

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Development and Conservation Control Committee 2nd August 2006
AUTHOR/S: Head of Planning

CAMBOURNE SPORTS CENTRE: PROPOSED VARIATION TO SECTION 106 AGREEMENT

Purpose

1. To consider proposed changes to the Cambourne Section 106 Agreement to prescribe a different sports centre than that originally envisaged.

Effect on Corporate Objectives

2. Quality, Accessible Services	The Council is an enabler rather than a provider in terms of sports development. This report considers the most appropriate facility for Cambourne that would be accessible to the most residents, bearing in mind certain constraints.
Village Life	It is important to provide a facility that will be affordable to most residents yet cost effective in terms of subsidy, and which has the best chance of long term success.
Sustainability	Facilities such as these are important in sustaining a community. That is why it is appropriate to ensure that a facility is provided that is viable for the long term.
Partnership	Considering this proposal enables a better working relationship with the Cambourne Parish Council, which has expressed concerns about the costs of taking on their ownership and maintenance, and taking the Parish Council's comments into full consideration demonstrates that the District Council is working in partnership with the Parish Council to provide the most appropriate facilities. In terms of the recommendation, the Council would work in partnership with the sports centre provider and the Parish Council to ensure sports development opportunities take place and are accessible to as many people as possible.

Background

3. The original Cambourne Section 106 Agreement requires the sports centre to provide:
gross internal floor area of 1425sq.m. to include:
 - Sports playing hall, 575sq.m.
 - Ancillary hall, 180 sq.m.
 - 2 squash courts, 120 sq.m.
 - fitness room, 100 sq.m.
 - health suite, 100 sq.m.
 - changing rooms (male and female), 100 sq.m.
 - bar, 100 sq.m.
 - car parking (subject to dual use), 144 spaces
 - circulation area, 150 sq.m.

4. The Agreement also states:
2.2 Public “pay and play” provision shall apply in accordance with the fourth schedule.
2.3 Subject to 2.2 above, the sports centre may be owned, operated or managed by a commercial company or by any public or charitable organisation whose objects include the provision of such sports facilities.
2.4 The design and specification of the sports facilities described in this Part and in Part 1 shall be agreed with the Council, provided that such standard of design and specification shall be reasonably appropriate for the Development.”
5. Members will recall changing the trigger point for this provision from 2000 dwellings to 31st December 2007, at their meeting of 5th April 2006. The report can be viewed as a background document or using the following link:

[http://scdcsql:8070/Published/C00000411/M00002788/AI00013220/\\$Cambournesportscentreandbowlinggreentriggerpoints.docA.ps.pdf](http://scdcsql:8070/Published/C00000411/M00002788/AI00013220/$Cambournesportscentreandbowlinggreentriggerpoints.docA.ps.pdf)
6. In essence, Members acknowledged that there was some doubt over the commercial viability of the Section 106 version of the sports centre, and that the Parish Council had expressed a desire not to have to take on a facility with a large revenue implication, which would have necessitated increasing an already high Parish Precept.
7. The developers’ Consortium is hoping to make arrangements with a private company to provide the sports centre to a different specification, and a company known as Xpect Leisure have made a presentation to the Parish Council and to officers at SCDC about an alternative offer, combining some member-only facilities and some pay and play. As a result the Council commissioned a consultant’s report on the management options for the various combinations of sports facilities, in order that officers can pursue, and recommend to you, a planning application for the most sustainable, accessible and viable sports centre. The report, by PMP Consultants, has now been received, and its recommendation to go along with the Xpect leisure proposal, means that the relevant parts of the Cambourne S106 Agreement (as noted in italics above) need to be varied.

Considerations

8. Xpect Leisure have proposed a different model for the sports centre which it is confident it could run as a commercial venture. That proposal is for a sports hall (4 badminton court sized) with associated storage to meet Sport England standards, changing rooms (again to meet Sport England and Governing Body standards) for both this and the outdoor sports pitches, MUGA and bowling green, and a bistro. The sports hall, storage and some changing rooms would be run on a pay and play basis and the bistro would be open to all. The remainder of the building would be provided as a 20m by 8m swimming pool, spa/steam/sauna, large gym, studio, crèche, and changing rooms for members only (although there would be swimming lessons available to non-members and the member changing rooms would be utilised for certain activities when the centre was busy).
9. Because of the Parish Council’s concern to minimise the financial risk to itself, and because SCDC does not own or manage such facilities, SCDC has employed PMP Consultants to do an Options Appraisal, i.e. to report on the viability of both the sports centre as proposed in the planning application (i.e. the varied version of the S106 requirements) and the Xpect Leisure proposal. Their remit was to consider management options for the sports centre.

