

CABINET	AGENDA ITEM No. 11
11 March 2024	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director: Place and Economy	
Cabinet Member(s) responsible:	Cllr John Howard, Deputy Leader and Cabinet Member for Corporate Governance and Finance; Cllr Peter Hiller, Cabinet Member for Housing, Growth and Regeneration	
Contact Officer(s):	Rob Hill – Service Director for Housing and Communities Jamie Fenton – Partnership Manager, Culture, Sport, and Leisure	Tel. 01733 747474

REGIONAL FITNESS AND SWIMMING CENTRE, BISHOPS ROAD

RECOMMENDATIONS	
FROM: Service Director, Housing and Communities	Deadline date: N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Authorises the council to decommission the Regional Fitness and Swimming Centre, following consideration of the financial and commercial findings contained in this report. 2. Subject to approval of recommendation 1, delegates authority to the Executive Director of Corporate Services, in consultation with the Executive Director of Place and Economy, and the Cabinet member for Corporate Governance and Finance, to award the contract for the demolition works, up to a value of £2.5 million, in compliance with procurement regulations and subject to approval by legal services, procurement and finance regulations. 3. Approves in principle to the development of a new leisure facility, and to the development of the outline business case / next steps timeline as summarised in paragraphs 4.5.3 and 4.5.4 which will be approved by Cabinet at a later date. 4. Notes the interim arrangements as set out in this report at paragraph 4.6.1. 	

1. ORIGIN OF REPORT

- 1.1 This report is presented to Cabinet following confirmation of the existence of Reinforced Autoclaved Aerated Concrete (RAAC) in the Regional Fitness and Swimming Centre, Bishops Road, Peterborough, and the subsequent implications of this upon the building's structural integrity.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to present Cabinet with the findings of the recent RAAC survey (exempt appendix 1), to update on the building condition, to seek approval for the officer

recommendations arising from the survey and for the future use of the site, and to confirm interim and long-term plans for alternative leisure provision.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1 and 3.2.5: To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services; To make decisions on actions relating to the awarding, assigning and termination of contracts over £500k, and waiving or granting exemptions to Contract Regulations where contracts are over £500k, with the exception of any time-critical, operational, or routine decision, which may be determined by the relevant portfolio holder.

2.3 There is an exempt appendix attached to this report that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains information relating to the financial and business affairs of the Council. The public interest test has been applied to the information contained within this exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it, as this could compromise the Council's position in any similar procurement of services and the demolition works.

3. **TIMESCALES**

Is this a Major Policy Item / Statutory Plan? Yes

If yes, date for Cabinet Meeting 11th March 2024

4. **BACKGROUND**

4.1 The Regional Fitness and Swimming Centre was constructed in 1976 and partially refurbished in 2011. The facility provides a six lane 25m heated indoor swimming pool with a training pool, diving pit, health suite, two studios and a 90-station fitness facility. Throughout its life it has been a popular and well used destination, seeing an average of 25,000 visits per month. This key element of the city's social infrastructure provides publicly accessible swimming for residents, local schools, colleges, and community groups helping to promote health and wellbeing.

4.2 The centre is operated by the newly established Peterborough Culture, Heritage, Learning and Leisure Ltd (PCHLL) as a subsidiary of Peterborough Limited, on behalf of the city council. Prior to this the site was operated by Vivacity Peterborough Culture and Leisure Trust.

4.3 As many of the asset components of the site are reaching the end of their useful lifespan, the reactive costs associated with repairs and maintenance are increasing. The severity of these issues is resulting in costly closures, significantly impacting service delivery, detailed in the following sections.

4.4 **Building Issues**

4.4.1 The current building has suffered with a range of issues in recent months, specifically:

Legionella – £275,000 has been spent this financial year in response to the repeated discovery of Legionella because of aging water systems. A further £25,000 cost has been identified to improve water quality. Though not fully costed, we estimate further investment would be required to permanently resolve this ongoing issue.

Asbestos – In September 2023, the building was closed to allow for asbestos remediation work. The work was extensive and estimated to cost around £350,000 to remedy, however the identification of RAAC part way through this work meant that it was postponed. Notwithstanding

the planned remediation work, asbestos remains throughout the building and its management adds a significant layer of cost to any remediation works required.

Fire safety – The 2023 asbestos discovery has necessitated the removal of insulating board critical to fire safety. This would need rectifying prior to reoccupation to ensure the building was safe to use. Whilst not yet fully evaluated, costs to rectify this are likely to be high.

Mechanical and electrical (M&E) installations – Many M&E installations have surpassed their life span (such as ventilation systems, heating systems, electrical wiring). Any failures in these will lead to an unplanned replacement which will be costly for both the works and associated costs (i.e., closure). It should also be noted that many of the installations are not to current building regulations or British Standards. Any new installation will be required to meet the current building regulations requirements and installed under current British Standards.

Swimming pool structure – It should be noted that structural cracking within the pool surround has been identified. At this stage there have been no formal investigations into the cause and required remediation for this. This is likely to be associated with the lifespan of the concrete construction reaching its end of useful life. Further investment would be required to resolve this issue.

4.4.2 In 2023, the UK government raised concerns about the structural integrity of buildings containing RAAC and ordered remedial action to be taken.

A September 2023 survey of the Regional Fitness and Swimming Centre building found RAAC present across much of the roof deck (exempt appendix 1).

The RAAC identified is classified as **High Risk** through the IstructE guidance due to several factors:

- Evidence of cracks, damage, and builder work modifications
- Where modifications have been made these have been left unsupported
- Evidence of water penetration within localised areas
- The moist environment in which the RAAC is located

In accordance with the advice received from the consultant, due to the nature of the risk classification for this building, it has needed to remain closed whilst further feasibility work has been carried out to assess the possibility of an interim and long-term solution.

Due to the location and expanse of the RAAC an interim solution would not be possible without significant work and disruption to the premises.

The only long-term solution applicable under the guidance produced around RAAC is for its complete removal. Costs associated with the removal of the roof deck have been identified at around £1.6million (exempt appendix 2). However, this does not include the following factors:

- **Electrical services** – Due to the current position of the service runs alongside the existing roofing structure, it is expected that when the roof deck is to be replaced these services will need to be removed and then reinstalled on completion. Building Regulations and British Standards will therefore apply. In addition, due to the age and condition of a number of these services it is likely that they will not be able to be re-commissioned. Lightning protection system will be required to be removed and reinstalled – it is anticipated that a new system will be required.
- **Ceiling structure** - Whilst asbestos works were carried out to damaged Asbestos Insulating Board in September, the asbestos remains in situ. This will be disturbed and required to be removed during the roof replacement process. Works to compartmentation/fire stopping will

also be required to reinstate the fire breaks and key compartments. It is also expected that where false ceilings are removed, these will need to be replaced or reinstated.

- **Mechanical services** - Due to the current position of the service runs alongside the existing roofing structure, it is expected that when the roof deck is to be replaced these services will need to be removed and then reinstalled on completion. Building Regulations and British Standards will therefore apply. In addition, due to the age and condition of a number of these services, it is likely that they will not be able to be re-commissioned.
- **Structure/concrete and brick work modifications/repairs** – It is anticipated that the existing structure would be able to take the weight of the new roof deck, however no design piece has been instructed to determine the scope of any support works that *may* be necessary. In addition, there is an unknown cost around any works associated with parapet repairs, and repairs required to the concrete structure following removal of the RAAC.

To include the aspects above, it is estimated that the actual costs for the overall removal of the RAAC and replacement of the roof deck will be in the region of £6 million. This is because the additional works highlighted above are necessary to complete the project. It would be envisaged that even with focusing on this aspect of work the pool will continue to remain closed for at least 12 months following award of contract.

However, in addressing the RAAC and linked items only, the following areas will not be included within the scope of this project.

- **Swimming pool structure** – further investigations should be made to the cracks identified within the swimming pool structure. The severity and costs of the issue is unknown at this stage.
- **Swimming pool mechanical and electrical** – The mechanical and electrical equipment associated with the running and heating of the pool has not been included within the scope of the RAAC works.
- **Heating/ventilation and associated equipment** – The heating and ventilation equipment has been decommissioned due to the closure of the pool and the unnecessary costs associated with this continuing to operate whilst closed. Therefore, it is likely that issues will arise with the recommissioning of the equipment. These costs have not been factored into the scope of the replacement roof.
- **Rectification of legionella** – This does not include rectification of pipe work and tank works associated with the legionella issues.
- **Compartmentation works** – Whilst the works include an element of rectification to fire breaks associated with the top floor, this will not address other issues between compartments and floors.
- **Decorations** – The works do not include the making good in terms of the decoration which would be required to walls and wood following the works.

