this, a significant engagement exercise was undertaken including online surveys for both users and non-users at both centres; focus groups, discussing topics such as accessibility, economic development, youth needs and the views of stakeholders; individual sessions with clubs as well as surveys sent to schools and sport clubs that utilise the centres. It should be noted that the survey was made available in accessible formats and there were representatives on different days in the high streets and in the centres also gathering feedback to ensure residents without digital access were included. There were 6135 responses to the surveys (3436 for The Walnuts and 2699 for West Wickham) and 135 attendees at the focus groups.
- 3.7. A summary of the results of the survey can be found in Appendix A.
- 3.8. The second element of work that has been undertaken was to consider the facility mix of the proposed redeveloped centres, investigating whether a reconfigured centre and change in services available would improve the offer for residents and ensure the longevity and commerciality of the centres. The appointed consultants have conducted an opportunity and competitor analysis report which has been taken into consideration in the proposals. A copy of this can be found Appendix C (Part 2 report).
- 3.9. The third component of works undertaken has been to undertake detailed surveys on the existing facilities, this work is essential to give some cost confidence to the budget. In addition to the Condition and Asbestos surveys already conducted by Property colleagues, the Council commissioned the following surveys and consultants in order to inform the proposals contained within this report:
- Pool Tank survey
 - Pool Filtration survey
 - Mechanical, Electrical and Plumbing (MEP) Validation survey
 - Structural Assessment
 - Concrete Survey
 - CCTV survey
 - Utilities survey
 - Measured Building survey
 - Topological survey
 - M&E Design Services consultant
 - Carbon consultant
 - RAAC Surveys (due to be conducted as a precautionary measure, scheduled for this autumn).
- 3.10. The survey results and consultant reports have been reviewed and considered by the Council's specialist delivery partner and, in consultation with council officers, now form part of the recommended proposals within this report.
- 3.11. The fourth element of the feasibility works has been in relation to sustainability. This strand of work has involved investigating options to decarbonise the facilities wherever possible to

support future tenant operators, as well as consideration of the future tenant operator model for the centres. As a result of this work, grant applications are being submitted to bring forward sustainable green energy on site.

- 3.12. Regeneration officers have liaised with the specialist delivery partner (Alliance Leisure), architects and relevant consultants to provide members with the necessary information in order to make an informed decision on the options below regarding the works required to the centres and the future operator of the centres. Each centre has had a 'Base' option developed. The Base option delivers more than a simple repair programme and is considered the essential works needed to bring the services to a modern standard, providing a service that is sustainable (to avoid additional investment being required in the medium term) and commercial. Delivering below this 'Base' standard is not considered efficient and would not result in the Council being able to secure a Full Repair and Insurance Lease (FRIL) with the Council retaining responsibility for the longer-term repair and maintenance costs. For this reason, this option has not been costed, but is not likely to be significantly less than the base option. Closing facilities or not undertaking any works has not been appraised as this was already considered as part of the OPR process and, given the importance of the centres to the community, their role in meeting leisure demand and the Planning restrictions on the sites, these options were not considered viable.

ALLIANCE LEISURE SERVICES APPOINTMENT

- 3.13. As approved by Executive in August 2023 (Report HPR2023/044), subject to approval of this report, the Council will appoint Alliance Leisure Services under a Development Agreement via the UK Leisure Framework. This is a compliant single supplier framework created by Denbighshire County Council. The UK Leisure Framework, although a single operator framework, is a compliant route to procurement and will allow the Council to benefit from the skills, expertise and extensive network that Alliance Leisure have in the leisure industry. Alliance Leisure would be responsible for contracting all subcontractors and day to day management of the build works, minimising the risk to the Council. Alliance Leisure will work with the Council to ensure that all key project requirements are met within budget.
- 3.13.1. Members should be assured that the framework was procured in a competitive market and best value can be demonstrated through the selection of a team with a relevant track record and by benchmarking the fees against other projects. In addition, the UK Leisure Framework has identified fee parameters which were evaluated by independently appointed cost consultants, advising the framework owner, as part of the submission process. This robust appointment process is why the UK Leisure framework is used by so many local authorities.
- 3.13.2. The Council would appoint Alliance Leisure through the Framework's 'Access Agreement' for Pre-Construction services to the end of RIBA 4, and then to RIBA 7 (through a 'Call Off' contract (Delivery Management Agreement) to deliver the construction works). RIBA Stages 4 onwards are subject to a further Executive Report in Spring 2024 which will confirm budgets.
- 3.13.3. Alliance Leisure will then enter into a JCT (Joint Contracts Tribunal) 2016 Design and Build Contract with the appointed Principal Contractor.
- 3.13.4. The Principal Contractor and Alliance Leisure will be held to account throughout delivery of the project. This will be done through constant review and measurement against agreed cost plans, programme, risk registers and agreed KPIs, to ensure all are on target and any proactive mitigation strategies are put in place if necessary. Monthly Contractor's Reports are presented to aid this process and provide transparency throughout, along with monthly site visits to review works.

