

BOROUGH OF KETTERING

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Report Originator	Shirley Plenderleith Head of Public Services	<i>Fwd Plan Ref No:</i>	
Wards Affected	ALL	4 th April 2017	
Title	FEASIBILITY REPORT INTO A REPLACEMENT SWIMMING POOL		

1. PURPOSE OF REPORT

To fulfil the request from full Council that this Committee consider the viability of building a new swimming pool for Kettering.

2. BACKGROUND INFORMATION

- 2.1. The Council, at its meeting in December 2016, agreed a motion, to the effect:-
“that officers prepare a report to go to the Research and Development Committee about the viability of building a new swimming pool for Kettering”
- 2.2. The motion resulted from concerns that the swimming pool in Kettering was older and less attractive than many pools in neighbouring towns.
- 2.3. The existing pool was built in 1985, and was last refurbished in 2002 at a cost of around £250,000. The works carried out included refurbishment of the pool hall and the changing facilities. An investment into new gym equipment is currently underway. It is currently managed by Legacy Leisure under a contract which runs until 2022.

3. FEASIBILITY STUDY

- 3.1 In coming to a decision to undertake a feasibility study Members need to decide whether building a new swimming pool is something that they consider financially viable, consideration will need to be given as to how such a scheme is financed and the impact on the Council’s General Fund revenue budget.
- 3.2 A project of this scale would require a comprehensive feasibility study to be completed so the options are considered, such a study could cost between £50,000 and £100,000, depending on tender submissions. A procurement process would be required to comply with the Council’s financial rules which would then provide a firm cost for the feasibility study. The brief for a feasibility study is also a significant piece of work which would have to be out-sourced, as neither the expertise nor the time exists within the organisation to devote to this.

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It is probably safe to assume that £10,000 could cover this expense ahead of a feasibility study.

- 3.3 Sport England, as a national organisation responsible for promoting and supporting sport across the UK, have access to a wide range of information relating to both construction and running costs of leisure facilities. They have undertaken work on the cost of providing swimming facilities; this work estimated that a 25m pool with 6 lanes would cost approximately £5million to build - the costs would be dependent on the specification and a range of other factors but nonetheless this provides a reasonable indication. These build costs do not take account of land acquisition and preparation, and the provision of parking facilities that would be required, as these would be site specific. When these costs are taken into account it would not be unreasonable to expect that the capital cost will increase significantly. The actual costs at this stage would be difficult to quantify as they would be site specific.
- 3.4 In addition, it is assumed that any development of a new swimming pool would not be stand alone. In order to ensure that management costs are kept as low as possible any new pool would also benefit from having other leisure facilities, such as a gym, as currently provided, on any new site thereby increasing the required footprint of the building and the associated costs.
- 3.5 The table below sets out the net running costs for Kettering Swimming Pool and for Corby International Pool, which is the only nearby facility where the facility costs can be disaggregated from a wider contract value. It is not suggested that this is the only comparator or even the best comparator to use. It should also be noted that these figures are for the entire complex including the fitness facilities, as costs for the swimming pool are not recorded separately.

	Kettering Swimming Pool	Corby International Pool
	£'000	£'000
Running Costs	462	2,713
Income	(427)	(1,462)
(Surplus)/Deficit	35	1,251

Kettering figures are based on 2016/17 projections. Corby figures are based on 2016/17 budget

- 3.6 The estimated running costs for such a 25m, 6-lane swimming pool, based on data produced by Sport England could be in the region of £600,000 per year. Whilst it would be reasonable to expect increased income from a new facility, capacity alone would limit the potential growth in income. The Council would, in building a new pool, also have to borrow capital to do so, which would add around a further £250,000 per year (assuming £5million at today's interest rates). This compares to a net revenue cost of the current facility of £35,000 per annum.
- 3.7 For the Council to embark upon the cost of a feasibility study, there has to be a reasonable expectation that it will then want to embark upon the capital and revenue cost of providing a few pool, particularly as the initial feasibility and then the ongoing professional fees associated with a new build are likely to

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amount to 5% of the overall build costs. Given the overall financial situation facing the authority for the foreseeable future, neither the revenue cost nor the capital cost can be accommodated without significant strain or corresponding service reductions elsewhere. There are also wider questions, if the pool is re-provided elsewhere in the Borough, about land acquisition, the impact of its loss on the town centre, access and pricing. A feasibility study would need to address these factors as well as the physical build aspects.

4. OTHER APPROACHES

- 4.1. Normally, the ending of a management contract would afford the opportunity to consider what facilities should form part of a new contract and how the transition from one facility to another would be managed. The current contract does not of course envisage a new pool being provided within its lifetime, and the contract does still have five years to run. Any changes could be carried out within the contract period. However, this would require negotiations with Parkwood Leisure, its impact on the existing contract including loss of income making the process more complex.

5. CONSULTATION AND CUSTOMER IMPACT

- 5.1 Any proposed project would require appropriate customer consultation.

6. POLICY IMPLICATIONS

- 6.1 Kettering Borough Council remains committed to encouraging access to leisure facilities to enable residents to remain active.

7. FINANCIAL RESOURCE IMPLICATIONS

- 7.1 It is accepted that the pool, given its age, needs some investment. An investment of around £500,000, (as outlined at **Appendix 1**) would significantly improve the facilities at the pool and make the facility more inviting. A procurement process would need to be undertaken which would provide a firm cost for these works. The revenue implications (borrowing and MRP) from a capital investment of around £500,000 would be around £25,000 per annum. This would therefore increase the savings targets currently being modelled in the Council's Medium Term Financial Strategy.

8. HUMAN RESOURCE IMPLICATIONS

- 8.1 There are none at this stage however were any major project undertaken there would be significant resource and capacity implications.

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9. LEGAL IMPLICATIONS

9.1 There are none at this stage, but there would be significant procurement and contract matters to be addressed should any project go ahead.

10. RECOMMENDATION

Members are asked to note this report and identify what steps, if any, they wish to recommend to the Executive Committee.

Background Papers:

Title of Document: Council minutes
Date: 14th December 2016
Contact Officer: Democratic Services

Previous Reports/Minutes:

Ref:
Date: