

## Overview and Scrutiny Committee

Date and Time - **Wednesday 26 February 2020 – 3:00pm**

Venue - **Council Chamber, Town Hall, Bexhill-on-Sea**

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### **Councillors appointed to the Committee:**

P.N. Osborne (Chairman), B.J. Drayson (Vice-Chairman), J. Barnes, T.J.C. Byrne (ex-officio), J.J. Carroll, Mrs V. Cook, P.C. Courtel, S.J. Errington, P.J. Gray, A.K. Jeeawon, L.M. Langlands, C.R. Maynard and M. Mooney.

**Substitute Members:** S.J. Coleman, C.A. Madeley, G.F. Stevens and R. Thomas.

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## **AGENDA**

### **1. APOLOGIES AND SUBSTITUTES**

The Chairman to ask if any Member present is substituting for another Member and, if so, to declare his/her name as substitute Member and the name of the absent Member.

### **2. DISCLOSURE OF INTERESTS**

To receive any disclosure by Members of personal and disclosable pecuniary interests in matters on the agenda, the nature of any interest and whether the Member regards the personal interest as prejudicial under the terms of the Code of Conduct. Members are reminded of the need to repeat their declaration immediately prior to the commencement of the item in question.

### **3. CALL-IN - DESTINATION LEISURE: BEXHILL REDEVELOPMENT OF EXISTING LEISURE FACILITIES (Pages 1 - 20)**

Dr Anthony Leonard  
Executive Director

Agenda Despatch Date: 20 February 2020

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**Rother District Council's aspiring to deliver  
an Efficient, Flexible and Effective Council; Sustainable Economic Prosperity;  
Stronger, Safer Communities; and a Quality Physical Environment.**

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## Rother District Council

Report to	-	Overview and Scrutiny Committee
Date	-	26 February 2020
Report of the	-	Executive Director
Subject	-	<b>Call-In</b> – Destination Leisure: Bexhill Redevelopment of Existing Leisure Centre

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**Recommendation:** It be **RESOLVED:** That the Committee consider what action to take, following the initiation of the Call-In Procedure in respect of the Cabinet decision made with regard to the redevelopment of the existing Bexhill Leisure Centre.

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### Introduction

1. The Call-In procedure is the mechanism by which the Overview and Scrutiny Committee (OSC) can challenge decisions made by the Executive but which are not yet implemented. Executive decisions are usually published within three days of the meeting and those decisions which are subject to the Call-In procedure are contained within Part II of the minutes. The Executive minutes are published electronically via the website and notification is sent to all Councillors.
2. Executive decisions come into force and may then be implemented following the expiry of five working days following publication of the minutes, unless the OSC objects to it and calls it in. Any two Members of the OSC, one of whom must have been present at the Cabinet meeting or the Chairman of the OSC can request that a matter be called in. An extract from the Constitution detailing the provisions of the Call-In Procedure is attached at Appendix A.

### Call-In

3. Following the decision made by Cabinet at its meeting on 10 February 2020 in respect of the redevelopment of the existing Bexhill Leisure Centre, a request has been received from the Chairman of the OSC, Councillor Osborne to call in this decision; this request was received on Wednesday 19 February 2020.

The following reasons have been given for the Call-In:

- 1) A new leisure centre is a corporate plan priority project.
- 2) I am concerned that the contract extension will not have enough time to be sorted out by legal and the current contract has been extended twice before, due to the expectation that a new contract will come with a new facility.
- 3) Delays to the purchase and any compulsory purchase plans will cause further delay and cause additional costs.
- 4) Failure to replace the existing leisure facilities (some over 30 years old) will hamper the Council's commitment to reduce its carbon output due to the existing facilities inefficient buildings and plant.
- 5) The Council may miss out on possible grant streams to fund the new leisure facilities due to the removal of the Community Infrastructure Levy funding.

The implementation of this decision will now be suspended until such time as the Call-In procedure has been exhausted. Attached at Appendix B is an extract of the Cabinet Minutes in relation to this item. Attached at Appendix C is the original report to Cabinet.