WEST WICKHAM LEISURE CENTRE – CORE REQUIREMENTS

3.14. It has become clear from the surveys and works completed to date that West Wickham is in worse condition than the Walnuts and requires a great deal of structural work to the centre. The core works required for this centre, have been costed with this information contained within the Part 2 report.

3.14.1. The core works required for West Wickham leisure centre include:

- Replacement finishes and redecoration to the pool halls.
- New pool roof
- Replacement spectator seating
- New pool lining (tank) for both the main and learner pools
- Drowning detection technology
- A total review of the MEP and Pool Plant.
- New unisex changing village with new lockers and cubicles (as well as a dedicated learner changing room for young people learning to swim).
- New kitchen.
- Upgrade of reception to a combined reception/servery service.
- New Changing Places facility.
- New café.
- New lift.
- New soft play / party zone.
- New spin studio.
- New Innerva studio (for older residents/those recovering from physical injury).
- Upgraded and enlarged fitness suite/gym.
- Upgraded and relocated studio.
- New staff facilities.
- Improved views from the gym into the pool hall.
- New views from the café and Innerva suite into the pool hall.

3.14.2. There would be no change to the building area with all proposed facilities provided within the existing envelope of the building. The existing entrance would be retained but enhanced with new windows.

3.14.3. The female changing facilities would be removed with a unisex changing village (with private cubicles) proposed in the current male changing room (Page 55 of Appendix B). The surface area has been reallocated to create an open plan space with a café positioned centrally and linked to the pool hall, new soft play and spin studio. Accessibility throughout the building has been addressed and a new platform lift is provided to access the first floor, whilst the space beneath the spectator viewing has been reconfigured to provide a studio dedicated for older residents and those recovering from ill health/post-surgery accessed from the café space. A shared reception/servery has been positioned centrally with clear sightlines to maintain access control throughout the building. There is the potential for the café to spill outside and utilise some of the external green space.

3.14.4. The open plan café would be the heart of the redeveloped centre, forming a key part of the customer journey. From the café there is visibility into key areas, such as the main pool hall and soft play, as well as providing access to the changing village, spin and Innerva studios and the first floor.

3.14.5. Innerva suites offer power-assisted exercise equipment which provides a low impact, full-body workout circuit for older adults and those living with long term conditions. An Innerva suite is

safe for all age groups and abilities. Its outward facing layout of the machines facilitate social interaction between users, working to ease loneliness in the older generation. The suite promotes active ageing, helping to combat loss of muscle tissue and enhance balance and flexibility into older age.

3.14.6. The pool halls (main pool and learner pool) will be refurbished along with the dedicated learner change with separate access. The first floor will be accessed from either the existing stairs or new platform lift. A new corridor will provide access to the spectator viewing area which will be refurbished with new seating and finishes. A new larger gym is provided with the existing studio and unused room removed to allow the increase to the gym area. Views into the pool hall from the gym will be maintained to provide good visibility between facilities within the building. A new studio is provided to the other side of the new corridor which avoids users having to walk through the gym as they do currently with the existing arrangement providing better flexibility. Elsewhere on the first-floor new staff facilities and accessible change and toilets are proposed alongside lockers within the corridor and gym space for users.

3.15. Officers have also considered feedback from users, groups and the business modelling for further options that could be provided in the centre but are currently not possible due to financial constraints. These options could be considered by the operator in the future, or if other sources of funding are found.