10. The PMP report has concluded that the “base facility mix” as described within the original section 106 agreement is appropriate for the development of a public leisure facility in Cambourne; and there are a range of management/delivery options available to SCDC and CPC. However, PMP’s projections of the likely financial performance of the base facility mix indicate that it will require an annual revenue subsidy, which could be a significant amount of money. Therefore, given that the primary concern of both SCDC and CPC is to avoid initial capital costs and ongoing revenue costs in respect of the new sports centre, only one management/delivery option is appropriate, namely the option involving the sale of the site to Xpect Leisure and the development of a sports centre combined with a private health and fitness club.
11. The key risk of this option is the exposure to business failure of Xpect Leisure, and it is therefore necessary to avoid that situation in the first place by making sure that the business case is sound and therefore as unlikely to fail as can possibly be the case. I have therefore requested that Xpect’s business plan is submitted for confidential assessment, using PMP to assess it on a confidential basis and provide a written conclusion based on the likely success without using actual financial information. I would then expect Members to be reassured that they are not approving a change to the legal agreement that would ultimately result in no facility being open at all.

Options

12. The alternative to not approving a change to the Section 106 would be that the Cambourne Consortium of developers would be required to build the Section 106 version of the sports centre. They would, however, have trouble finding an operator to run it and this Council and the Parish Council would be under pressure to provide revenue funding. Approving the change would remove this risk and result in the provision of a sports centre with different facilities, which many people might find attractive in spite of being required to pay for memberships.

Financial Implications

13. To go along with the option of using a commercial operator will have the greatest likelihood of not requiring revenue support from the Council or the Parish Council.

Legal Implications

14. The variation to the S106 Agreement will need to be finalised and signed.

Staffing Implications

15. None.

Risk Management Implications

16. Financial risk as detailed above.

Consultations

17. Cambourne Parish Council has already commented on this issue, when I reported the proposal to vary the trigger point. The Parish Council supports the move towards commercial provision subject to certain measures to protect the community elements of the provision.

Conclusions/Summary

18. It would be inappropriate for the Council, in the knowledge of the financial implications of the management options for the sports centre, not to address this issue. This is an opportunity to make sure the best possible facility is provided, both financially and in terms of content. As the revenue funding pressure would be removed, it would be appropriate to encourage the Parish Council to help those on low incomes to gain access to the private facilities through membership subsidies.
19. Should the Variation to the S106 agreement be granted, this will be finalised and parallel working begin on the planning application, in order to meet the tight timescale for this facility's provision on site.

Recommendations

20. Upon receipt of advice from PMP about the likely success of the business case, to authorise the variation of the Cambourne Section 106 Agreement along the following lines:
 - a. Public Pay and Play Element – sports hall (Sport England 4-court standard 33m by 18m by 7.6m high, with air conditioning, a fully sprung floor meeting the requirements of the Performance Specification BS7044, markings for 4 badminton courts, 1 basketball court, 1 netball court, 1 volleyball court, 1 five-a-side football court and 1 hockey court, fixed equipment: 2 hall subdivision nets, two-bay cricket nets, 2 electronic ceiling basketball goals and nets, floor sockets for volleyball and gymnastics, and lighting to Sport England standards); equipment store off the sports hall 75sq.m., including a separated fire-proof mat store; 4 changing rooms (2 outdoor, 2 indoor, see Sport England guidance link below for specifications for size, benches and pegs, showers, toilets including baby-change, lockers including low-level lockers for disabled and children); changing for officials (could be combined with disabled w.c. if locker and shower provided within it); spectator gallery and café / bar.
 - b. Pay and play definition and pricing structure to be agreed with SCDC on basis of “comparable with similar local facilities”, relationship with hire of outdoor facilities, relationship with user groups, sports development activities. This will include appropriate access to changing facilities by users of the MUGA, pitches and bowls green
 - c. Opening hours for the sports hall and changing rooms should be the same as for the rest of the centre
 - d. Crèche to be available to non-members.
 - e. Cleaners' store and first aid room.
 - f. The following with no pay and play requirement (i.e. the private members' element): swimming pool, spa/steam/sauna, gym, studio, and members' changing rooms. A disabled w. c will also be required at first floor level.
 - g. Public Art will be required as the building will be more than 1000sq.m.
 - h. Free parking (at least for users of the building, MUGA, pitches and bowling green).

Background Papers: the following background papers were used in the preparation of this report: Cambourne Section 106 Agreement 20th April 1994; Report to DCCC 5th April 2006 (Agenda Item 46); PMP Consultant's Report July 2006 (draft).

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