

LONDON BOROUGH OF CAMDEN	WARD: ALL
REPORT TITLE: Kentish Town Sports Centre Project Update (CENV/2006/48)	
REPORT OF: Director of Culture and Environment	
FOR SUBMISSION TO: The Overview and Scrutiny Commission The Executive	DATE: 21 st February 2006 22 nd February 2006
<p>SUMMARY OF REPORT: This report provides Members with an overview of further options for Kentish Town Sports Centre (KTSC) and asks Members to indicate a preferred option that can be worked up in some detail and that can also be subject to public consultation.</p> <p>Contact Officer: Fiona Dean, Assistant Director, Culture and Environment, 7th Floor, Argyle Street, London WC1H 8HQ</p> <p>Telephone No: 0207 974 4172</p> <p>Email: fiona.dean@camden.gov.uk</p> <p>Local Government Act 1972 – Access to Information: No documents, which require listing, were used in the preparation of this report.</p>	
<p>RECOMMENDATIONS: That the Overview and Scrutiny Commission notes the report and forwards any comments to the Executive.</p> <p><u>For the Executive</u></p> <ol style="list-style-type: none"> Note the further review of options undertaken for the refurbishment of Kentish Town Sports Centre outlined in the report. Agree Option 3 as the preferred option: Refurbishment of Kentish Town Sports Centre to retain the two main pools and the provision of a new fitness suite at either Kentish Town Sports Centre or Talacre Community Sports Centre. Agree to receive a further report which includes a detailed assessment of project costs, funding opportunities and design elements. 	

Signed by Director/Assistant Director **Date:**
Culture and Environment

1. INTRODUCTION

- 1.1 This report provides Members with an overview of further options for Kentish Town Sports Centre (KTSC) following the decisions of the Executive meeting on the 12 October 2005. At that time Members were provided with three potential design options for the refurbishment of KTSC ranging from a complete refurbishment with minimal residential development (estimated construction cost of £29 million), to refurbishment of the building but with less pool space and enhanced residential development (estimated construction cost of £20 million). At that time Members expressed a preference for the latter option but noted with concern the levels of costs involved and asked officers to undertake a final review of all options before any decisions were taken. It is unfortunate that the decision of the Executive in October appears to have been either mis-represented or misunderstood. No decision was made to close KTSC. The Council remains committed to the provision of swimming and sports facilities in the Kentish Town area.
- 1.2 This report provides a summary of these further options and asks Members to agree a preferred option that can be worked up in detail to include a full profiling of costs and funding and an examination of design challenges and opportunities.

2. KENTISH TOWN SPORTS CENTRE: CURRENT SITUATION

- 2.1 Officers reported last year that the basic fabric of the building and its services were in need of substantial investment if it were to continue in operation. In the past few months, over £25,000 has been spent on emergency repairs. Nevertheless, services have failed on an increasingly regular basis and, because of the age of the equipment, parts are becoming difficult to replace. Since October 2005, six pool closures have occurred causing disruption to casual swimmers, clubs and schools.
- 2.2 Over the past few years significant resources have been invested by Camden in its sports and physical activity facilities. This includes the construction of new facilities at Talacre Community Sport Centre and Swiss Cottage Leisure Centre as well as pitch developments in neighbourhoods and schools. The contract with Greenwich Leisure will also deliver £13 million in new investment over the next fifteen years to upgrade facilities at our centres.
- 2.3 It is clear that KTSC now requires a significant level of investment to bring it up to modern standards.

3. KENTISH TOWN SPORTS CENTRE: OPTIONS

3.1 Following the Executive meeting last October, Officers have considered a wide range of options to continue to meet the demand for swimming in the immediate Kentish Town area.

3.2 These options can be summarised as follows:

- Option 1: Refurbishment of KTSC, as reported to the Executive in October 2005.
- Option 2: A joint venture with developers to build a largely new leisure facility, including pool provision adjacent to the Talacre Community Sports Centre.
- Option 3: Refurbishment of Kentish Town Baths to retain the two larger pools and enhance fitness provision at either KTSC or Talacre Community Sports Centre.

3.3 Each option is described in more detail below.

3.4 Because of the high costs, loss of pool space, service disruption and business risks associated with Options 1 and 2, these are not recommended.

3.5 Option 3, whilst being more cost and design efficient, is also more in line with local public opinion as expressed in the local press and through correspondence with the council. This has emphasised the desirability of keeping the two main pools at KTSC. Option 3 offers the best and most consensual way forward and is therefore the recommended option.

