

Regeneration, Culture and Environment Overview And Scrutiny Committee – Supplementary agenda no. 1

A meeting of the Regeneration, Culture and Environment Overview And Scrutiny Committee will be held on:

Date: 10 June 2021

Time: 6.30pm

Venue: St George's Centre, Pembroke Road, Chatham Maritime, Chatham ME4 4UH

Items

11 Call-in - Splashes Leisure Centre

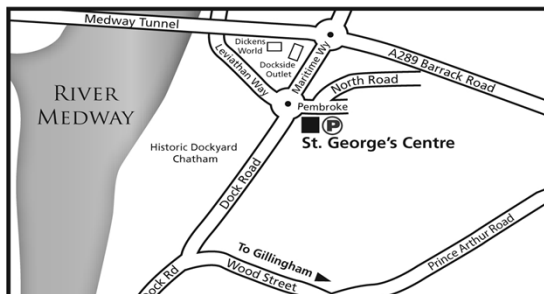
(Pages
3 - 14)

This report advises the Committee of a notice of call-in received from seven Members of the Council of the Cabinet decisions relating to Splashes Leisure Centre.

The Chairman is asked to add this item to the Agenda so it can be considered at this meeting as a matter of urgency as permitted under section 100B of the Local Government Act 1972. This will enable the Committee to consider the call in of the Cabinet's decisions earlier this week (which was after the publication of the main Agenda for this meeting) at the earliest opportunity, noting that the next scheduled meeting of this Committee will not take place until 12 August 2021. The decisions taken by the Cabinet on Splashes cannot be implemented whilst the consideration of the call-in remains outstanding.

For further information please contact Ellen Wright, Democratic Services Officer on Telephone: 01634 332012 or Email: democratic.services@medway.gov.uk

Date: 10 June 2021



This agenda and reports are available on our website www.medway.gov.uk

A summary of this information can be made available in other formats from **01634 333333**

If you have any questions about this meeting and you want to speak to someone in your own language please ring **01634 335577**

উইলা	331780	ગુજરાતી	331782	ਪੰਜਾਬੀ	331784	کوردی	331841	ارو	331785	Русский	332374
中文	331781	हिंदी	331783	Polski	332373	এইক্‌শফব	331786	فارسی	331840	Lietuviškai	332372



REGENERATION, CULTURE AND ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

10 JUNE 2021

CALL-IN - SPLASHES LEISURE CENTRE

Report from: Richard Hicks, Director of Place and Deputy Chief Executive
Author: Richard Hicks, Director of Place and Deputy Chief Executive
Ellen Wright, Democratic Services Officer

Summary

This report advises the Committee of a notice of call-in received from seven Members of the Council of the Cabinet decisions relating to Splashes Leisure Centre.

1. Budget and policy framework
 - 1.1 In accordance with Chapter 4, part 5, paragraph 15.3 of the Constitution with regard to decisions, Cabinet decisions 56/2021, 57/2021 and 58/2021 have been called-in to this Committee by seven Members (Labour and Co-operative Group) of the Council.
 - 1.2 The Chairman is asked to add this item to the Agenda so it can be considered at this meeting as a matter of urgency as permitted under section 100B of the Local Government Act 1972. This will enable the Committee to consider the call in of the Cabinet's decisions earlier this week (which was after the publication of the main Agenda for this meeting) at the earliest opportunity, noting that the next scheduled meeting of this Committee will not take place until 12 August 2021. The decisions taken by the Cabinet on Splashes cannot be implemented whilst the consideration of the call-in remains outstanding.
2. Background to the Call-in
 - 2.1. The Cabinet considered a report (attached at Appendix A) at its meeting held on 8 June 2021 which outlined a proposal to approve the demolition of the existing Splashes Leisure Centre building to allow for a future Leisure facility on that site, to approve that the demolition costs be drawn from the existing funding allocation for the Splashes Refurbishment Scheme and that the existing Splashes scheme, currently named Splashes Refurbishment 2020/21, be renamed Splashes Replacement.