4. The Head of Paid Service has therefore referred this matter to this meeting in accordance with the Call-In procedure to enable the OSC to consider what action should now be taken. There are three options open to the Committee:
  - i. Refer the decision back to the decision-making body (Cabinet) for reconsideration, setting out in writing the nature of its concerns;
  - ii. Refer the matter to full Council; or
  - iii. Not to take any further action.
5. With option i. Cabinet would need to reconsider this matter within 10 working days; this would be achieved by referring the matter to the next Cabinet meeting on Monday 9 March 2020. At this meeting Cabinet could amend the decision or not, before adopting a final decision. The final decision on this matter would be excluded from further Call-In arrangements.
6. With option ii. if Council does not object to the decision, then no further action is necessary, and the decision will be implemented immediately. However, if the Council does object, it has no place to make decisions in respect of an Executive decision unless it is contrary to the policy framework, or contrary to or not wholly consistent with the budget. The Council could therefore only refer the decision to which it objects back to the decision-making body (Cabinet), together with the Council's views on the decision. The Cabinet would then be requested to choose whether to amend the decision or not before reaching a final decision and implementing it. The Cabinet must meet to reconsider within five working days of the Council request.

## **Conclusion**

7. The OSC is therefore invited to review the decision made by Cabinet, to detail and itemise any concerns it may have and determine which of the options set out at paragraph 4 above it wishes to pursue.

Dr Anthony Leonard  
Executive Director

16. **CALL-IN**

- (a) When a decision is made by the Executive or a key decision is made by an officer with delegated authority from the Executive, or an area committee or under joint arrangements, the decision shall be published, including where possible by electronic means, and shall be available at the main offices of the Council normally within two working days of being made. The person responsible for publishing the decision will send all Members of the Council copies of the records of all such decisions within the same timescale.
- (b) That record of the decisions will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of five working days after the publication of the decision, unless the Overview and Scrutiny Committee or any two non-Executive Members objects to it and calls it in.
- (c) During that period, the Head of Paid Service shall call-in a decision for scrutiny by the Committee if so requested by the Chairman or any two non-Executive Members, one of whom must have been present at the Cabinet meeting and shall then notify the decision-taker of the call-in. The request for the call-in must state the reasons for the call-in. The Head of Paid Service shall call a meeting of the Scrutiny Committee on such date as he/she may determine, where possible after consultation with the Chairman of the Committee, and in any case within five working days of the decision to call-in.
- (d) If, having considered the decision, the Overview and Scrutiny Committee is still concerned about it, then it may refer it back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns or refer the matter to Council. If referred to the decision maker they shall then reconsider within a further 10 working days, amending the decision or not, before adopting a final decision.
- (e) If following an objection to the decision, the Overview and Scrutiny Committee does not meet in the period set out above, or does meet but does not refer the matter back to the decision making person or body, the decision shall take effect on the date of the Overview and Scrutiny meeting, or the expiry of that further five working day period, whichever is the earlier.
- (f) If the matter was referred to Council and the Council does not object to a decision which has been made, then no further action is necessary, and the decision will be effective in accordance with the provision below. However, if the Council does object, it has no locus to make decisions in respect of an Executive decision unless it is contrary to the policy framework, or contrary to or not wholly consistent with the budget. Unless that is the case, the Council will refer any decision to which it objects back to the decision-making person or body, together with the Council's views on the decision. That decision-making body or person shall choose whether to amend the decision or not before reaching a final decision and implementing it. Where the decision was taken by the Executive as a whole, a meeting will be convened to reconsider within 5 working days of the Council request. Where the decision was made by an individual, the individual will reconsider within 5 working days of the Council request.

- (g) If the Council does not meet, or if it does but does not refer the decision back to the decision making body or person, the decision will become effective on the date of the Council meeting or expiry of the period in which the Council meeting should have been held, whichever is the earlier.

## Extract from Cabinet Minutes 10 February 2020

CB19/98. **DESTINATION LEISURE: BEXHILL REDEVELOPMENT OF**  
(13) **EXISTING LEISURE CENTRE**

The development of the former Bexhill High School to provide “a landmark leisure destination” was one of the Council’s Corporate Plan Priority Projects. The comprehensive report of the Executive Director provided the background and progress made to date on bringing this complex project to fruition.

