

Report to Executive

Ward(s) affected: All

Report of Director of Service Delivery

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Guildford Spectrum refurbishment surveys

Executive Summary

The Guildford Spectrum Leisure Complex opened on 23 February 1993, covers 26 acres and originally cost £28 million to build. The venue receives approximately 1.7m visitors each year and is a regional tourist destination. Guildford Spectrum is a unique and complex building with a range of sports and leisure facilities that are much loved by the local community and regional visitors. The venue's original life cycle was expected to be 40-50 years, and it is now 28 years old and a revised strategy for its ongoing repair or replacement is required. The venue requires ongoing maintenance to ensure it remains watertight and there is concern over the ongoing level of investment in the site. The venue is also the significant carbon emissions contributor within the Council's property portfolio because of the nature of the facilities on site.

There have been previous reports presented to the Executive on this topic, however the impact of Covid 19 and its possible future implications have necessitated a review of all options in respect of the long-term future of the existing building. Funding identified to investigate the feasibility of a replacement venue, an option that has been set aside from further consideration for at least the next two years, could be used to facilitate this review.

This report seeks approval for the transfer of this existing funding to coordinate a comprehensive range of specialist studies to collect the required data in order to assess the current anticipated life span of the venue (including the building fabric, the mechanical, electrical and plumbing systems) and what programme of investment might be required to extend the life expectancy of the building and its plant. The studies' outcome will also identify the opportunities for carbon impact reduction and for using up to date technology for beneficial operation of the venue.

Two part-time fixed-term members of staff, one in Asset Management and one in Corporate Programmes, will coordinate the procurement of the surveys and the ultimate consolidation of the data into a report for Councillors to consider. There may be a need for further senior specialist external advice associated with the consolidation of the diverse data sources.

Recommendation to Executive

That the Executive approves:

1. The spending of £300,000 from the carry forward reserve to enable the collection of comprehensive survey data on the existing venue.
2. The procurement of a range of surveys from suitably qualified specialists as detailed in paragraph 3.9 (a) to (h) inclusive of this report.
3. The appointment of two fixed-term part-time positions to facilitate this stage of the project.

Reason(s) for Recommendation:

This proposed collection of survey data is much more comprehensive than any survey process previously undertaken in respect of the venue. This will allow Councillors to make an informed decision about the remaining lifespan of the existing facility and whether that lifespan can be effectively extended, and if so, for how long, within acceptable economic parameters. Any decision to refurbish such an important venue for the community must be made on the best available information as the investment to significantly extend the life of venue is likely to be substantial.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 The Executive is requested to release the funding to be able to undertake a comprehensive range of surveys in respect of Guildford Spectrum Leisure Complex. This data will be used to consider the projected life expectancy for the venue and a possible investment programme to extend that life expectancy if appropriate.
- 1.2 The project also requires the provision of two fixed-term part-time posts in order to facilitate its delivery to the next stage.

2. Strategic Priorities

- 2.1 The provision of the services at the Guildford Spectrum support the Corporate Plan in respect of the Community theme in enhancing sporting, leisure, cultural, community and recreational facilities:
 - By attracting visitors to the borough and making Guildford a more attractive place to live in. The venue offers a range of employment opportunities and facilities that businesses need.
 - Through providing an enhanced leisure offer in an attractive, vibrant town.
 - Through promoting physical activities and contributing to public health.

3. Background

- 3.1 The Guildford Spectrum Leisure Complex opened on 23 February 1993, covers 26 acres and cost £28 million to build. It is situated on the edge of Stoke Park in close proximity to the main A3 trunk road and the town.

- 3.2 Guildford Spectrum was designed with a unique range of facilities. The combination of commercial and community facilities all under one roof remains a unique offer in the United Kingdom.
- 3.3 Facilities provided include:
- An International standard ice rink seating 2,000
 - 4 swimming pools including a multi flume leisure pool, 25m competition pool, a dive pool with 1m, 3m and 5m boards and a teaching pool
 - 32 lane ten pin bowling centre
 - 10 badminton court sports hall
 - A dedicated group exercise studio
 - 72 station fully equipped health and fitness suite
 - 400m athletics stadium with a floodlit football pitch
 - Children's soft play
 - A number of other smaller facilities including a spinning studio, 2 squash courts and dry sport facilities
 - A number of catering and sports retail outlets
 - 1,000 space car park.
- 3.4 Spectrum is a regional tourist destination and receives around 1.7 million visits each year and has a catchment area of up to a 90 minute drive time for participants and spectators.
- 3.5 The venue turns over in excess of £11 million per year and in normal non-covid times generates an operating surplus.
- 3.6 The combination of age and amount of use it has received however means that the venue is becoming increasingly expensive to maintain. In December 2020, CMT and the Executive/Management Team Liaison Group agreed that due to Covid-19, at least two years should pass before a replacement was given any further serious consideration.
- 3.7 Guildford Spectrum Leisure Complex has always been regarded as having a high social value to the community. Its importance and social value was reaffirmed by the former Community EAB in February 2019 and the Executive in March 2019 based on the findings of a feasibility report into the consideration of the viability of a potential replacement venue. It is 28 years into its 40-50 year anticipated life-span and is contributing to 50% of the Council's energy consumption and associated emissions, which we are committed to reducing by 2030.
- 3.8 Therefore, a project mandate was prepared that sets out the strategic direction for developing the options for capital works to the building and funding approvals for development of the Strategic Outline Business Case for work to proceed to the next stage.
- 3.9 A comprehensive range of surveys is required to be able to consider what the anticipated life expectancy is for the building and the plant, what the options and impacts are for extending the lifespan of the building and what opportunities are

