

Report to the Cabinet

Report reference: C/026/2005-06.

Date of meeting: 11 July 2005.



Portfolio: Leisure.

Subject: Waltham Abbey Sports Centre - New Roof and Heating Works.

Officer contact for further information: Derek Macnab (01992 – 56 4261).

Democratic Services Officer: Adrian Hendry (01992 – 56 4249).

Recommendations:

(1) That, in accordance with the Dual Use Agreement with Essex County Council, a Supplementary Capital Estimate be recommended to the Council for approval in order to meet 50% of the cost of heating refurbishment work at Waltham Abbey Sports Centre; and

(2) That, estimated to be in the region of £15,000, the final figure be determined upon receipt and evaluation of Tenders.

Background:

1. Waltham Abbey Sports Centre is a Dual Use Sports Centre, located adjacent to King Harold Secondary School. Originally constructed by Waltham Holy Cross UDC, the facilities have been managed since 1977 under a Joint Use Agreement. This Agreement entered into with the School/County Council was for a period of 30 years i.e. to cease in late 2007.
2. Over the years the District Council has provided additional facilities to the original sports hall and changing rooms, with the construction of two squash courts, a dance studio and bar area. With the exception of the dance studio and the bar (which is closed during the day) the school has exclusive use of the Centre during the day (8.30am – 5.00pm) and priority use of the Centre, excluding the Squash Courts on Saturdays. This exclusive use arrangement covers the 40 weeks of the school terms. The facilities are available to the District Council to organise holiday activities during the school holidays.
3. A critical appraisal of the operating costs of the Sports Centre was undertaken as part of the Best Value Service Review of Leisure Management. This highlighted that in comparison to the Council's other leisure facilities, in financial terms, the Centre was performing significantly poorer. Despite a number of cost reduction initiatives undertaken as part of the Budget Process 2003/04, this position, largely due to the constraints of the joint use agreement and design/quality of the facilities, still pertains.
4. The long term management of the Sports Centre has been considered by the Ad Hoc Working Group in Leisure, as part of the Alternative Management Review. The Working Group concluded that based on the Centre's potential, and given that the joint use agreement had only two years left to run, that the Centre be excluded from the Tender process. The Centre therefore will continue to be managed In-House until any new arrangements are put in place at the expiry of the joint-use agreement. It is likely that the District Council will at this point be seeking less direct involvement and to transfer responsibility for the Centre back on the school. Initial discussions to this

effect have taken place with the Head Teacher. It is anticipated that further negotiation will take place over the next 18 months with the Governing Body and Education Authority.

New Roof and Heating Works:

5. In March of this year, the General Manager of Waltham Abbey Sports Centre was advised by the Bursar of King Harold School, that they had received confirmation from the County Council of a Capital Grant to replace the Sports Hall Roof and undertake some heating refurbishment. At this point the school could provide no further details about the extent of the works, the effect on use of the building, nor the timescale, other than it would likely take place over the School Summer Holiday period.
6. In anticipation of the works proceeding, the General Manager, in liaison with colleagues in accountancy, started to review the potential loss of income. This was based on the worst-case scenario of the building having to totally close, for a full eight weeks. Based on previous years uptake and in anticipation of the Programme scheduled to run, this has been assessed as between £12,000 and £15,000.
7. Despite a number of requests for further information, limited feedback was received from the School and County other than the work was certainly going to proceed and would be tendered in late May. On this basis, as the Young People's Holiday Brochure, which is distributed to every Primary School in the District was due to be printed, it was decided to cancel the holiday programme. Fortunately, other activities for young people are available at Waltham Abbey Swimming Pool and the District Museum. Similarly, clubs were given advanced warning that their regular bookings were likely to be interrupted.
8. In an attempt to establish more particulars of the scheme, the Head of Leisure Services wrote directly to the Headteacher seeking more details. The response received on the 31 May, indicated that as anticipated, not only would the Sports Hall be out of use all Summer but also that the County Council had an expectation, that the District Council would contribute 50% of the costs to the works.
9. The County Council's Asset and Facilities Management Consultants Atkins Limited have subsequently advised that they have tendered the work. They have estimated a cost of £120,000 for the roof replacement and £30,000 for the sports hall heating, which is currently defective.