- 4.4.3 A survey in 2020 carried out by Peterborough Ltd identified around £6m of works as being required to the structure and fabric of the property (Exempt Appendix 4). This was prior to the discovery of RAAC, and detailed the urgent investment needed to maintain the current operation.

A more recent survey carried out by Pick Everard identified a budget sum of £10.3m as being needed (see table below) to refurbish the property to a level where it can operate safely as-is (this now includes costs for the RAAC replacement of the roof).

The table below provides an overview of these costs:

(Costs are also only based on a like for like replacement with no enhancements or building alterations).

Year	1	2	3-5Years	5-10 years
Fabric Total	£ 336,238.41	£ 232,862.86	£ 75,708.85	£ 62,440.00
M&E Total	£ 599,550.00	£ 1,840,350.00	£ 1,345,650.00	£ 406,500.00
RAAC roof replacement	£ 1,600,000.00			
Sub-Total	£ 2,535,788.41	£ 2,073,212.86	£ 1,421,358.85	£ 468,940.00
Preliminaries (20%)	£ 507,157.68	£ 414,642.57	£ 284,271.77	£ 93,788.00
Contingency (15%)	£ 456,441.91	£ 373,178.31	£ 255,844.59	£ 84,409.20
Professional Fees (15%)	£ 524,908.20	£ 429,155.06	£ 294,221.28	£ 97,070.58
TOTAL	£ 4,024,296.20	£ 3,290,188.80	£ 2,255,696.50	£ 744,207.78

(N.B., Table merges costs from exempt appendix 2 RAAC with exempt appendix 3 M&E costs).

Exclusions:

These costs do not factor in the ongoing issues with the swimming pool structure and any costs around investigations and repairing requirements. Specialist structural investigations alongside a concrete specialist contractor would be required to determine the level of corrosion within the structure and the repairs required both to the concrete and the pool lining. For this reason, it is advised that £1m is placed as an additional contingency to undertake this work.

The costs also do not factor fire stopping works which would be required prior to reopening of the premises. These works are not costed at this stage.

It is envisaged that, with works to this scale, the building will remain closed for a further 18-24 months following contract approval.

In summary – To ensure all elements of RAAC and priority works are completed to reopen the existing structure as is, an investment of £11.3m is needed:

Essential Repairs Including RAAC roof deck	£10.3m
Contingency for additional structural repairs	£1.0m
TOTAL	£11.3m*

*This investment maintains the current offer / status quo only and does not address our need to upgrade / modernise the facility.

- 4.4.4 Alternatively, if closure is agreed any future use of the site will require the building to be demolished. This is an inevitable cost and one which any future use/proposal will need to account for. Potential purchasers will account for the full cost of demolition, plus their own time and fees and most likely a premium for risk.

The proposal to demolish the building immediately increases the site value at least by the actual demolition costs and in all likelihood by a higher amount, albeit this is hard to quantify. Moreover, demolition removes the risk of harm to trespassers and removes ongoing security and monitoring costs. The indicative proposal to demolish the building and budget costs are included in the exempt annex. The process for demolition would follow a compliant route to market.

- 4.4.5 To note, the building is currently operating on a reduced compliance regime with enhanced security to prevent unnecessary access. To date, no further decommissioning works have taken

place. Whilst the building remains empty these risks will need to be managed and a degree of additional decommissioning will be required irrespective of the outcome of the decision around the future of the building.

If permanent closure is approved, the site will be fully decommissioned by the operator (e.g. draining pool, switching off utilities, removing gym equipment etc.), after which the council's estates team will ensure appropriate security measures are in place to manage the vacant site until it is handed over to the demolition contractor.

There are a number of risks associated with an empty building of this type that require additional resolutions irrespective of the outcome:

- Unauthorised access – There is a significant increase in the risk of unauthorised access to the building, and its size and configuration pose a major risk to those members of the public gaining unauthorised access. This requires an enhanced security regime to be in place such as security towers, guards, Sitex screening and Heras fencing.
- Risk of drowning – The pool will require draining which could further impact on the reinstatement works required if the building was going to be brought back into use.
- Falls from heights and below – Edge protection around the pools is required and other safety equipment.

These requirements are currently being factored in and associated costs determined.