available for enhancing the venue operation within the existing envelope. These surveys (and a brief outline of their purpose) include:

- a) Review and bring up to date existing structure and fabric condition survey including prioritised and costed maintenance recommendations.
 - b) Undertake detailed tests and inspections of all mechanical and electrical plant and systems and provide prioritised and costed maintenance recommendations.
 - c) Review service break down and repair records to assess reliability of existing plant and equipment.
 - d) Undertake a site wide drainage survey and provide costed recommendations for any remedial works.
 - e) Undertake a detailed fire risk assessment and provide costed recommendations for any remedial works or necessary improvements.
 - f) Assess the adequacy of the design of existing mechanical and electrical systems and provide costed recommendations for any recommended improvements.
 - g) Prepare life expectancy estimates for all existing components and life cycle costings for the whole facility for the next ten years. This is to include impact assessments on potential disruption and loss of trade.
 - h) Undertake a carbon assessment of the facility in its current configuration and model the costs and other impacts of selective changes and/or improvements.
- 3.10 A number of aspects of these surveys have been previously undertaken but they have not been taken all at the same time and the outcomes considered to generate a strategic plan. Technology also moves on and what may not have been viable five years ago may be viable now as a result.
- 3.11 The utility consumption at the venue is significant; however, given the nature of the facilities on offer, this is to be expected. In 2019/20, the last full year of operation, the consumption of gas and imported electricity was as follows:

Fuel type	2019/20	Equivalent current cost	Notes
Gas	10,818,681 KwH	£244,743	Includes CHP fuel
Electricity - Day	2,990,348 KwH	£597,847	Combined cost
Electricity - Night	756,577 KwH		Imported electricity only
		£842,590	

- 3.12 The gas consumption detailed above includes for the Combined Heat and Power (CHP) engine which is one of a number of energy saving schemes introduced over the life of the building, other notable schemes include variable speed drives (VSD), photovoltaic cells (PV) and various LED lighting. The CHP acts as lead boiler for the venue as well as generating electricity as a by-product. Electricity generated on site is not included within the above table.

4. Consultations

- 4.1 At this stage of the project it is principally a process of data collection; however, when a potential programme of work is developed, a programme of consultation will be required with the affected stakeholders.

5. Key Risks

- 5.1 There is a constantly changing, and uncertain, health, environmental, financial, economic and political environment due to Covid-19.
- 5.2 The current impact of Covid-19 is causing serious financial issues for customers, clubs, the venue operators and the Council. The market for the services at the venue might not be there, at least not in a financially viable form, and the long-term investment (traditionally from the Council and venue operators) also might not be available.
- 5.3 The cost and disruption of a programme of work to the existing venue is considered too significant to progress compared against the additional life expectancy gained.
- 5.4 The cost estimates arising from the surveys could be significantly different by the time a programme of work is implemented.
- 5.5 The level of uncertainty in relation to Covid-19 impacts and restrictions makes this a very difficult business case to write, particularly at this early stage of recovery.
- 5.6 There is a risk that Local Authority operating models may fundamentally change e.g. mergers or unitary.
- 5.7 Most of the risks associated with this project are longer term risks associated with the next stages of developing the business cases. The surveys will allow us to ensure we have the current best information for developing a coherent strategy. At the next stage, the process of recovery will be further on. Performance during recovery will be constantly monitored to assess the potential ongoing impact of Covid-19 and this will be considered as part of the business case process.

6. Financial Implications

- 6.1 The costs and workload associated with coordinating the collection of this data is significant; however, the potential cost of making decisions without the most informed and up to date surveys could be much, much greater. The following table sets out the estimated costs of this stage of the project:

	Additional resource requirements	£'000s
Internal staffing costs	Part time project manager (Major Projects 0.6FTE)	50
	Part time building surveyor (Asset Management 0.6FTE)	70
Specialist external	Specialist leisure operating and construction	60

	Additional resource requirements	£'000s
consulting costs	Building, M&E and Engineering consultants to conduct condition surveys, produce reports and carbon audit specialist	120
	Total	300

- 6.2 The suspension of consideration of a replacement for Guildford Spectrum for at least two years potentially releases £300,000 from funding previously set aside for this project. This funding is currently part of the carry forward reserve and it is requested that this existing sum of £300,000 be reallocated to facilitate the detailed survey project for the existing venue.

