

“A BLUEPRINT FOR THE FUTURE ?”



A Case Study

Elmbridge Xcel Leisure Complex

Setting the Scene

Rob Moran - Chief Executive, Elmbridge BC

- ▣ Background to Authority's Leisure Objectives

Steve Philpott - Chief Executive, DC Leisure

- ▣ Success Story and Lessons Learnt

Peter Kirkham - Development Director, DC Leisure

- ▣ Delivery of Xcel Leisure Complex PPP

Welcome

- ▣ **Rob Moran - Chief Executive, Elmbridge Borough Council**

Authority's Leisure Objectives

Elmbridge Borough Council

- Location - Walton on Thames
- Demographics - Diverse
- Elmbridge Leisure Services
 - 3 Leisure Facilities prior 2005
 - Hurst Pool (1996)
 - Walton Pool (1965)
 - Elmbridge Leisure Centre (1974)
 - 8 Public Halls
 - Varying in age/condition/throughput
 - Annual Revenue Support **£650k per annum**



The Scenario

- ❑ Poor condition of Walton Swimming Pool, first floor 33m pool. Cost to refurbish.
- ❑ Elmbridge Leisure Centre - requiring major refurbishment to meet customer expectations.
- ❑ Relatively new facility at Hurst Pool (25m pool and teaching pool)
- ❑ 8 public halls, separate to leisure facilities contract

Options for Elmbridge

- ❑ Refurbish Elmbridge LC and Walton SP (costly and wouldn't provide long term solution)
- ❑ Combine facilities at ELC and WSP into new leisure centre (issue of where and how to fund plus planning issues)
- ❑ Include Public Halls in specification to test 'Best Value' with private sector

Council Preferred Option

- ❑ Build new combined wet and dry leisure facility. Close WSP
- ❑ To include Public Halls as an option
- ❑ To be on Council owned land
- ❑ Site determined as Waterside Drive (existing leisure centre)
- ❑ Risk transference to Private Sector – Invitation to Negotiate (ITN) route
- ❑ Open competition for Partner
- ❑ Anticipated Revenue Saving of £200k

Issues to be Managed

- ❑ Loss of existing leisure facility for 21 months – existing contract with DC.
- ❑ Relocation of users/clubs.
- ❑ Land contaminated!
- ❑ Land in Greenbelt therefore planning decision needed from GOSE.
- ❑ How to Fund new leisure centre.

Funding Options

- ❑ Local Authority Funds
- ❑ Prudential Borrowing
- ❑ Big Lottery
- ❑ PFIs (credits no longer available)
- ❑ PPPs
- ❑ Partnerships

Financial Objectives

- Capital criteria of £14m for new development
- Reduce revenue subsidy for Xcel, Hurst and 8 Halls
- Tender to include costs for Life cycle and FM
- NNDR risk
- Inflation risk with 5 yearly benchmarking
- Total risk transfer.

- ▣ **Steve Philpott - Chief Executive,
DC Leisure Management**

Success Story and Lessons Learnt

Company Introduction

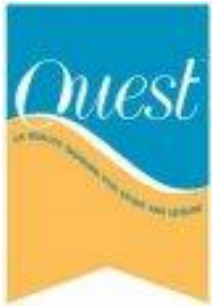
- ❑ Company formed in 1991
- ❑ Partnership – 27 client authorities
- ❑ Manage 101 Leisure Facilities
- ❑ Group T/O Circa £90m
- ❑ Proven track record and references
- ❑ Considerable experience in Facility Development / PFI's / PPP
- ❑ Employ over 6000 staff

PPP / PFI Experience

- Built 9 new facilities in the last 5 years
 - Wolverhampton (£10m)
 - Xcel (£12.8m)
 - Amber Valley – 3 sites (£22m)
 - Rotherham – 4 sites (£34m)
- Invested to date £45m into LA facilities
- Project managed on behalf of clients eg.
 - Wandsworth £15m / Waverley £9m / High Peak.

Accreditations and Accolades

DC Leisure leading the way. But don't just take our word for it



Quest Facility Management



CHAS (Contractors Health and Safety Assessment Scheme) Accredited



NVQ Accredited Fitness Instructor



Operator Facility Award Winner 2011



Fitness Industry Association Operator of Year 2008/2009 and 2009/2010



FIA Spark of Innovation Award Winner 2011



TAES Towards an Excellent Service



RLSS Approved Training Centre



Inclusive Fitness Initiative Demonstrating Corporate Commitment Award 2008



ISPAL Active Health and Physical Activity Programme Award 2009

Elmbridge Xcel Performance

□ Attendances

- ▣ **275,000** full year in old Facility
- ▣ **850,000 in 2010 at Xcel**

□ Fitness Membership

- ▣ **1500** at Old Facility
- ▣ **3000** at New Xcel Development

□ Swimming

- ▣ Swim lessons increased by **70%**
- ▣ Swims increased by **131%**

□ Centre Membership increased by **163%**

- ▣ *Dry visits up* **161%**
- ▣ *Aerobics up* **126%**

Excel – Other Success Stories

- Design more environmentally friendly
- Improved Active People scores
 - ▣ Need figures
- Broader mix of facilities and Programmes
 - ▣ Partnering with NGBs eg ASA, BG
 - ▣ Links with EBC Sports Development
 - ▣ Link with Schools Sports Partnership
 - ▣ Quest FM 87%
- Health and Wellbeing initiatives