The Council's Liability to Contribute:

10. The Council's Legal Officers have advised that the Joint Use Agreement provides that the Council is liable for 50% of the cost of maintenance and repairs to the Sports Centre. This is basically a requirement to make good damage to include preventative measures. Whilst the Council is not required to contribute towards the improvement of the Centre, as mentioned earlier in the report, the Council has over the length of the Agreement invested in new community facilities and attempted to maintain a quality of decoration etc to meet the expectations of non-school users. There is a substantial body of case law concerning what constitutes a repair as opposed to an improvement. The obligation of the Council is to keep the building in largely the same condition as when it was built.
11. However the Agreement also places a duty on the County Council, except in the case of emergency or urgent works, to produce annual estimates for building maintenance works, to be agreed in advance by the District Council. Whilst the District Council has been aware of the problems with the roof and heating in the Sports Hall, no prior consent was sought to enable any provision (if appropriate) to be made within the District Council's Capital Programme 2004/05.

12. The Head of Leisure Services has been advised by the Programme Officer for the scheme at the County Council (Building Maintenance and Facilities Management) that this was an omission on their part, as it was not until after the funding had been approved and Atkins visited the site, that they remembered that the Centre was Dual Use. Hence the late request for a contribution.

Options for Action:

13. In light of the circumstances in relation to this building work, to which the District Council has had little prior consultation there would appear to be four Options for Action:

- (a) Advise the School/County Council that due to lack of consultation that the District Council does not agree to the works taking place and that the project does not proceed this Summer, enabling the Centre to stay operational. If this course of action is taken, the school may lose the funding. This would inevitably effect the working relationship on this Dual Use site;

- (b) Advise the School/County Council that due to lack of consultation, the Council has not had the opportunity to consider the matter and make any provision in its Capital Programme. In addition, advise that the Council would consider that the work is improvement as opposed to repair and are thus not obliged to contribute to the costs. On this basis agree to the work taking place, but on the condition that it is wholly funded by the School/County Council;

- (c) Advise as (b) above, that the Council has not had the opportunity to consider the matter and make any provision in its Capital Programme and whilst considering the new roof to be an improvement may be prepared to accept that the heating is beyond economic repair and be willing to contribute 50% of the anticipated cost i.e. up to £15,000. This would require a request for a Supplementary Capital Estimate, which could not be sought from Council before 28th July, and therefore the County Council would have to proceed at risk; or

- (d) The Cabinet may conclude that the District Council has a moral obligation to meet up to 50% of the costs, and instruct the Head of Leisure Services to negotiate a contribution up to a ceiling of £75,000, seeking a reduction to reflect the imminent expiry date of the Joint Use Agreement. As in Option (c) this would require a Supplementary Capital Estimate.

Statement in Support of Recommended Action:

14. The County Council have committed for the work to proceed irrespective of the level of funding the District Council may decide to commit, although they are still seeking a 50% contribution for the whole scheme. However, it is recommended that option (c) is agreed which would meet the District Council's repair obligations, under the Dual Use Agreement.

Consultation Undertaken:

15. King Harold School, Atkins Ltd, County Council Building Maintenance and Facilities Management, Sports Centre Hirers.

Resource implications:

Budget provision: £12,000 to £15,000 Loss of Revenue if complete closure required for eight week period. The need for supplementary CSB growth may be mitigated if partial opening of some areas i.e. Squash Courts and Weights Room, which seems likely is possible. Staff redeployment to other Centres will increase cover for vacant posts and reduce casual hours and overtime. Impact to be reviewed at revised estimate time.

Total Costs of Works is estimated at £150,000 County Council seeking up to 50%. No provision currently in Capital Programme. Supplementary Capital Estimate would therefore be required.

Personnel: If some areas to remain open, minimal staffing to remain at Centre. Any surplus staffing to be redeployed temporarily to other Centres.

Land: Not Applicable.

Community Plan/BVPP Ref: Key Aim to provide accessible leisure opportunities, which will not be fully achieved for school holiday period in Sports Hall.

Relevant Statutory Powers: Local Government Act 1978.

Background papers: Correspondence with KHHS and Essex County Council, Dual Use Agreement, Legal Advice.

Environmental/Human Rights Act/Crime and Disorder Act Implications: N/A.

Key Decision Reference (if required): N/A.