- Spa facilities.
- Upgraded spin studio to an Immersive spin studio.
- Upgraded studio to a Future studio.
- Splash play facilities.

3.15.1. These works are estimated to cost circa £0.5m. The project team has considered how these facilities could be accommodated within the leisure centre should external funding be available. This can be found on page 33 of Appendix D (Part 2).

THE WALNUTS LEISURE CENTRE – CORE REQUIREMENTS

3.16. The core requirements for the Walnuts Leisure Centre have been costed with this information contained within the Part 2 report.

3.16.1. The core works required to the Walnuts Leisure Centre include:

- A total review of the MEP and Pool Plant.
- Redecorated public corridors.
- Redecoration, including new cubicles and flooring, to the ground floor dry changes.
- New Changing Places facility.
- Upgraded ventilation for the sports hall.
- Replacement flooring, ceilings and redecoration to the wet changes.
- New cubicles and lockers to the wet changes.
- Replacement flooring and new seating to spectator areas.
- New pool lining (tank) to both pools.
- Drowning detection technology.
- Replacement flooring and redecoration to reception/café area.
- New Innerva studio (for older residents/those recovering from physical injury – replacing the Creche).
- New adventure-play with digital/gamified features.
- New flooring and redecoration to soft play area.

- New accessible toilets on the first floor.
- Redecoration to first floor studio.
- New and expanded gym (additional 220sqm).
- Redecoration and better ventilation to second floor spin studio.

- 3.16.2. There would be no change to the building area as all new facilities provided within the existing envelope of the building.
- 3.16.3. The unused creche would be converted into an Innerva studio with a general refresh (flooring and redecoration) to the café area. Public facing circulation will also be redecorated.
- 3.16.4. New adventure play equipment is proposed in the current soft play area with digital/gaming features providing entertainment to all ages. New ventilation will also be provided in the adventure play hall. A specialist soft play provider has designed a unique adventure play set up for the Walnuts which can be reviewed on pages 61-66 of Appendix B.
- 3.16.5. New features to the soft play offer include, but are not limited to, digital “tag” and gaming play features; a sensory room and toddler play; a cyber tower for two competitors to race; a spider web maze and racing slide.
- 3.16.6. The ground floor dry changing rooms will be brought back into use to serve both the sports hall and gym/studios. The current wet change will have new flooring, ceilings, cubicles and lockers. In the pool hall, the pools will be relined with new plant provided. The spectator seating will be replaced, and new flooring provided.
- 3.16.7. The plant serving the sports hall will be renewed to create a better environment for users.
- 3.16.8. The expansion of the gym is the main change on the first floor. Bringing the ground floor dry changing rooms back into use provides an opportunity to remove the changing facilities on the first floor allowing the expansion of the gym. This aligns with national leisure trends where users typically arrive at the centre ready to use the facilities rather than utilising changing rooms. Page 58-59 of Appendix B, produced by a specialist gym designer, shows what the gym could look like considering current and growing trends in the fitness industry.
- 3.16.9. Removing the dry changing rooms eliminates the awkward access to the gym, which is currently through the changing areas, and allows for better visibility of the gym from key circulation areas. The first-floor studio would also be redecorated.
- 3.17. Officers have also considered feedback from users, groups and the business modelling for further options that could be provided in the centre but are currently not possible due to financial constraints. These options could be considered by the operator in the future, or if other grant sources of funding are found.
- Spa facilities and sauna/steam upgrades
 - Conversion of wet changes into a full village change.
 - Sports hall refresh
 - Main pool hall refresh and new finishes
 - Learner pool hall refresh and new finishes
 - Boom
 - Full redecoration to the adventure play hall
 - Splash play
 - Outdoor Improvements
 - Immersive cycle studio
 - Future studio

- 3.17.1. The cost of these additionalities varies hugely from the smaller items, such as a sauna upgrade, to larger costs such as the inclusion of a spa. It should be noted that not all items listed above are compatible with each other. For example, should a spa be provided, that would negate the need to upgrade the sauna and steam rooms already in situ.
- 3.17.2. The project team has considered how these facilities could be accommodated within the leisure centre should additional funding be available. Page 31 of Appendix D (Part 2) indicatively shows where some of these extras would be located.