4.5 **Options for Reprovision**

4.5.1 The council is fully committed to ensuring the city benefits from fit-for-purpose swimming and leisure facilities. Officers have therefore considered two options based on the current issues described above:

- Upgrade / Re-design of the existing building, or
- New build

This view is further supported by work undertaken to identify latent demand for swimming facilities in the city, which shows that:

- There is a shortfall equivalent to at least 9 x 25m lanes for the population size and future growth (although it should be noted that this demand is with an operational Regional Pool, without this we are 15 x 25m lanes short).
- There is an undersupply of swimming lesson provision equivalent to 2,579 pupils, which will increase with city growth (although it should be noted that this is without the c.1,000 pupils and schools using the Regional Pool).
- The existing pool is also home to the City of Peterborough Swimming Club (COPS), a highly successful club ranked in the top ten nationally.

4.5.2 ***Re-design of the existing building***

Officers have been working with industry design and build organisations who have developed leisure centres in cities across the country for many years. A review of the current facility has been undertaken to establish the works and costs of bringing the centre up to a modern fit for purpose standard.

This would involve a full strip out and remodel of the facility, including:

- changing villages for the wet space
- splash pool
- deck level pool space
- café and reception area

- children's play area
- dry changing area to cater for the gym members
- redesign of the gym space to make it more appealing
- revamped class studio spaces

The cost of these works is estimated at £15m. The programme of works would require the centre to be closed for at least 24 months for the build works. 6-12 months for business planning and procurement would also need to be considered in the timeline.

Given the costs and the lengthy closure period, coupled with the multiple building issues described above, this option is *NOT* recommended by officers.

4.5.3 ***New Build***

Industry design and build organisations were also requested to propose a scheme for a new build facility, with an offer that meets current needs as well as future demands as the city grows. A scheme has been drafted based on recent builds nationally from 2022/23.

The scheme details a modern and fit for purpose facility offering:

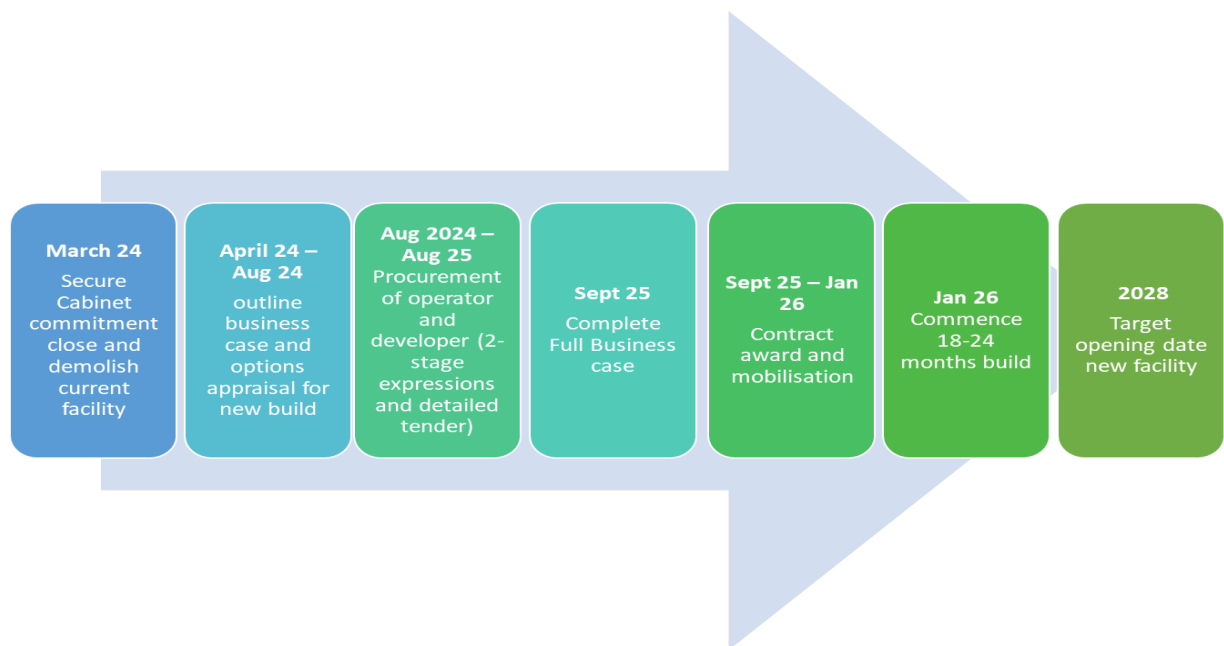
- 8 lane 25m deck level pool
- teaching pool
- splash pool
- café
- sports hall
- studio spaces
- large gym offering
- clip and climb facilities
- soft play and family area

The build costs are estimated to be £23m - £30m and the build programme would be approximately 18-24 months. We would also need to allow additional 18+ months for business planning and procurement).