7. Legal Implications

- 7.1 The Council will need to comply with the Public Contract Regulations 2015 and the Council's own Procurement Procedure Rules when procuring the contractors as detailed at paragraph 3.9 of this report.
- 7.2 The Council must also be mindful of its best value, fiduciary duties to taxpayers when making decisions about how to use its resources.
- 7.3 The Executive can approve this virement from the Spectrum 2 project under its Financial Procedure Rules.

8. Human Resource Implications

- 8.1 This is such a significant piece of work it is considered that two additional fixed-term (one year) part-time posts would be required to coordinate the work on this stage of the project. A part-time Building Surveyor would be required in the Asset Management Team and a part-time Project Manager within Corporate Programmes to coordinate the programme and consolidate the reports.
- 8.2 The part-time surveyor will release more senior resources to prepare the detailed technical aspects of the specification for each survey and ultimately enable them to focus on the consolidation of the survey data. Subject to the data outcomes, the consolidation into a final overview report may require some further external senior specialist support due to the diverse range of data sources.
- 8.3 The part-time project manager will facilitate the procurement of the surveys including the data collection elements, they will also facilitate access and coordinate the timely completion of the surveys.

9. Equality and Diversity Implications

- 9.1 The project is to collect data on the life expectancy of the existing building and develop a potential investment programme. It is not considered necessary to prepare an Equalities Impact Assessment at this stage of the project; however, one would be required at the next stage.

10. Climate Change/Sustainability Implications

- 10.1 Guildford Spectrum Leisure Complex is a significant energy consumer and the venue is responsible for more than 50% of the Council's carbon footprint. One of the studies outlined in this report is a detailed carbon audit to assess the opportunities for reducing the venue's carbon footprint.
- 10.2 An Environmental impact assessment will need to be prepared at the next stage of the project.

11. Executive Advisory Board comments

- 11.1 The Mandate to maintain the existing Guildford Spectrum was considered by the Service Delivery EAB on 18 February 2021. The EAB commented as follows:
- The EAB supports the mandate as presented to it and feels that it should be pursued as a means to identify the best and most economic options for the Spectrum's medium and longer term future, subject to any necessary restrictions on expenditure in respect of surveys and work undertaken by external consultants.
 - Any reasonable measures that can be adopted to secure reductions in the Spectrum's energy consumption and carbon emissions rates should be pursued as part of the mandate; however, these should not take precedence over service delivery.
 - The operation of the current Spectrum facility should continue for at least the next two years.
 - The Spectrum is a valued community asset which offers physical health, mental health, and social benefits to users of its facilities and these should be recognised as strong reasons to continue its future operation.
 - Possible changes in the behaviours and demands of potential customers of Spectrum following the Coronavirus pandemic should be evaluated and factored into future service design and use to reflect emerging and dwindling leisure trends where possible, subject to viability.
 - The longer-term future possibility of returning the Spectrum to in-house management in reflection of the Council's past management of the facility which achieved high energy efficiency and low carbon emissions should be borne in mind.

12. Summary of Options

- 12.1 The following table sets out the possible options in the longer term for this project:

Option 1	Retire the asset/facility early Shut the centre and save on running costs and cut carbon emissions to zero. Significant winding down costs would be incurred, and potentially significant liabilities could remain. Significant community reaction anticipated.
Option 2	Sell it Shut the centre and sell the land to save on costs and raise net revenue. Significant community reaction anticipated – no

	market for this.
Option 3	Do Minimum Required preventative works only which would be unlikely to significantly reduce carbon emissions.
Option 4	Do More Refurbishment that seeks to increase the current facility's 'life span', reduce carbon emissions.

12.2 The provision of the surveys will allow the options to be considered on the best available information.

13. Conclusion

13.1 The approach to identifying and delivering the necessary works should be developed through a business case. These surveys are required to develop a Strategic Outline Business Case to determine the options for capital works that would be required to the building to ensure it remains safe and operable until the end of its expected lifespan or other agreed date. It has been agreed that a suitable building condition survey of the existing MEP (Mechanical, Electrical, Plumbing) to the building, along with surveys of the building fabric, and facilities and equipment to establish its condition and the optimum scheduling of works should be undertaken to inform any business case and subject to staged approvals. This would also include a survey in relation to the opportunity to reduce carbon emissions.

13.2 This proposed collection of survey data is much more comprehensive than any survey process previously undertaken in respect of the venue. This will allow councillors to make an informed decision about the remaining lifespan of the existing facility and whether that lifespan can be effectively extended and, if so, for how long, within acceptable economic parameters. Any decision to refurbish such an important venue to the community must be made on the best available information as the investment to significantly extend the life of venue is likely to be substantial.

14. Background Papers

Mandate to maintain existing Spectrum Leisure Centre

15. Appendices

None