TENANT (OPERATOR) OF THE FUTURE FACILITIES

- 3.18. As set out in paragraph 3.11 above, in order to support the sustainability strand of work, officers have investigated potential operator models for the redeveloped facilities. Given the commercial sensitivities on this, the options for Members consideration are contained in the Part 2 report.
- 3.19. Both sites are subject to 40-year leases which commenced in 2019, between the Council and MyTime Active. The Council can terminate these leases if major construction works or demolition programme was to be carried out with option to grant a new lease to a new tenant. Equally, the Council could issue a new lease to MyTime Active with market rent payable.
- 3.20. As part of the works carried out to date, officers have undertaken extensive market engagement in relation to consideration of a future operator, both with providers but also with users. More detail in relation to this is contained in Part 2.

PROGRAMME OPTIONS

- 3.21. A critical element of the major works programme is the structuring and timing of the works. It is important to make this decision now so that inflation can be costed into the final costed proposals at the end of RIBA 4. The Council has had requests from groups and users of both centres to prioritise one or other centres first – and there is a compelling argument in each case. Whilst both centres have a substantial programme of works required, the Walnuts has faced periods of forced closure due to failing equipment, but West Wickham is in a significantly worse structural condition and could be at risk of imminent closure. Options officers have considered include:
- 3.22. **Option 1** – Both site works running concurrently. This option would have the largest impact on residents, the operator and staff members as both centres would be closed for a year, with a particular impact on swimming provision in the borough. However, closing both sites at the same time in summer 2024 would result in all works being complete by spring 2026 with the Walnuts opening slightly earlier in autumn 2025. This option is also the most financially advantageous as it minimises the impact of inflation. Given the negative impacts on residents and staff, this option is not recommended.
- 3.23. **Option 2** – Works are undertaken consecutively. This option would minimise the impact of displaced demand from residents but could take up to a year longer than Option 1, with works expected to conclude in winter 2026 with West Wickham opening at the end of 2025. This option would also suffer from an increased inflation impact which has been estimated to add an additional circa 10% to the build cost of the second centre (The Walnuts, circa £1m additional costs). If this option was chosen, the recommendation would be to commence the works to West Wickham first in order to reduce the impact of inflation and because the site could be forced to close at any time due to its current condition. This option is not recommended due to the potential for additional funding needed above the OPR's indicative budget.
- 3.24. **Option 3** – Works undertaken concurrently but pool kept open throughout the project. This option would delay works to the second site, while works to the first site's pool are completed.

Once the first site's pool is open (the rest of the building would remain shut until completion), the second site would close to begin works. This option anticipates all works being completed by Spring 2026 while one site would open earlier at the end of 2025. With this option, it is likely that the Walnuts' pool hall would be completed first and reopened while works to the rest of the centre are completed. West Wickham would be closed following the Walnut's pool reopening allowing all works at West Wickham to be carried out together. This is because the West Wickham's pool hall roof is integral to the rest of the building and needs replacing. The inflation on this option is expected to be lower than Option 2 but extra funds may still be required above that of Option 1. This is the recommended option.

3.25. These three options and timescales have been generated with the following assumptions:

- Executive approval given no later than November 1st 2023.
- A decision on operator approach is made at the same time as funding is approved to enable plans to be brought forward in a commercially sensitive way.
- Core works are fully agreed, varying these will impact the programme.
- At this stage, the programme dates are indicative until a principal contractor has been appointed.

NEXT STEPS

3.26. Following completion of the RIBA 2 package of works, officers are now seeking £1.865m, to funded by the OPR's indicative budget for Leisure Centre works, to progress both sites through RIBA 3 and 4.

3.26.1. According to current programmes, RIBA 3 would complete by February 2024 and RIBA 4 by July 2024. At which point the Council would have fully costed proposals for each Leisure Centre ready for Members' consideration.

