

## **Cheltenham Borough Council**

**Cabinet - 18<sup>th</sup> November 2008**

### **Cheltenham Indoor Cricket Centre\Gymnastics Facility Feasibility Study**

#### **Report of the Cabinet Member Sport & Safety**

#### **1. Executive Summary and recommendation**

- 1.1 Following the extensive flood damage and subsequent closure of the Indoor Cricket Centre on 24<sup>th</sup> June 2007, officers were instructed to commission a feasibility study to explore future options for the reprovion of the Cheltenham Indoor Cricket Centre, which also included the viability of incorporating an indoor gymnastics centre into a future facility.
- 1.2 The report sets out details of the feasibility study, which identified a number of options for Cheltenham's future indoor cricket and gymnastics facility provision, following consultation with key stakeholders within the cricket and gymnastics community.
- 1.3 It sets out the key issues and funding implications for each of the options considered.
- 1.4 **I therefore recommend that:**
  - 1.4.1 **Cabinet approves the reinstatement of the indoor cricket centre on a like for like basis (Option A of the feasibility study)**
  - 1.4.2 **Cabinet allocates £35k of the insurance claim settlement to offset the shortfall identified to fund the reinstatement works.**
- 1.5 **Summary of implications**

### 1.5.1 Financial

As detailed throughout the report. The level of subsidy allocated to the cricket hall is £24,000 based on the information held prior to flooding in June 2007. The estimated cost of reinstatement is £160,000, with only £125,000 being allocated for these works by the council's insurers. The shortfall of £35,000 will therefore need to be funded from an alternative source and the recommendation is to fund this amount from the additional sum allocated by the insurers as stated in 6.9 of the report.

The in-year transfer to and from operational reserves (for example an earmarked reserve) to support the operational activities of the Council is delegated to the Section 151 Officer.

The transfer to and from all other reserves, including general fund balances shall be the responsibility of the Council. As part of the annual budget approval process, the Council delegated an amount (£100,000) by which such funds may be utilized and approved by the Cabinet in meeting unforeseen expenditure – i.e. as a supplementary estimate.

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### 1.5.2 Legal

The council will have to appoint contractors to design and build the replacement building. The council's contract procedure rules will need to be followed by officers and advice sought from the council's procurement officers and legal services at an early stage.

The organisations that will use the building will need to formally hire the building from the council.

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### 1.5.3 HR

There are no direct HR implications as a result of the information contained within this report.

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## 1.6 Implications on corporate and community plan priorities

**1.6.1** The service directly contributes to the corporate and community plan priorities in the following core areas:

a) Healthy communities

b) Children & young people

## 1.7 Statement on Risk

The reinstatement of the cricket hall was incorporated into the Leisure@ Cheltenham risk register. An extract from the relevant section is attached in Appendix 2.

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## 2. Introduction

- 2.1** Following the closure of the Cricket Centre in June 2007 as a result of flooding, and the closure of Leisure@cheltenham in July 2007, also as a result of further flooding, the Cabinet, at its meeting of 9<sup>th</sup> October 2007, approved the reinstatement of the core facilities at Leisure @ Cheltenham, but requested that a full and detailed report of options specifically in relation to the relocation of the Cheltenham Indoor Cricket Centre be presented back to the Cabinet.
- 2.2** As a result, PMP Leisure Consultants were commissioned to undertake a feasibility study to explore the options for the future of the indoor cricket facility. The consultants were also asked to look at options which would include the provision of a combined indoor gymnastics facility on land adjacent to the Prince of Wales Stadium, as part of the Midwinter Development Project. The feasibility study was carried out during the summer and was completed in October. Appendix 1 contains the executive summary of the feasibility study. A copy of the full report has been placed in the member's room.