Given the opportunity a new-build facility offers in providing a cost effective, efficient, and purpose-built facility, this option is recommended by officers.

It is further recommended at the planning stage a second option if evaluated to include a 50m deck level pool. This would increase ability to meet the needs of our growing population in future years.

4.5.4 ***New Build: Proposed next steps and timeline:***



(Indicative timeline only – This will be reviewed and confirmed as part of the Outline Business Case).

N.B., Proposed steps will be subject to cabinet approval where required.

4.6 **Interim provision arrangements**

4.6.1 The existing Regional Fitness and Swimming Centre has been closed since September 2023, and regardless of the outcomes of this report, it will remain closed until at least September 2026. The following arrangements are in place to maintain swimming and gym facilities in the city:

- Stanground Academy has recently agreed a contract directly with Peterborough Ltd to operate swimming lessons all day Saturday and on Sunday afternoons. This commenced in November and is working well. The academy has indicated a desire to handover the site to the local authority LATCO (Peterborough Limited) and we are exploring options to enable this. If achieved, it will enhance our use of the site and extend the offer throughout the week.
- The Lido facility saw its season extended to December 2023 and this proved to be popular. We propose to continue this in 2024 with early opening from March (as opposed to traditionally being May bank holiday).
- Jack Hunt School Pool is providing extra capacity for swim clubs.
- The Vivacity Premier Fitness Centre is available for the transfer of Regional Fitness Centre gym users' memberships.

Whilst it is recognised the interim arrangements do not meet whole demand requirements, we are able to maintain a level of reduced provision whilst the facility remains closed. Officers continue to explore alternative offerings that may help extend provision further (e.g., pop-up pools etc.).

4.7 **CONCLUSION**

4.7.1 It is no longer economically viable to safely reopen the existing pool and leisure facility. The building requires significant investment to continue operating and does not offer the benefits of a

new-build as outlined in 4.5.3. It is therefore recommended that Cabinet approves the recommendations set out in this report.

5. CORPORATE PRIORITIES

5.1 The provision of the services described in this report contribute across many of the council's priorities, most notably:

- Our Places and Communities: especially relating to improving health and wellbeing, providing local jobs, and providing community spaces.
- Prevention, Independence, and Resilience: for example, programmes to support foster families, activities for children, and provision of inclusive activities and short breaks.

The recommendations in this report however focus on the structure and model of delivery, which contributes directly to:

- Sustainable Future City Council: in the short term, by removing the costs associated with maintaining an aging leisure complex, and then to a reinvestment model where more cost-effective services to support the above objectives can be provided.

The council is committed to reducing its carbon emissions to net zero by 2030. A carbon impact assessment has been undertaken to assess the impact to carbon emissions.

The demolition and re-construction of a new pool will result in significant greenhouse gas emissions, through construction materials, works vehicles and waste. Interim plans for alternate swimming provision will increase emissions through extended use of the Lido (opening earlier in the season) and through reduced accessibility through public transport.

Construction of a new pool provides the opportunity to reduce emissions in comparison to that of the current pool through improved energy efficiency and potential for use of low carbon energy. Removal of the solar panels from the regional pool will result in reduced renewable electricity generation, and alternate plans should be explored.

6. CONSULTATION

6.1 This report has been considered by:

- Corporate Leadership Team – APPROVED 23.02.24
- Cabinet Policy Forum – Discussed 26.02.24

Consultation will be completed with the following bodies as part of the outline business case:

- Peterborough Ltd
- Sport England
- Swim England
- Living Sport
- User groups / City of Peterborough Swimming Club / Schools etc

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 If the recommendations are endorsed, it is anticipated that the city will benefit from a strong, long-term strategy to provide a bespoke built, cost-effective centre designed to meet future demand at reduced cost to the public purse.