3.26.2. A breakdown of the RIBA 3 and 4 package of works for each site has been included below:

3.26.3. Walnuts Leisure Centre:

PROJECT ELEMENT	RIBA 3	RIBA 4
ALS Development Management and Delivery	£17,550.30	£17,550.30
Project Management and Employers Agent	£14,040.30	£14,040.30
QS Contract Administration and Cost Analysis	£10,530.15	£10,530.15
Principal Designer	£1,000.00	£2,000.00
Café & Kitchen design	£2,450.00	£2,450.00
Contractor Management	£55,591.20	£108,572.20
Architect - Design fees	£72,200.00	£126,350.00
Structural and Civils -Design Services Consultant	£36,000.00	£48,000.00
M & E - Design Services Consultant	£36,000.00	£48,000.00
Building Control		£3,500.00
Planning Consultant		
Planning Fees		
Carbon Consultant	£2,500.00	£2,500.00
Fire Engineer/Consultant	£7,500.00	£7,500.00
Acoustic Consultant	£2,500.00	£2,500.00
Air Tightness		
Landscape Consultant		
Ecology Consultant		
Third Party	£2,500.00	£5,000.00
Pool and Filtration Specialist Consultant	£5,000.00	£10,000.00
Specialist Design Input	£5,000.00	£7,500.00
Highways Design		
BREEAM Consultant		
BREEAM Design Related Fees		
Sundry Costs and Attendance	£10,000.00	£15,000.00
SURVEYS	£75,000.00	-
OHP - Contractor	£23,234.34	£28,831.67
Insurance	£3,262.74	£4,115.56
FEE PROPOSAL TOTAL - (exc VAT)	£350,268.43	£468,940.18

3.26.4. West Wickham Leisure Centre:

PROJECT ELEMENT	RIBA 3	RIBA 4
ALS Development Management and Delivery	£26,164.80	£26,164.80
Project Management and Employers Agent	£20,931.90	£20,931.90
QS Contract Administration and Cost Analysis	£15,698.85	£15,698.85
Principal Designer	£1,000.00	£2,000.00
Specialist and Loose Facilities and Equipment	£2,450.00	£2,450.00
Contractor Management	£55,591.20	£108,572.20
Architect and Lead Consultant- Design Services Co	£115,283.00	£171,500.00
Structural and Civils -Design Services Consultant	£67,500.00	£90,000.00
M & E - Design Services Consultant	£67,500.00	£90,000.00
Building Control		£3,500.00
Planning Consultant		
Planning Fees		
Carbon Consultant	£2,500.00	£2,500.00
Fire Engineer/Consultant	£10,000.00	£12,500.00
Acoustic Consultant	£2,500.00	£5,000.00
Air Tightness		
Landscape Consultant		
Ecology Consultant	£2,500.00	£2,500.00
Third Party	£2,500.00	£5,000.00
Pool and Filtration Specialist Consultant	£5,000.00	£10,000.00
Specialist Design Input	£5,000.00	£7,500.00
Highways Design		
BREEAM Consultant		
BREEAM Design Related Fees		
Sundry Costs and Attendance	£10,000.00	£15,000.00
SURVEYS	£95,000.00	-
OHP	£33,065.57	£39,267.92
Insurance	£4,408.74	£5,235.72
FEE PROPOSAL TOTAL (exc VAT) 14	£478,348.51	£568,075.84

3.27. The below table provides an indicative timeline for the delivery of this project.

Executive approval for RIBA 3/4 and construction works, including appointment of delivery partner for works, alongside agreement of operator approach and programme options.	October 2023
Principal Contractor chosen via framework mini competition	November 2023
RIBA 3 stage of works	November 2023 – February 2024
Report to Members following completion of RIBA 3 seeking approval for construction works.	February 2024
RIBA 4 stage of works	February 2024 – July 2024
Mobilisation and start of works (assuming Option 3 of the programme options is chosen)	Summer 2024
Completion of works on first site	End of 2025
Completion of works on second site	Spring 2026