## 3. Background

- 3.1** Built in 1984 on land adjacent to Leisure@ Cheltenham the indoor cricket hall is the County's only purpose built indoor cricket facility. Prior to its closure in 2007, the centre was used extensively by the Gloucestershire County Cricket Club, as well as by 8 -10 local cricket clubs for indoor pre-season training.
- 3.2** Sited on low level ground adjacent to Leisure@ Cheltenham the centre was closed for 10 months in 1997, due to flooding and again in 2007 and remains closed.
- 3.3** Due to the vulnerability of the site in terms of flooding, and the progress being made in relation to development plans for the Midwinter site, PMP were commissioned to undertake an options appraisal of the following:
- Reinstatement of facilities on a like for like basis on the existing site. (Option A)
  - Erection of new build cricket facility on existing site (Option B)
  - Erection of new build cricket facility on a site adjacent to the POW Stadium as part of the Midwinter development. (Option C )
  - Erection of new build cricket facility on an alternative site within Cheltenham (Option D)
  - Erection of a new build cricket facility combined with a purpose built gymnastics facility on current site (Option E)

- Erection of new build cricket facility combined with purpose built gymnastics facility on a site adjacent to the POW stadium, as part of the Midwinter development (Option F)
- Erection of new build cricket facility combined with a purpose built gymnastics facility on an alternative site within Cheltenham.(Option G)

## **4.0 Options appraisal**

**4.1** PMP structured their analysis to reflect the strengths and weaknesses of each option, based on three criteria:

- specification
- location
- cost.

**4.2** In appraising these options, consideration was also given to:

- the input received from consultation with local stakeholders
- the strategic and local context
- the financial and logistical investment required for each option
- the long term strategic benefit for the Council and the local community.

**4.3** PMP have taken into account the fact that the interests and priorities of local stakeholders – particularly from different sports - can differ and often are in conflict. Where this is the case, PMP have taken a strategic view of the overall benefits which could be derived, to ensure that the interests of particular stakeholders do not take precedence over long term benefits for the Council and the local community.

**4.4** A full matrix analysing each option is provided in the main report. Whilst PMP recommend that the council proceed with option C or F, both of these options would require significant capital funding to deliver (Option C = £2.88m, Option F = £4.88m).

## **5.0 Capital Finance**

**5.1** The only capital budget that the council has committed to this project is £125k. This is the amount that has been allocated by the council's insurers, based on estimate costs for replacement of the existing cricket hall on a like for like basis (Option A).

**5.2** An application was made to the Severn Trent Community Fund for £200,000 towards the capital costs which was unsuccessful.

**5.3** PMP's report identifies potential funding partners where capital funds may be sourced. As a result a meeting has been held with the English Cricket Board (ECB) who have shown a positive interest in providing significant capital funds for a newly built facility in the future. During the past year the ECB have funded 75% of the capital cost of two other significant facilities within the South West, which have cost £2.4million and £3.2million respectively. At this stage, however, the ECB are unable to make a definite commitment until March 2009, when their capital funding allocation for the period 2009 – 2013 will be confirmed by Sport England. The ECB has a policy to support indoor developments, which it wishes to continue through the next phase of investment.

## 6.0 Business Plan

- 6.1 Fully costed business plans for Options C & F are contained within PMP's main report. A summary of projected income and expenditure for Options C& F is included in the attached executive summary. PMP forecasts indicate that Options C & F would require significant additional revenue funding over and above that currently allocated to the cricket hall (£24k).
- 6.2. The headline summary figures of the revenue costs\net cost of service are as follows:
- Option A** - £24k, comprising £39k apportioned staff\utilities\premises expenditure costs, offset by £15k income generation (This level of subsidy is currently included within Leisure@ cheltenham's annual revenue budget.)
- Option C** - £142k comprising £221k expenditure offset by £78k income generation. This represents a growth of £118k on annual revenue budget
- Option F** - £146k comprising £328k expenditure offset by £181k income generation. This represents a growth of £122k on the annual revenue budget.
- 6.3 Whilst PMP recommend that the Council proceed with either Option C&F, on the grounds that both options provide significant sporting, community and health benefits, the capital and revenue implications that both of these options present cannot be ignored.
- 6.4 It would be irresponsible for the council to commit to a project which adds further strain to the medium term budget strategy, particularly at a time of increasing financial uncertainty and given the current economic climate.
- 6.5 Notwithstanding the conclusions presented within the study, it is the recommendation of this report to approve the reinstatement of the existing cricket hall facility on a like for like basis, in order that the provision of indoor cricket can return to Cheltenham at the earliest possible time, at no additional cost to the council.
- 6.6 Officers within the Property Services Division have considered the estimated costs of reinstatement. The council's insurers estimated the value of works to be £125k which was based on the works being carried out as part of the main building contract for the reinstatement of leisure@ Cheltenham.
- 6.7 Given that the feasibility study had not been completed whilst the reinstatement project at leisure@ Cheltenham was commissioned, and a decision had yet to be made regarding the future of cricket provision, works were not undertaken as part of the main building contract. As a result, the Property Services Division has recently re-estimated the value of works at £160k, which creates a £35k shortfall to the budget specifically allocated to the cricket hall by the council's insurers. Whilst officers have challenged this with the council's insurers, it is has been confirmed that the allocation is reflective of the insurance policy and is therefore correct.
- 6.8 However, the flood related insurance settlement with the council's insurers has resulted in a reserve of £75k being created within the Leisure@ budget for flood related expenditure which is currently unallocated.
- 6.9 It is a recommendation of this report that Cabinet use its delegated powers and allocate £35k of the unallocated budget to offset the shortfall in the reinstatement costs that have been identified.
- 6.10 The issue of DDA compliance of the existing facility has also be considered. Officers have confirmed that design plans for the installation of a lift into the facility were being

