

Executive Report

Ward(s) affected: All wards

Report of Director of Transformation & Governance

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Date: 20 March 2023

Replacement of Guildford Spectrum

Executive Summary

The Guildford Spectrum is a unique and iconic venue that has served over 42 million visitors since it opened in 1993. It has now reached a crucial point in its lifecycle where planning for future provision needs to start. A report was taken to Executive in March 2019 and the Executive resolved:

- 1) To note the research undertaken into the current performance and challenges of the Spectrum
- 2) Agree to progress the option to build a new facility and to produce a full business case including public consultation, funding and delivery options.
- 3) Agree the draft vision and aspirations for the new facility.

The project was paused through the pandemic to ascertain and assess any longer-term impacts on the sector. There have been some changes in visitor usage post-pandemic, however, patronage has now recovered to pre-pandemic levels of c 1.7 million users a year.

The building's carbon footprint is 46% of Guildford Borough Council's total emissions. Energy costs have significantly impacted our revenue accounts and even the best-case maintenance costs for the next 10 years exceed £30 million but could easily be more. These pressures make it ever more important that we restart the project with an additional recommendation focused on energy efficiency and carbon reduction and resource.

Recommendations

That the Executive:

1. Agree that energy efficiency and carbon reduction form a key foundation for any new facility.

2. Agree a budget of £1.15 million for project management and technical support for continued operation, for the next 5 years, to bring forward a business and options appraisal for a new low carbon facility, which will include funding and delivery options.
3. Agree to move the £7.1 million capital sum identified in the provisional capital list, to keep the current facility operational, into the approved capital programme. Recognising the importance of this facility to the Council's climate objectives and the contractual and health and safety requirements to operate the facility effectively.

Reason(s) for Recommendation:

To enable officers to prepare a plan for future development of the site and re-provision of leisure facilities, and also to ensure that the existing building can fully function whilst a longer-term option is designed.

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

1. Purpose of Report

- 1.1 This report sets out the case for replacing the Guildford Spectrum Leisure Complex and detailing the requirements for keeping the current facility open in the short-medium term.

2. Strategic Priorities

- 2.1 The Guildford Spectrum supports the Community theme in the Corporate Plan by:
 - Attracting visitors to the borough and making Guildford a more attractive place to live.
 - Providing employment.
 - Providing an enhanced leisure offer in an attractive, vibrant setting.
 - Promoting physical activities and contributing to public health.

3. Background

- 3.1 The Guildford Spectrum Leisure Complex opened in 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 2000
 - 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
 - A 400m athletics stadium with a floodlit football pitch
 - A crèche
 - A children's soft play
 - A number of other smaller facilities including a spinning studio, 2 squash courts, climbing wall and dry sport facilities
 - A number of catering and sports retail outlets
 - A 1000 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 is one of the few council-owned leisure facilities in the UK that generates an operating surplus.
- 3.6 The facility is run by freedom leisure who operate by way of a management agreement. The contract ends October 2025 and currently generates a revenue through a management fee of over £1 million for the council each year.
- 3.7 The combination of age and amount of use it has received however means that the venue is becoming increasingly expensive to run and maintain.

Condition of the venue

- 3.8 There have been a number of problems with the roofs and other structural defects associated with the building, some of which were due to the original build quality and design. This has resulted in the water ingress and the underperformance of some of the plant and equipment. There have also been some underlying issues with the build quality including the base of the ice rink. Finally, some of the design choices represent missed opportunities e.g. the location of the gym, and some have become outdated e.g. the design of the reception area.
- 3.9 The Leisure Partnership Agreement includes a provision for a programme of identified investment by the Leisure Operator over the life of the contract. This is updated annually to reflect the needs of the facility. Irrespective of this arrangement, however, the fundamental issues stated above still exist. Part of the sum being requested includes a dilaps specialist to identify what

works need to be carried out in preparation for the end of the current leisure contract.

- 3.10 A capital bid was put forward as part of the 2023/24 capital & investment strategy for £7.1 million for keeping the building operational whilst the future of the site is reviewed.