3.6 Another advantage of Option 3 is the flexibility of the design framework which offers up an opportunity for public involvement in the detailed design of the pool and fitness facilities. The local community will play a key role in shaping a major local facility.

4. OPTION 1. Single Pool Refurbishment at KTSC

4.1 This was reported to Members last October as “Option C”.

4.2 Its gross budget of £20 million included an estimated £11 million call on corporate capital resources.

4.3 It would provide the following facilities:

- One five-lane, 25 metre main pool and a teaching pool with moveable floor (13 X 7 metres).
- New fitness area with up to 125 workstations.
- Multi use studio space.

- Enhanced spectator space – Healthy Living Space.
- Redevelopment of land at the back of the building to provide 26 flats, up to 50% of which would be affordable.

4.4 Due to the extensive refurbishment proposed with this option a full closure of around 24 months would be required. The gross budget for this option was estimated last October to be approximately £20m and the financial implications of this are addressed later in the report. Some concern has been expressed at this figure, as it is far higher, for example, than the cost of providing a brand new leisure centre with swimming pool. However Officers are confident that (pre-tender) this figure is as accurate as possible. It was developed following months of detailed investigation into the building fabric and services at KTSC. Members should be aware that this option is not a basic refurbishment proposal. It is a radical, high quality scheme, which would significantly enhance fitness and other facilities, whilst respecting the character of the existing building.

5. OPTION 2. Single pool joint venture at Talacre Community Sports Centre

5.1 Talacre Community Sports Centre is a very popular, high quality centre that caters primarily for children and young people. It has a thriving gymnasium and attracts children from across North London to the many gymnastics classes and clubs. In addition it houses soft play facilities, a sports hall and an outdoor pitch popular with football clubs. It is also used as a venue for the “Monday Night Club”, a fitness and social club for adults with learning disabilities.

5.2 Adjacent to the centre is a plot of land that was recently acquired by developers and planning approval has been granted for a mixed development of housing (35% affordable) and commercial space. Officers commissioned CBRE and Limbrick Limited to undertake a study of potential development options for the Talacre site to provide swimming, fitness and mixed use residential accommodation. Initial meetings were held with Trac Properties (the adjoining land owners) and the sports centre was surveyed to determine the scope for new swimming facilities and building services.

5.3 CBRE and Limbrick reported back at the end of January 2006 with outline options for an essentially new leisure centre with mixed use/residential development adjacent. Within the timescale available outline financial costs have been estimated but are purely indicative as they would be subject to any agreement regarding the land value and development. However it is clear that on purely financial terms the option of a joint venture at Talacre is likely to have advantages both in terms of the construction cost but also in the long term management of one site instead of two, i.e. Talacre and KTSC.

5.4 However the study also identified that in order to accommodate swimming and fitness facilities on the Talacre site, the current sports centre would need to close for a considerable period whilst the development was carried out. Although KTSC would remain open until the new centre opened, there would be a degree of development risk attached to such a joint venture, and it would require high-density development next to the park. In view of the above this option is not recommended to Members.

6. OPTION 3. Two pool option at KTSC

6.1 As indicated at paragraph 1.1 above, Members expressed concern about the affordability of Option 1 and at the meeting of the Executive on October 12th asked officers to carry out a further review of affordable options. A further option has been identified that may be a more acceptable solution. This proposal has reviewed the level of investment required to maintain high quality swimming provision at KTSC with enhanced fitness facilities at either KTSC or Talacre Community Sports Centre. The basic design is attached (Appendix A).

6.2 This is not a short-term option as it would provide a near-to-normal life expectancy for investment in a leisure building. This option consists of a number of elements:

- Refurbishment of the Willis and Grafton pools. The Willis pool would be fitted with a movable floor to allow for use by learners, children, special needs and school groups.
- Improvements to the foyer and reception area and the construction of new changing facilities.
- Beneath the changing rooms, the basement area would be excavated to create new mechanical, electrical and filtration plant rooms. The existing small teaching pool would be infilled to be converted to the plant room for the pool operations.
- Extension of fitness provision at either KTSC or Talacre Community Sports Centre. If fitness provision were to transfer to Talacre, it would replace the existing first floor office, classroom and juice-bar area.
- Carrying out essential repairs to the remaining areas of the building to make them safe.
- Provision of new residential accommodation to the rear following the re-housing of the boilers and use of laundry space no longer in use.