Following Cabinet approval in September 2017 (committing £2m in finances and required resources) and July 2019 (omitting the proposed hotel due to the Ministry of Defence (MOD)) the project was separated into the two distinct projects (housing and leisure) to be brought forward separately after outline planning permission has been granted.

Following these approvals planning consultants were appointed through a competitive procurement process to prepare and submit an outline planning application for the whole site to secure the principle and quantum of development. The outline planning was granted in December 2019 and an overview of the site parameter plan associated with the application was attached at Appendix 1 to the report.

In order to move the project forward the following steps were needed to be taken:

- complete the land assembly by the end of the 2019/20 financial year using Compulsory Purchase Order powers if necessary which would most likely extend the timescales;
- undertake negotiations to secure continued operation of the two existing facilities, i.e. the Bexhill Leisure Centre (BLC) and Bexhill Leisure Pool (BLP), in the short term from 1 April 2021 up to the planned closures;
- to minimise the shortfall in funding, consider alternative options including Community Infrastructure Levy (CIL), borrowing (subject to affordability) and other funding streams; and
- appoint an Employers’ Agent and an Architect to carry out detailed design work and preparation of a reserved matters application.

To ensure continued engagement with Portfolio Holders and Ward Members, it was recommended that an officer and Member Bexhill Leisure Centre Steering Group (BLCSG) be established to receive interim progress updates and provide a steer for key operational and project delivery outcomes. The proposed draft Terms of Reference was attached at Appendix 5 to the report for consideration.

Whilst Cabinet were in favour of and committed to providing leisure facilities in Bexhill, Members were hesitant in progressing the project at this stage without detailed consideration of the project; the project scope had changed over time and the new administration were keen to ensure that the project scope was the right one. There were also concerns over the funding / potential borrowing requirements and committing at this

stage a large portion of the predicted strategic CIL receipts when a review of CIL and how it was allocated was due by December 2020. It was therefore proposed that the matter be deferred until the BLCSG had met and considered the project in detail and reported back to Cabinet in April 2020.

Members were advised by officers that legal advice would be sought in the interim regarding the possibility of re-negotiating the BLC and BLP contracts and or whether the delay would require a re-tendering exercise that would potentially lead to increased costs in either case.

**RESOLVED:** That:

- 1) a Bexhill Leisure Centre Steering Group be established, comprising Councillors Oliver, Mrs Bayliss, Brewerton, Vine-Hall, Thomas and Jeeawon in accordance with the Terms of Reference attached as Appendix 5 to the report; and
- 2) the project be deferred and referred to the Bexhill Leisure Centre Steering Group for recommendation to Cabinet in April 2020; and it be confirmed that the Cabinet is committed to providing a Bexhill Leisure Centre and Leisure Pool.

**Rother District Council**

Report to	-	Cabinet
Date	-	10 February 2020
Report of the	-	Executive Director
Subject	-	Destination Leisure: Bexhill Redevelopment of Existing Leisure Centre

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**Recommendation to COUNCIL:** That £5m from either the Strategic Community Infrastructure Levy fund or borrowing (subject to affordability) or other funding sources be allocated to this project, noting the overall funding approach set out at Appendix 3; and that the Capital Programme be updated for the estimated costs and funding as detailed in the report.

**AND**

It be **RESOLVED:** That project progress be noted and the Executive Director, in consultation with the Cabinet Portfolio Holder for Safer Communities and Communications, Young People, Sport and Leisure, be granted delegated authority to:

- 1) agree an extension of the Bexhill Leisure Centre and Bexhill Leisure Pool contracts to secure continued operation of the existing facilities from 1 April 2021 up to the planned closure, of each centre;
  - 2) begin the Compulsory Purchase Order process for land at the former high school site and access, subject to a full report to follow;
  - 3) appoint an Employer's Agent and an Architect to carry out detailed design work and preparation of a reserved matters application to be funded from capital project budget previously committed; and
  - 4) establish a Bexhill Leisure Centre Steering Group as per the Terms of Reference attached at Appendix 5.
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**Head of Service: Ben Hook**

**Lead Cabinet Member: Councillor Brewerton**

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**Introduction**

1. The 'Development of Former Bexhill High School site' is a Corporate Plan priority project consisting of a new leisure centre and housing. This report covers the leisure element of this project. A further report will follow on the housing element.
2. The objective is 'to provide a landmark leisure destination'; to deliver a comprehensive development plan for the site as per Policy BEX4 in the adopted Development and Site Allocations Local Plan.