8. REASON FOR THE RECOMMENDATION

8.1 *Re-design Considerations:*

The latest 2020 condition survey indicated that c.£6m investment will be required to ensure the existing building is operational over the next decade (exempt appendix 4). This has since been reappraised to £11.3m to also include the RAAC-related works.

A further c.£15m is required to modernise the facility as set out in section 4.5.2.

The total estimated cost to maintain the existing site is therefore c.£26.3m.

In addition, with low energy efficiency, high operating costs and a leisure offer that is out of date, the building and facilities could be considered to have already reached the end of their economic life. Therefore, demolition is recommended for the existing site.

New Build Considerations:

The estimated cost of a new build site (25metre Pool) is £23m - £30m.

A new facility will provide a tailor-made leisure offer that meets the current market demand and is more inclusive in terms of its client base. In addition, the construction of a building that meets current environmental standards will ensure the facility is more economically viable in terms of overheads costs for energy use and ongoing maintenance, which will be significantly reduced.

The growth trajectory of the city shows that there will be in excess of 250,000 people living in Peterborough by 2030, including 12,000 students. A new build facility provides opportunity to meet future demand, ensuring not only viability but also the potential for it to secure a sustainable revenue stream through increased usage.

Conclusion:

The financial, economic and demand assessment strongly indicates a new build facility is the most beneficial option.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 Fully refurbish the current facility.

DISCOUNTED – Rationale:

- Not economically viable.
- Significant investment required for an ageing building likely to require ongoing investment to mitigate failure.
- Facility is outdated and does not meet modern demand / need.
- The leisure offer would still be completely out of date when compared to modern facilities in neighbouring area.
- The city merits a new cutting-edge leisure offer that is more inclusive than it is currently.

10. IMPLICATIONS

10.1 Financial Implications

If approved, the costs of the proposed demolition of the Regional Fitness and Swimming Centre will be met from the council's 2024/25 capital programme, provided an independent valuation confirms that the value of the site is suitably enhanced.

The annual operating costs of the pool when running were in the region of £1m to £1.25m, and this was funded through operational income, including income from the swim academy operating

across multiple sites. The site is currently closed and not generating income. Ongoing operating costs and income associated with this site will be permanently discontinued upon decommissioning.

Future investment at the site is not currently budgeted. The costs associated with remedying the identified defects will be avoided (c.£11.3m).

Proposals for a new facility will be subject to a business case. There is currently no budget provision for a replacement facility, so at the point this is developed the financial implications would need to be considered and factored into future budget proposals.

The interim management of Stanground Academy Swimming Pool is expected to be cost neutral.

10.2 **Legal Implications**

The procurement of the demolition works will be undertaken in compliance with the Public Contracts Regulations 2015 and the Council's Contract Rules.

Section 111 of the Local Government Act 1972 enables a local authority to do anything that is calculated to facilitate, is incidental to the discharge of any of its functions, which also includes a general power to enter into contracts for the discharge of any of its functions.

A full legal review of the title registers and local searches will be undertaken prior to demolition and for subsequent redevelopment. This review will determine whether there are any covenants on title that may restrict or impact the project. This will include identifying easements and wayleaves that pass through the land and dealing with any third-party consents.

There are demolition related legal matters that will be delivered by the project including planning permission and demolition notices, any building control requirements, party wall and CDM regulations.

10.3 **Equalities Implications**

There were c.25,000 visits to the facility each month for a range of services prior to closure due to RAAC. The facility was used by residents from across the city and by visitors from outside of the area.

This policy will therefore have implications across many groups, including the swimming club, children's and schools swimming tuition programmes, gym users, fitness class users, disability groups and the wider public who used the facility as their preferred choice to complete physical activity.

Protracted closure will impact negatively against all these groups, but if the long-term policy to build a new facility is agreed, the long-term impact will be positive as the Council will provide a modern, bespoke facility more aligned with the needs of today.

An interim Equality Impact Assessment has been completed and can be found at Appendix 6

11. **BACKGROUND DOCUMENTS**

11.1 N/A.

12. **APPENDICES**

12.1 Exempt appendix 1 – Pick Everard RAAC Survey

Exempt appendix 2 – Pick Everard cost estimate for RAAC replacement

Exempt appendix 3 – M&E schedule condition summary

Exempt appendix 4 – 2020 Regional Pool Condition Survey

Exempt appendix 5 – Demolition Costs

Appendix 6 – Interim Equality Impact Assessment