GRANT FUNDING

3.28. Regeneration officers are submitting funding applications where appropriate in an effort to secure additional funding, this has the potential to mitigate costs rising for the Council, and also has the potential to increase the scope of the works beyond the core requirements. At present, the external funding available is based on sustainability improvements to the centres in order to reduce energy use, decrease or eliminate a reliance on gas and move the centres to greener operating systems. Members must note, however, that while funding bodies are allowing applications for centres with regeneration plans in place, any funding awarded is required to be an addition, and approved by the Council's Section 151 officer, as not forming part of the Council's existing plans.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The new leisure centres will offer a range of activities that will be beneficial for vulnerable children. Specifically, the Walnuts Leisure centre soft play design includes a sensory room which are proven to support emotional regulation, sensory stimulation, and focus.
- 4.2 Both centres will feature spaces for Innerva suites (to be fitted by the tenant) designed to assist individuals with reduced physical capabilities due to old age or physical injuries and are organised in a way to ease loneliness and encourage social interaction. The leisure centre works will also improve accessibility, especially at West Wickham, where no lift to the first floor is present.
- 4.3 Changing Places toilets, which cater for those with complex and multiple disabilities, will also be provided as part of the core works to the centres. With only three registered Changing Places facilities in the borough, residents, their families, assistants and carers are excluded from local

spaces due to lack of provision. This includes both West Wickham and the Walnuts leisure centres. The inclusion of these services will create more inviting locations for those in need of the facilities and create easier access to leisure activities.

5. TRANSFORMATION/POLICY IMPLICATIONS

- 5.1 This project contributes to the Council's Transformation Programme and its vision that 'the London Borough of Bromley is a fantastic place to live and work, where everyone can lead healthy, safe and independent lives in supportive communities.'
- 5.2 The Council's Regeneration Strategy also advocates for the development of 'new leisure centres that respond to current and future need in West Wickham and Orpington and create commercial opportunities that complement and support the community facilities, to ensure sustainable futures.
- 5.3 The Bromley Local Plan states its vision that "Bromley is known for the high quality of its living, working and historic and natural environments. The Council, local people, organisations and businesses work together to ensure that we all enjoy a good quality of life, living healthy, full, independent and rewarding lives".

6. FINANCIAL IMPLICATIONS

- 6.1 The paper requests members to approve the core requirements for both Walnuts and West Wickham Leisure Centres as set out in 3.14 and 3.16 respectively of the Part 1 report so that officers can progress these plans through RIBA 3 and 4.
- 6.2 The paper also requests members to approve Option 3 of the programme options which will allow the works to take place concurrently but with a pool operational throughout the proposed works timeline.
- 6.3 The cost of RIBA 3 and 4 stages to be completed on both sites equate to £1.867m with a further £150k for RIBA 4, members are requested approve the drawdown of these sums from the allocated OPR budget for the Leisure centres.
- 6.4 There is sufficient budget within the OPR allocation for the leisure centres to fund the RIBA 3 and 4 costs as outlined in section 6.4 above.
- 6.5 Further comments are provided in Part 2 of the paper.

7. PERSONNEL IMPLICATIONS

See Part 2

8. LEGAL IMPLICATIONS

Legal Contracts

- 8.1. This report makes recommendations as summarised in the Procurement Implications below.
- 8.2. These public works contracts are in excess of the financial thresholds of the Public Contracts Regulations 2015 (the Regulations), which is currently £5,336,937 excluding VAT, and so must be procured in accord with the Regulations. The use of a compliant framework agreement to procure the works is permitted under Regulation 33 and this has been confirmed below.

- 8.3. The arrangement for the proposed works contracts is unusual insofar as ALS will eventually enter into works contracts rather than LBB directly entering into these works contracts for works carried out on the Council's property. ALS will be the Employer and the relationship will need to be closely monitored by LBB officers with all collateral warranties obtained from the sub-contractors in order to provide the Council with contractual protection.
- 8.4. All Council decision-making must be made rationally in accordance with administrative law principles, by taking proper account of all relevant considerations and disregarding those that are irrelevant. Furthermore, the Council must comply with its fiduciary duty towards taxpayers and ensure resources are used prudently.
- 8.5. Should Members approve the recommendations then Legal Services will work with officers in order to assist in concluding any contractual documentation necessary and commissioning any external legal advice and assistance as may be required.