3. A scoping study and feasibility study were carried out in 2014 to identify opportunities and constraints, helping to form more detailed project plans, including estimated timelines and budget, dependent on the requirements of the scheme.

### **Project Background and Progress**

4. Cabinet resolved to approve project progression in September 2017 (Minute CB17/16 refers), committing £2m and the required resources to bring the scheme forward. In July 2019, Cabinet resolved (Minute CB19/32 refers) that the new approach to developing the old Bexhill High School site Corporate Plan Project be supported by omitting the proposed hotel due to the Ministry of Defence (MOD) resolving to remain in the Drill Hall, and; separating the housing and leisure elements into two distinct projects to be brought forward separately after outline planning permission has been granted.
5. Planning consultants were appointed through a competitive procurement process to prepare and submit an outline planning application for the whole site to secure the principle and quantum of development. Outline planning was granted in December 2019 (RR/2019/430/P). Appendix 1 provides an overview of the site parameter plan associated with the application.

### **Land Assembly**

6. The site is complex in terms of land assembly. Currently, ownership comprises Rother District Council (RDC), East Sussex County Council (ESCC), MOD and the De La Warr Estates (DLWE). There are also access rights which require consideration, a tenant operating on the site, and a small section of village green.
7. In order to bring forward the project and deliver the required road infrastructure improvements, it will be necessary to de-register a small portion of land at the front of the site from Town and Village Green (TVG) status. Officers had been in discussion with the DLWE, who were the presumed owners of this land, about acquisition. As the land was unregistered it required the DLWE to register the area prior to transfer. Based on the evidence provided, the Land Registry have granted a possessory title to the DLWE rather than title absolute. A possessory title is challengeable for 12 years from the date of registration and therefore represents a risk. Following further legal advice it is also unlikely that the Council would be unable to de-register the TVG without title absolute. Given the circumstances surrounding the registration of the land the only way of achieving this with certainty would be to compulsorily purchase the land.
8. Following legal advice a further report will be brought with a recommendation to full Council to approve a Compulsory Purchase Order (CPO) of the DLWE land. To ensure the delivery of the whole site, the land owned by ESCC should also be included in the order, even though prior agreement on the transfer of the land has been reached. The rationale for using of CPO powers is detailed below:
  - i. As outlined earlier, the site is allocated under Policy BEX4 in the adopted Development and Site Allocations Local Plan.
  - ii. The Council's Core Strategy (2014) identified a need for 3,100 new homes in Bexhill over the plan period (until 2028).

- iii. The most recent calculation of residual (residential) need for areas within the District can be found within the Development and Site Allocations (DaSA) Plan which demonstrates requirement (post-permissions granted and housing completions) of 632 new homes. However, with actual delivery at only 708 homes the Council is a long way from fulfilling its housing need.
- iv. The Council has secured a resolution to grant outline Planning Permission for the redevelopment of this site.