4. Consultations

- 4.1 The Joint Executive Advisory Board on 30 January 2023 confirmed its support for this project and was in favour of building a replacement facility as opposed to the refurbishment option presented.

5. Financial Implications

- 5.1 There are two inter linked but separate financial implications identified as part of the report:

- a) Keeping the building operational (capital works)
- b) Feasibility work to identify the options over future provision

Keeping the building operational

- 5.2 A capital bid was put forward as part of the 2023/24 capital & investment strategy for £7.1 million for keeping the building operational whilst the future of the site explored. The profile of this spend is outlined below and includes £350,000 of project management expertise:

2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
1,250	1,750	2,300	1,150	650	7,100

The capital sum identified, £7.1 million needs to be moved to the approved programme in order to start in 23/24 FY.

- 5.3 The revenue cost of this scheme will be approximately £1.78 million per annum (£1.42 million in MRP over 5-year life from 2028/29 and borrowing costs of £355,000 at 5%).

New Spectrum

- 5.4 Councillors have previously agreed for Officers to proceed with a feasibility study on a new leisure offering to replace the existing building.
- 5.5 Feasibility work cannot be capitalised and this report is therefore requesting a revenue supplementary estimate of £160,000, *funded by reserves*, to enable studies to be carried out. Estimated costs to get to the next state is estimated at:

	2023/24 £'000	2024/25 £'000	Total £'000
Internal resource	60	20	80
External resource	120	40	160
Total	180	60	240

- 5.6 It is assumed internal resource costs will need to be absorbed to enable the project to be delivered.
- 5.7 It is worth noting that if the scheme progresses into the next stage, the costs shown in 2024/25 will continue throughout the scheme until completion. These costs will form part of the business case being developed as part of this request/report.

6. Legal Implications

- 6.1 There are some restrictions imposed by legislation, planning policies, and the legal title of the land which will shape the development proposals and will need further exploration and advice as the business case develops.

7. Human Resource Implications

- 7.1 It is envisaged that the day-to-day project management of this scheme would be delivered by the Corporate Programmes team. The Council has an extensive existing Capital Programme being delivered by this team, with support from enabling services across the Council e.g., finance, procurement, and legal officers. There is insufficient capacity within the existing staffing establishment to progress with the recommendations. The budget requested as part of the recommendations includes provision for the appointment of an interim project manager (if the Council cannot recruit to a permanent member of staff). This role would be in addition to an external professional team, including specialisms such as architectural services, structural engineering, cost consultancy.

8. Equality and Diversity Implications

- 8.1 The Council has a statutory duty under section 149 of the Equality Act 2010 which provides that a public authority must, in exercise of its functions, have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 8.2 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report. However, an Equalities Impact Assessment will be completed as the project progresses.

9. Climate Change/ Sustainability Implications

- 9.1 The Council formally declared a climate emergency in 2019 and set a goal for the borough to reach net zero emissions by 2030. The Council is committed to reducing emissions, particularly from vehicles, energy use and construction processes.
- 9.2 These objectives will be considered at all stages of the scheme design and through to delivery, acknowledging that the current facility accounts for 46% of the Council's total carbon emissions.

10. Summary of Options

- 10.1 OPTION 1: The Executive could decide not to approve the recommendations. However, this will result in increased maintenance costs as the facility ages. It will also result in the inability to reduce the carbon footprint of the centre impacting the Council's Climate Emergency objectives.
- 10.2 OPTION 2: The Executive could decide to defer a decision on progressing with the recommendations. However, this will result in increased maintenance costs as the facility ages. It will also impact upon the Council's Climate Emergency objective of being carbon neutral by 2030.
- 10.3 OPTION 3 (Recommended): The Executive could decide to approve the recommendations detailed in this report. This would enable options to come forward to consider for a new low carbon leisure facility. Supporting both the financial and carbon objectives of the Council.

11. Conclusion

- 11.1 The Executive should approve the recommendation to allow a team to be appointed to bring forward options for a new leisure facility with energy efficiency at its core and a funding, business, plan to deliver a new Spectrum.

12. Background Papers

[Executive Report 19 March 2019](#)

13. Appendices

None