Legal Property

- 8.6. In order to carry out the works of reconstruction referred to in paragraph 3.14 and 3.16 above to both the West Wickham and Walnuts leisure centres the current Tenants in both cases will need to vacate the properties the subject of the two leases for the period of the proposed works.
- 8.7. Both leases dated 4 April 2019 and made between the Mayor and Burgesses of the London borough of Bromley (1) and My Time Active (2) contain break clauses in similar fashion on the part of the Council as Landlord in clause 39 of each Lease permitting the Council to break the leases for the purposes provided always that the conditions set out in the Landlord's break provisions are complied with by the Council as Landlord.
- 8.8. These conditions are as set out below.
- 1) The Landlord may terminate the leases at any time by serving a break notice on the tenant at least 12 months before the break date.
 - 2) The break notice shall specify the break date but shall not specify as the break date which is earlier than 12 months after the date on which the break notice is deemed to have been served on the Tenant (and for avoidance of doubt the day of deemed service shall not be taken into account in calculating the period of 12 months).
- 8.9. The Break Notice shall be of no effect if:
- 1) The Break Notice does not comply with the requirements of the Break Clause or
 - 2) The Break Notice is served otherwise than in accordance with the provisions of the Break Clause or
 - 3) At the date the Break Notice is served the Landlord has not passed a formal resolution to;
 - 4) Demolish or reconstruct the Property or a substantial part of it or the building of which the Property or a substantial part of that building or to carry out substantial works of construction at the Property or the building of which it forms part or to sell the Property.
 - 5) And to serve a Break Notice to terminate the lease(s).
 - 6) The break notice shall be in writing.

7) Time shall be of the essence in respect of all time periods and limits in relation to the exercise of the Break Clauses

8.10. It must be noted that the Tenant has Tenant's break clause set out in both leases at clause 40 of the lease(s), which is exercisable on similar pre-conditions to the Landlord's Break Clauses

8.11. The Council has power under s.123 of the Local Government Act 1972 ("The Act") to dispose of land for the best consideration that can reasonably be obtained (usually based on open market value).

8.12. "Disposal" under The Act includes the grant of leases for a term of 7 years or more. The proposed new letting referred to in paragraph 3.19 of this report will need to comply with the requirements of best value element of The Act.

9. PROCUREMENT IMPLICATIONS

9.1 General Recommendations:

This report seeks to undertake a programme of works as set out in 3.24, for completion by Spring 2026, with delegated authority to the Director for Housing, Planning, Property and Regeneration, in consultation with the portfolio holder, to approve any reasonable changes to the works needed after Executive approval to align with the budget as set out.

9.2 West Wickham:

This report further seeks to award a Direct Award contract via the UK Leisure Framework run by Denbighshire County Council, as set out in 3.14 of this report to progress these plans through RIBA 3 and 4 to Alliance Leisure Services for £1,047,000 based on the core requirements laid out in this report. Following RIBA 3 a subsequent report will seek to approve a further award of contract for West Wickham Leisure Centre to Alliance leisure Services via the UK Leisure Framework run by Denbighshire County Council.

9.3 The Walnuts:

This report further seeks to award a Direct Award contract via the UK Leisure Framework run by Denbighshire County Council, as set out in 3.16 of this report so that officers can progress these plans through RIBA 3 and 4 to Alliance Leisure Services for £820,000 to progress the Walnuts Leisure Centre Major Works Programme to RIBA 4 based on the core requirements laid out in this report. Following RIBA 3 a subsequent report will seek to approve a further award of contract for Walnuts Leisure Centre to Alliance leisure Services via the UK Leisure Framework run by Denbighshire County Council.

9.4 In accordance with Clause 3.5 of the Contract Procedure Rules, the Head of Procurement has been consulted regarding the use of the Framework and the Council is able to make use of the Framework and having been properly included on the Contract Notice.

9.5 As the contract value is over £30,000 including VAT, an award notice will need to be published on Contracts Finder. As the contract value is over the thresholds set out in the PCR 2015, a Find A Tender award notice must be published.

9.6 The Council's specific requirements for authorising an award of contract are covered in CPR 16 with the need to obtain the Approval of the Executive following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a contract of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.