### **Operator Procurement**

9. The three Council-owned leisure facilities in Rother are currently operated by Freedom Leisure under two separate contracts. The Rye Sports Centre forms one contract; the Bexhill Leisure Centre and Bexhill Leisure Pool form the other.
10. Rye Sports Centre contract was let from 1 April 2016 for 10+10 years, with the first 10 years expiring 31 March 2026. This contract will not be affected by the Bexhill leisure facilities procurement process.
11. The Bexhill contract was also let from 1 April 2016, but as a 2.5+2.5 years due to the known development. The contract is currently in the second 2.5 years, which expires 31 March 2021. Officers are currently in negotiations to secure continued operation of the Bexhill facilities in the short term.
12. The Bexhill Leisure Pool building is leased from the operators of the Ravenside Retail Park management company. There is a break clause in this lease set at June 2024. This means the pool could continue to be operated up to that point whilst the new facility is being built on the existing leisure centre site.
13. Strategic Leisure Limited (SLL) has been appointed to support and guide RDC through the process of appointing an operator for the new leisure centre in Bexhill. This procurement process will start in 2022/23.
14. SLL has also supported officers to identify the local need to understand the 'core facility' requirements. SLL has carried out surveys with existing clubs, users and other stakeholders to find out the potential opportunities and current barriers to leisure facility use. Appendix 2 provides an overview of the feedback.

### **Construction Procurement**

15. Due to the complexities of the site, and the relationship between the proposed leisure development in the south and the residential development in the north of the site, it is recommended that one Employer's Agent (EA) is appointed to oversee the whole-site development. Following this, separate architects and contractors will be appointed for the two specialist elements.
16. The route to procuring for construction is as follows:
  - i. Appoint an EA to act as Principal Designer and Contract Administrator throughout the entire scheme.
  - ii. Appoint an architect specialising in leisure development to prepare detailed designs and submit reserved matters planning application (RIBA stage 3).
  - iii. Appoint a contractor experienced in leisure centre construction under a JCT Design and Build (2016) contract to take on final 'for construction' design, and to build the new facility.

16. The current target date for a contractor to commence on site is spring 2022, with a build and fit-out programme estimated to be around 22 months. The current target date for the new facility opening is early 2024. Once the land has been secured a further report will follow on contractor procurement.

## Project Finances

17. At this stage construction costs are estimations based on other recently constructed leisure facilities, taking into consideration the expected size and nature of this scheme.
18. The estimated budget and funding streams are detailed in Appendix 3, setting out scenarios based on varying levels of capital funding secured.
19. The current estimated costs and funding are:

Professional fees and preliminary costs	£789,000
Construction costs including contingency	£14,625,000
Other costs (e.g. project management, marketing)	£110,500
<b>Total estimated costs:</b>	<b>£15,524,500</b>
<b>Funding (secured and non-secured)</b>	
Section 106(refer to Appendix 3 for breakdown)	£2,238,000
RDC capital allocation	£2,113,000
Sport England funding application	£1,000,000
Housing capital receipt	£1,300,000
<b>Total identified funding:</b>	<b>£6,651,000</b>
<b>Estimated Shortfall</b>	<b>£8,873,500</b>

20. The table above shows a shortfall of funding approaching £9m. This funding gap could be bridged through a combination of Community Infrastructure Levy (CIL), or borrowing and other funding sources. The level of borrowing hopefully can be reduced if the Council is able to secure higher amounts of grants and contributions to make it more affordable
21. At the time of preparing this report CIL contributions received to date total £1,139,067. Of this £692,901 has been agreed to fund relevant projects in the district. In addition, liability notices of £12,581,320 have been raised but will only be received once development starts on those sites. Indicative Projected CIL income has been provided at Appendix 4. Following a recent decision by Cabinet, the Council is currently reviewing the process as the project is identified within the Council's adopted Infrastructure Delivery Plan by which it allocates Strategic CIL (Minute CB19/71 refers).
22. Based on external advice, a new leisure centre should be capable of delivering an income to the Council as opposed to the current nil cost contract with Freedom Leisure. The financial assessment assumes that an incoming operator would provide RDC with income to at least cover the borrowing costs. This emphasises how critical it is for the other sources of funding to be maximised to improve the viability for any new operator.