drawn up at the time of the closure, as disability access had been identified as an issue to be addressed within the 2011\12 budget allocation attributed to DDA compliance. It is anticipated that progress with the design plans will recommence with necessary consents obtained during 2009\10 and construction in 2011\12.

## **7.0 Future flood defence**

- 7.1** Halcrow Consulting Engineers were commissioned by the council to undertake a Flood Risk Assessment which resulted in a list of possible options to protect the cricket centre\ leisure centre from flooding.
- 7.2** An option which is currently being pursued is the construction of earth banks between the lower Pittville Lake and the Cricket hall\ Leisure@ complex. Whilst this option is being developed to the planning stage, temporary flood barriers are now available in the event of flooding in the short term.
- 7.3** Pre-planning internal consultations for the proposed permanent flood protection works have been completed. Halcrow are now preparing a formal planning application which is expected to be submitted by mid November 2008. Statutory consultations are likely to take up to 12 weeks. Therefore, consent may be possible by February 2009. Detailed design and contract preparation could be completed by April 2009 and construction commenced in May 2009 with completion in August 2009.

## **8.0 Gymnastics Provision**

- 8.1** Over the past two decades gymnastics provision within Cheltenham has been provided predominantly through several privately run local gymnastics clubs, who have hired or leased venues throughout the town.
- 8.2** Until November 2000 the Cheltenham Gym Centre operated its Club from the council owned Montpellier pavilion, through a lease agreement. The pavilion was closed that year on the grounds of health and safety following the identification of asbestos within the facilities.
- 8.3** In recognising the recreational and community value of the Gym Centre to the town, particularly for young people, the council included the provision of the sport within the development plans for the Midwinter site.
- 8.4** Gymnastics provision was identified as an “aspirational” element within the original development brief which required the *‘reservation of space for a gymnastics centre’*.
- 8.5** The Midwinter Development project continues to make progress, with Bloor working towards resolving a number of issues including the flood risk assessment, affordable housing, highways and sustainability.
- 8.6** Whilst recognising the benefit that gymnastics provides, it is extremely important to understand that the council has never made it a formal commitment to directly provide or develop the sport of gymnastics in the town. The clubs who have successfully developed the sport have done so as private concerns through exclusive use facility hire or lease agreements throughout venues across the town.
- 8.7** Such an arrangement could not feasibly be provided within the council’s existing indoor sports facility provision i.e. leisure @cheltenham, due mainly to the very specific space and technical apparatus requirements that the sport demands.
- 8.8** Consultation with the two major gymnastics club providers in Cheltenham took place as part of the feasibility study, which was extremely positive and re-affirmed their

aspiration for Cheltenham to have a purpose built facility. However, it must be recognised that the council has not specifically identified the provision of a gymnastics facility within its business plan or within the medium term financial strategy.

## **9.0 Consultation**

**9.1** Extensive consultation has taken place throughout the feasibility study being undertaken, this is summarised in Section 2 of the attached report.

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<b>Background Papers</b>	Leisure@ Cheltenham Cabinet Report 9 <sup>th</sup> October 2007
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