RM to update

- Active People

Financial Appraisal

	Original	New Cost	Benefit 15/25 years
Leisure Centres	£650k pa	£187k pa	£6.94m £11.57m
Build Cost			
- Build	£12m	£11.8m	
- Ground Conditions	£ 2m	£ 1.0m	
Cost per m² Including all fees and consultants.	£2000 m2	£1638m2 (£1828)	

Summary – Lessons Learnt

- ❑ **Develop a clear Tendering Framework**
- ❑ **Political Ownership**
- ❑ **Appoint experienced Consultants and Advisors with track record for delivery**
- ❑ **Empowerment to Council / DC Project Managers**
- ❑ **Clear framework and timetable – commitment from all parties**
- ❑ **Selection of relevant Team / Contractor to work in PARTNERSHIP**

- **Peter Kirkham – Development Director**
DC Leisure Management

Delivery of Xcel Leisure PPP

Elmbridge Xcel Leisure Complex – Tender Requirements

- Tenders invited March 2004 (12 expressions)
 - ▣ Design , Build, Operate and Maintain
 - ▣ 15 year contract
- Clearly defined Output Specification
 - ▣ Build Design and Performance
 - ▣ Operational Services Requirement
- Legal Framework
 - ▣ SOPC 3 - 4
 - ▣ Payment Mechanism/Benchmarking
- Council estimated £14m build cost – Outline Business Case

The Challenge

- Develop a facility recognising the Authorities key objectives
 - Rationalisation of facilities (3 to 2)
 - Planning constraints of existing site
 - Financial capital cap £14m
 - 60 year lifespan
 - Reduce revenue support
 - Community Hub
 - Councils Leisure and Sports strategy

The Challenge

Three Key areas

▣ Design

- Authority Requirements
- Value for money
- Maximise commercial potential eg income per metre sq.
- Manage the design team and make it operational correct rather an architectural statement.

▣ Revenue potential

- Multi purpose areas / Flexible build
- Creative programming recognising the Authorities core programmes

▣ Life Cycle

- Risks and longevity of materials

Preferred Bidder to Financial Close

- Next stage crucial - commitment from all essential
- Develop decision structure
 - ▣ Commercial / Design
 - ▣ Legal
 - ▣ Establish communication pathways
- Empowerment from Members
- Client/Contractor decision maker
- History shows
 - ▣ Average 18 months to FC
 - ▣ Quickest 13 months to date
 - ▣ **Elmbridge closed in 4½ months**

Development Proposal – Facility Provision

- ❑ 25m eight lane Pool (200 spectator seating)
- ❑ 20m Learner Pool (moveable floor)
- ❑ Bowls Hall
- ❑ 8 Court Sports Hall
- ❑ Crèche facilities
- ❑ 120 Station Fitness Suite (100)
- ❑ Multi Purpose Rooms
- ❑ Internet Café
- ❑ Climbing Wall (variant)
- ❑ Reception
- ❑ Children's Play

Design Criteria

- Too many facilities designed outside > in, rather than inside > out
- ***DON'T RE-INVENT THE WHEEL***

Development Proposal - From This to...



Development Proposal – Front Elevation



This – On time and on budget 14th August 06



Elmbridge 25m and Learner Pool



Summary Timetable

- October 2003 – Notice **placed** in OJEU
 - ▣ November 2003 - Expressions of Interest
 - ▣ March 2004 – Invite contractors to bid
 - ▣ July 2004 – Bids received
 - ▣ September 2004 – Special Overview and Scrutiny Committee
 - ▣ September 2005 – DC Appointed Preferred Bidder
 - ▣ February 2005 – Commercial Close achieved
- **14th August 2006 – Xcel opened 6weeks ahead of programme and on budget**
- **16 month process from start to finish!**
- **Finally 2.5years from OJEU to OPENING**

Traditional Procurement

Original Budget £9m???

- **Reported Final Cost £29m**
- **Additional Costs for Repairs £5.1m**



Elmbridge Xcel Leisure Complex

**Thank you for listening and should
require any help or information
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