## Conclusion

23. In order to progress this project to deliver the aspiration of a new single-site combined wet and dry leisure and well-being facility, the following steps will need to be taken:
- i. Land assembly concluded by end of 2019/20 financial year, using CPO powers if necessary recognising that this would most likely extend the timescales.
  - ii. Negotiations to secure continued operation of the two existing facilities; the Bexhill Leisure Centre and Bexhill Leisure Pool, in the short term from 1 April 2021 up to planned closures.
  - iii. To minimise the shortfall in funding, consideration be given to CIL, borrowing (subject to affordability) and other funding streams.
  - iv. Appointment of an EA and an Architect to carry out detailed design work and preparation of a reserved matters application.
24. To date officers have been engaging informally with Portfolio Holders and relevant Ward Members on the progress of the project. To ensure continued engagement with Portfolio Holders and Ward Members, it is recommended that an officer and Member Steering Group is established to receive interim progress updates and provide a steer for key operational and project delivery outcomes. The proposed draft Terms of Reference is attached at Appendix 5.
25. The current project programme and the likely length of construction will require the Executive Director to be granted delegated authority in conjunction with the Cabinet Portfolio Holder for Safer Communities and Communications, Young People, Sport and Leisure to progress these matters in a timely manner to ensure the target delivery date can be met.

Dr Anthony Leonard  
Executive Director

### **Risk Assessment Statement**

Failure to allocate CIL will impact on the viability of this scheme and will also make fundraising more difficult meaning that other options would need to be considered. It should be noted that the Bexhill Leisure Centre project is identified as an 'important' infrastructure item as set out in the Council's Infrastructure Delivery Plan (IDP) – March 2019. There are a number of other projects defined as important or critical to the delivery of the development targets set out in the Core Strategy (up to 2028) which are highlighted as requiring CIL and/or developer contributions (Section 106) funding. Commitment to the level of CIL funding to the Bexhill Leisure Centre set out in this report may have an impact on the delivery of these other infrastructure items.

Negotiations to secure continued operation of the existing Bexhill facilities may result in a cost to the Council. However, the alternative to carry out a procurement process to appoint an operator for such a short term will undoubtedly come with increased costs, as well as officer time. Bringing the service in-house for a short period will also cost the Council.

There is a risk that operator tenders returned for the new leisure centre cannot provide the financial return to make the project viable. This is mitigated through maximising capital funding to reduce the financing requirements, and through soft market testing. It is current industry expectation that an operator should provide an income for a new centre.

If the project could not progress for any reason, any Employer's Agent and Architect fees payable to date would be abortive costs. The impact of this will be mitigated through robust specification to ensure that contracts can be terminated, and monies paid only for works completed.

Destination Leisure: Bexhill – Site Parameter



### Destination Leisure: Bexhill – Overview of Club and Resident Survey

Two online surveys were carried out by Strategic Leisure Limited (SLL) on behalf of the Council to understand usage and non-usage of the current leisure facilities in Rother. One survey was aimed at the general public and the second was for sports clubs and organised activity groups. Throughout this process SLL is also engaging with key stakeholders via the Active Rother partnership.

The surveys were open for four weeks from 18 October to 15 November 2019, and promoted via: My Alerts email subscription; the Council's social media platforms, and; a press release in the local newspaper.

A total of 998 responses were received.

#### Resident / General Public:

- Good cross section of ages represented
- 73% of respondents were female
- Most used facilities across the district;
  - 67% of respondents use Bexhill Leisure Pool
  - 56% of respondents use Bexhill Leisure Centre
  - Most users visit swimming pools, followed by health and fitness facilities
- When asked if they used the facilities at Bexhill Leisure Centre;
  - 36% - yes
  - 37% - no
  - 27% - sometimes
  - Many Bexhill Leisure Centre users not satisfied with the quality, maintenance and condition of the facilities, agreeing that the facilities are out of date and not fit for purpose
- The quality of the facilities at Bexhill Leisure Centre were rated as follows;
  - 30% - poor
  - 30% - below average
  - 26% - average
  - 13% - good
  - 1% - excellent
- When asked what facilities are needed in the District going forward an overwhelming 85% specified a 'swimming pool', followed by 'health and fitness suites' and then 'climbing walls'.
- Barriers to participation included; 'quality of facilities' (61%), 'cost' (60%), and a 'lack of awareness of what is on offer' (44%).
- When asked their views on how to overcome these barriers the respondents said that 'lower costs' (71%) would be a major factor. This was followed by; 'quality of facilities (61%), and 'pay as you go' (54%).