- 9.7 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

10. PROPERTY IMPLICATIONS

- 10.1 Both the Walnuts Leisure Centre and West Wickham are owned freehold by the Council but are occupied and operated by Mytime Active on commercial lease arrangements as follows:
- Walnuts Leisure Centre – leased to Mytime Active for a term of 25 years dated 4th April 2019, commencing 1st April 2019, on a 40-year term expiring 31st March 2059 at a peppercorn (nil) rent.
 - West Wickham Leisure Centre - leased to Mytime Active for a term of 25 years 4th April 2019, commencing 1st April 2019, on a 40-year term expiring 31st March 2059 at a peppercorn (nil) rent.
- 10.2 There is a landlord break clause within each lease allowing the Council to terminate the lease at any time by serving a break notice on the tenant at least 12 months prior to the break date. To affect this break clause the Landlord is required to have passed a formal resolution or resolutions to: 'Demolish or reconstruct the property or substantial part of it or the building of which the property or a substantial part of that building or to carry out substantial works of construction at the property or the building of which it forms part or to sell the property'.
- 10.3 Regeneration colleagues leading on the proposed programme of works will need to instruct the Council's Estates Team on this matter and ensure that suitable notice is given to trigger the break clause to enable such works to take place.
- 10.4 This report sets out an intention to then seek a future tenant to occupy and operate the leisure centres following completion of the works on a commercial basis including on FRI lease terms and paying a commercial rent. The Council's Estates Team will need to be instructed in this regard to appoint suitable advisors to secure a future tenant at the appropriate point in the future ensuring the Council meets its statutory obligations with regards to Section 123 of the Local Government Act 1972 regarding best value which is relevant to all leases with a term of 7+ years.

11. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 11.1 The Leisure Centre Major Works programme will have significant advantages in terms of carbon reduction and social value. The core requirements include the reduction of carbon emissions at both sites as inefficiencies are addressed and upgraded. For example, modern MEP systems, double glazing, insulation and LED lighting will be utilised. Funding applications are underway in order to further decarbonise the centres as much as possible. Social value and the use of local subcontractors is also included as a quality question in the mini-competition tender documents.

12. IMPACT ON THE LOCAL ECONOMY

- 12.1 The leisure centre major works programme will have a positive economic impact on Orpington and West Wickham town centres, providing commercial opportunities, continued employment and additional facilities to attract footfall.

13. IMPACT ON HEALTH AND WELLBEING

- 13.1 The current operator provides the following health programmes on behalf of the Council: FreshStart, an exercise referral programmer offering supervised physical activity for those recovering from illness or those living with a long term medical condition; HeartSmart, a service designed to improve the health and wellbeing of those diagnosed with heart conditions and Escape Pain, a pain management group-based programme designed to help manage osteoarthritis of the hip and/or knee.
- 13.2 While closure of the centres may result in temporary loss of facilities for the duration of the works, the lasting impact of this major works programme will be significantly advantageous on local health and wellbeing and provide long term facilities. For example, Innerva suites are included in the core requirement of the centres, offering power-assisted exercise equipment which provides a low impact, full-body workout circuit for older adults and those living with long term conditions or physical injury. The machines would be outward facing facilitating social interaction between users, working to ease loneliness in the older generation. The suite promotes active ageing, helping to combat loss of muscle tissue and enhance balance and flexibility into older age.
- 13.3 Business modelling of the proposed works also anticipates increased utilisation of the centres due to the expanded, upgraded and modern features, helping to increase active participation in the borough. It is therefore expected that these works will have a significant impact on health and wellbeing and officers will work with the operator and public health to assess this overtime.

14. CUSTOMER IMPACT

- 14.1 While the leisure centres will temporarily be closed to customers during the construction periods, the benefits of the enhanced facilities will far outweigh this inconvenience. The upgraded amenities will provide an elevated range of activities available at both sites, including renovations to existing areas such as the changing rooms and reception areas, as well as the addition of new features such as Innerva suites and a soft play area at West Wickham. Furthermore, there will be a variety of 'behind-the-scenes' upgrades to the plant and MEP systems that will improve the overall customer experience at both sites.
- 14.2 The recommended option for delivery, Option 3, will also mitigate the impact on swimming clubs, swimming lessons and public access to pool space.

15. WARD COUNCILLOR VIEWS

- 15.1 Ward Councillors have been supportive of the development of the leisure centres in both Wards, their comments have been requested in relation to this specific report and will be tabled at the committee.

Non-Applicable Headings:	N/A
Background Documents: (Access via Contact Officer)	Procurement Strategy for Leisure Centre Major Works Programme (Report No.HPR2023/044)