6.3 This option has been designed to significantly reduce current levels of energy consumption and to prevent further deterioration of the main roofs and structural trusses. New fully sealed and insulated ceilings would be installed below the level of the main roof trusses to ensure compliance with current building regulations. There would be an extended period of closure at KTSC of up to 24 months, to enable all works to be completed. However, this estimate will be scrutinised and it is expected that this time frame will

decrease. If a fitness facility is to be installed at Talacre Community Sports Centre there will be some disruption to the staff and users and a limited closure of a few months may be required. Again, officers will seek to reduce this where possible.

6.4 This option has not been developed to the level of detail of Option 1 (above) and there are a number of unknown factors that will need to be determined before firm financial costs can be reported, namely:

- The financial impact on the current management contract with Greenwich Leisure.
- Land value and level of affordable housing if more than 14 units are proposed.
- Detailed review of estimated project costs and determination of where fitness provision would best be placed.
- English Heritage approval of the proposals.

6.5 A broad estimate of costs has been undertaken and shows a gross construction cost of £14 million including any new fitness facilities at Talacre with an estimated £7 million call on corporate capital resources. This option will guarantee a high level of swimming pool provision and will also enhance fitness provision with a design life of at least 20 years. It will also allow for Members to retain some flexibility in allocating the corporate capital reserve for other high priority schemes.

7. FINANCE COMMENTS

7.1 In the report to the Executive in October attention was drawn to the issues concerning affordability, and particularly because of the prospect of the need to spend very significant amounts of capital resources on further pressing projects in the medium term. A further report on these demands together with an updated view of available resources will be made to the Executive in March.

7.2 In the meantime, the Director of Culture & Environment is anxious to continue to refine the KTS Scheme proposals so that final decisions can be made with more robust costing information available, and with regard to the wider picture of capital demands and resources. It is however, already clear that capital resources will remain insufficient to meet all of the Council's identified needs and thus the proposal to work up the details of the least expensive option recognises these real constraints.

7.3 Reference is made in the report to "gross budgets" (i.e. the estimated total capital costs) and the estimated call on corporate capital resources. The call on corporate resources is assessed as lower than the capital costs as it assumes that there will be capital receipts arising from the development which can be earmarked to offset expenditure and also an amount of

prudential borrowing which will be “affordable” since the debt repayments will be met by an equivalent reduction in the management fees stemming from the improved facility. The report estimates that, in the case of the recommended option, the receipts and prudential borrowing will generate a total of around £7 million as opposed to some £9 million in the more expensive option.

- 7.4 It is too early to draw firm conclusions about the robustness of the capital costs and the amounts of capital receipts that will be generated. Similarly it is too early to be clear about the amount of any reduction in the annual management fees on which the amount of affordable prudential borrowing would rest. It is therefore important that further detailed work concerning any preferred option should be carried out and presented in a further report to the Executive.

8. LEGAL COMMENTS

- 8.1 The Director of Law and Administration has been consulted during the preparation of this report.
- 8.2 The Executive is being requested to note the further review of options undertaken for the refurbishment of the Kentish Town Sports Centre and agree Option 3 as the preferred option. Members are reminded that their fiduciary duty to Council Tax payers of the Borough means that they must consider whether the expenditure to be incurred in the preferred option for the refurbishment of the Kentish Town Sports Centre is commensurate with the benefits accruing to the Council Tax payers of the Borough.

9. CONCLUSION

- 9.1 Kentish Town Sports Centre represents a significant challenge for the Council. It needs a high level of investment to maintain current use at a time of extreme pressures on stretched corporate capital resources. It remains a popular local facility, however usage has declined in recent years, not least because it no longer remains an attractive facility to visit. When the new state of art leisure centre opens at Swiss Cottage in March 2006, the contrast in quality between this and KTSC will be stark. Leisure centre users are in some ways more discerning than in the past and rightly expect more than just basic facilities. This expectation coupled with the need to undertake major replacement of services and facilities requires a clear plan of action for the future.
- 9.2 A number of options have been presented to Members and these vary significantly in affordability, level of disruption to service users and in the facilities they provide. All options retain swimming in the immediate Kentish Town area. However, pool capacity varies considerably.

- 9.3 This report seeks an agreement from Members to progress one of the presented options to a more detailed design and financial analysis stage. This will involve further discussion and negotiation with our partners, Greenwich Leisure, and a clear analysis of all possible funding options.