#### Club / Stakeholder:

The key issues and opportunities highlighted for clubs and stakeholder groups included:

- Venue space – some need large space and some smaller (quiet/tranquil)
- Venue hire cost
- Cost/affordability for participant
- Sufficient storage space
- Wide parking spaces
- Appropriate accessible facilities
- Training room space separate to activity area
- Appropriate coach engagement
- Need to market and engage with inactive people
- Transport links
- Safer and appropriate cycle infrastructure
- Age appropriate facilities and activities that are non-intimidating
- Facilities to cater for disabilities and conditions
- Providing facilities, activities to promote confidence in people to access
- Recruiting people from the target groups and community to promote and lead the activity
- Programming of activities – carers and families require specific new activity times to fit into family commitments
- Need to explore how to engage more people from age group 16-25/75+

#### National Stakeholders:

- **Swim England** is happy with current level of water space which should be maintained through refurbishment/replacement; an additional learner pool on site will help provide more diverse water space.
- **England Squash - *existing*** facilities are 'at risk' of having a negative impact on participants' playing experience due to their poor condition, poor signage to the squash courts; glass back courts make the game more accessible and increase visibility and appeal to some potential players (note that this is not necessarily appealing to some new players who do not wish to be 'on view').

## Destination Leisure: Bexhill: Estimated Budget, Funding and Financial Appraisal

### Estimated Budget:

Costs are estimated based on the potential size of the proposed leisure centre (£ per square metre) and associated access, parking and landscape. These costs are subject to change as the detailed plans develop however there is a need to control the budget to ensure the project is financially viable.

	£
<b>Estimated preliminary costs:</b>	
Land assembly	£418,900
Professional fees	£345,100
Reserved matters planning fee	£25,000
<b>Preliminary costs   S/TOTAL</b>	<b>£789,000</b>
<b>Estimated construction costs:</b>	
Leisure Centre Construction	£12,500,000
Car Park and Externals	£1,000,000
Site abnormalities and contingency	£625,000
Leisure Centre Fit-Out	£500,000
<b>Leisure Centre construction costs   S/TOTAL</b>	<b>£14,625,000</b>
<b>Estimated other costs:</b>	
PR and Marketing	£40,000
Miscellaneous	£10,000
Project management	£60,500
<b>Other costs   S/TOTAL</b>	<b>£110,500</b>
<b>PROJECT TOTAL</b>	<b>£15,524,500</b>

### Funding:

Some funding is secured through capital programme and Section 106 allocations; others are estimated and/or require successful funding applications.

<b>Funding</b>	<b>£</b>	<b>Secured/Unsecured</b>
S106: Ravenside M&S	£850,000	Secured (banked)
S106: Barnhorn Green	£205,000	Secured (signed)
S106: NE Bexhill (phase 1)	£133,000	Secured (signed)
S106: NE Bexhill (phase 2)	£1,050,000	Secured (TBC)
RDC capital programme allocation	£2,113,000	Secured
Housing capital receipt (on site)	£1,300,000	Unsecured (estimated)
Community Infrastructure Levy	£5,000,000	Unsecured (estimated)
Sport England	£1,000,000	Unsecured (estimated)
Total secured funding	£4,351,000	
Total unsecured funding	£7,300,000	
Total potential capital funding	£11,651,000	

### Financial Appraisal Scenarios:

Five scenarios have been appraised, based on the variations of the unsecured funding opportunities. All scenarios allow for a 40 year building life expectancy and £25,000 a year sinking fund from centre opening through to year 25, to create a repair fund (e.g. replacement roof or major plant).

Each scenario provides the value of the minimum annual contribution required from an operator to ensure the project breaks even.

The worst case assumes only the currently secured funding is available; the best case assumes all identified funding is secured. The three middle cases assume varying degrees of funding.

<b>Scenario</b>	<b>Shortfall (£)</b>	<b>Annual income required (£)</b>
Worst case	£11,173,500	£493,000
Middle case 1	£9,873,500	£438,000
Middle case 2	£8,873,500	£396,000
Middle case 3	£4,873,500	£229,000
Best case	£3,873,500	£187,000

CIL Collected to 1 November 2019	£1,058,313*
CIL that will be collected if ALL permissions are implemented (and exemptions not applied)	£9,464,357
*£692,901 has been allocated for Strategic CIL projects.	

**Indicative Future CIL collections \*\* based on build out rates (up to 2028) (£ millions)**

Build Rate	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	Total
195	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	£21 (£16.8) ***
335	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	£36 (£28.8) ***
449	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	£52.4 (£42)***
727	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	£78 (£62)***
** Assuming £150 per sq m on 90 sq m house (£13,500 per unit)									
*** Will need to deduct 20% for exemptions (e.g. affordable housing)									

195 units	= current
335 units	= Core Strategy
449 units	= rate required to meet the shortfall in delivery
727 units	= Local Plan Review

## TERMS OF REFERENCE

### Steering Group Objective

The Bexhill Leisure Centre Project Steering Group comprises Elected Members and council officers who are responsible for steering the project from scheme design to completion (RIBA stages 1-7).

The objective of the Steering Group is to ensure that the scheme meets the design vision of the Council and is completed on time and within budget.

### Terms of Reference

- Reviewing and commenting on the designs produced by the appointed architects
- Reviewing the design process and the incorporation of consultation and feedback into the overall design
- Review, comment and make recommendations where appropriate regarding the inclusiveness of the process;
- Review, comment and make recommendations where appropriate regarding progress against the programme:
- Review, comment and make recommendations where appropriate regarding progress against the budget and future spend:
- Provide guidance on approvals required for appointment of Contractors and other consultants

### Steering Group Members

<b>Name:</b>	<b>RDC role</b>
Cllr Doug Oliver (Chair)	Leader of the Council
Cllr Mrs Christine Bayliss	Regeneration and Bexhill Affairs (Business and Voluntary Sector Liaison)
Cllr Jay Brewerton	Safer Communities and Communications, Young People, Sport and Leisure and Member Training and Development Champion
Cllr Jonathan Vine-Hall	Strategic Planning
Cllr Richard Thomas	Ward Member (Bexhill St. Stephens)
Cllr Ashan Jeeawon	Ward Member (Bexhill St. Stephens)
Dr Anthony Leonard	Executive Director
Ben Hook	Head of Service, Acquisitions, Transformation and Regeneration
Joe Powell	Head of Service, Housing and Communities
Cheryl Poole (Secretariat)	Major Projects Manager

### Roles of Steering Group Members

<b>Role of Steering Group Member</b>	<b>Responsibilities</b>
<b>CHAIR</b>	<ul style="list-style-type: none"> <li>• Chair the Steering Group Meetings: ensure all members are able to contribute and the agenda is managed within the time</li> <li>• To keep well briefed and up-to-date with all matters relating the project</li> </ul>

<b>ALL STEERING GROUP MEMBERS</b>	<ul style="list-style-type: none"> <li>• To attend Steering Group meetings as scheduled having read the agenda and background papers</li> </ul>
<b>SECRETARIAT</b>	<ul style="list-style-type: none"> <li>• To arrange a schedule of meetings, venues, equipment and documentation</li> <li>• To take minutes of the Steering Group Meetings</li> <li>• To distribute papers for the meetings</li> <li>• To maintain the contact list and ensure regular circulation of information</li> <li>• Liaise with the press office to deal with all press enquiries and ensure that the public are well informed of the steering Group activities</li> <li>• Provide agenda briefs to the chairman</li> <li>• Prepare reports on programme and budget</li> <li>• To keep up to date with funding and grant opportunities and advice accordingly.</li> </ul>

### **Support for the Steering Group**

Support to the steering group is provided by the following:

- Legal
- Finance
- Communications and Press Office

### **Communication and Press Protocol**

The project Steering Group is not open to the public due to the need for commercial sensitivity.

In the event that the press or other organisation ask individual steering group members to make a comment on the Bexhill Leisure Centre Project, all enquiries should be referred to the Senior Press Officer or Project Manager who will ensure that a response is given in accordance with the relevant Rother protocols.