- 2.2 The discussion and decision from the Cabinet meeting are set out below.
- 2.2.1 This report requested Cabinet approval for the demolition of the existing Splashes Leisure Centre building to allow for a future Leisure facility on that site. The report also requested that part of the existing capital budget allocated to Splashes be used to fund the demolition costs of £343,000 and that the name of the scheme be changed to Splashes Replacement.
- 2.2.2 The report advised that should approval be given for the demolition of the existing facility, a further report would be presented to a future meeting of the Cabinet in relation to the business case and any further capital addition required.
- 2.3 Cabinet decision:

Decision number: Decision:

- 56/2021 The Cabinet approved the demolition of the existing Splashes Leisure Centre building, Option 2 of the report, to allow for a future Leisure facility on that site.**
- 57/2021 The Cabinet agreed that the demolition costs of £343,000, inclusive of professional fees, are funded from the existing £5 million capital scheme, Splashes Refurbishment 2020/21, to enable the demolition of the existing Splashes Leisure Centre building for future development on that site.**
- 58/2021 The Cabinet agreed that the existing Splashes scheme, Splashes Refurbishment 2020/21, be renamed Splashes Replacement.**

Reasons:

To enable the demolition of Splashes Leisure Centre and remove the risks of building collapse, vandalism / anti-social behaviour and ongoing maintenance costs.

- 2.4 The above decisions were subsequently called in by seven Members of the Council from the Labour and Co-operative Group. The reasons for the call in are as follows:

'Splashes leisure centre has been hugely important part of our community for decades.

The council previously agreed to fund refurbishment but we have seen redundancies which were not outlined in the original council paper now followed by the decision by cabinet for the centre to be demolished – this is very disappointing.

These decisions raises many questions, not only about the past management of the facility but also what the Council's plans are for future leisure provision in the east of Medway going forwards.

The cabinet paper does not give answers to the following questions:

Is it this authority's intention to build a new facility?

How long will the community have to wait for a new facility?

How much would a new leisure centre cost? At the Cabinet meeting the Deputy Leader referred to the figure of £20 million which is four times the £5 million previously agreed by Full Council.

Where would it be located?

What confidence can we have that no other leisure facility has poor levels of upkeep

With these questions in mind the Labour and Co-operative Group would like to call in the Cabinet's decision for further scrutiny at the next Regeneration, Culture and Environment Overview and Scrutiny Committee on the 10 June.

3. Director's response to the Call-in

3.1 The comments from the Director of Place and Deputy Chief Executive on the points raised by Members in the reasons for the call-in are set out below:

3.1.1 The Leader and Deputy Leader (Portfolio Holder for Housing and Community Services) have publicly committed to developing Splashes into a modern, fun, family-friendly sports centre, so that it can continue to be an important facility for the community, appealing to residents in east Medway and further afield, whilst also complementing what is on offer at our other centres. We have made a clear commitment to invest in a new facility at this site in Rainham.

3.1.2 It is not unusual for leisure centres and swimming pools from this era to suffer a similar decline and this cannot be attributed to a lack of maintenance. Similar facilities across the UK are regularly replaced or updated as new technologies emerge and more efficient buildings management systems are developed. We are keen to ensure that this new development will be financially and environmentally sustainable. All of the leisure centres across Medway are currently maintained to a good standard.

3.1.2 It has always been the authority's intention to maintain a facility at this site, which is why the Council added £5m to the capital budget to proceed with the refurbishment of Splashes last year. This was to allow for the modernisation of the facility within the existing framework of the 30-year-old centre. Prior to commencing works however, the Council commissioned a number of surveys, including a full structural survey. This highlighted a range of problems which meant that the current structure would be unable to facilitate the development

of the high-quality centre, which the Council is determined to deliver for residents.

- 3.1.3 The decision was therefore taken to review the scheme in detail in order to assess the alternative options available to the Council. It is the authority's explicit intention to develop a brand new, state of the art facility on this site.
- 3.1.4 Over the past three months, officers of the Splashes Working Group have been working with specialist consultants to analyse a range of options and assess the capital and revenue implications of the project.
- 3.1.5 The next stage of the project will focus on the new development at the site and bring greater cost certainty for the Council, enabling the procurement of the main building works. Once this greater cost certainty has been achieved a report will be taken to Cabinet and then to Full Council later in the year, seeking an addition to the capital budget for development of the new Splashes facility. At the same time, we will be in a position to share a more detailed timeline and provisional opening date for the new facility. We are committed to developing this facility as quickly as possible, but we also intend to ensure a quality outcome, so we will be guided by our architects and construction advisers regarding the timeline for the delivery of this scheme.
- 3.1.6 Due to the commercially sensitive nature of the financial information, it is not anticipated that the detailed cost projections will be put into the public domain prior to the awarding of the contract.

4. Advice from the Interim Monitoring Officer and Chief Finance Officer regarding the Call-in

- 4.1 The Interim Monitoring Officer and the Chief Finance Officer have both further reviewed the Cabinet report and are satisfied that the decision taken by Cabinet is not contrary to the policy framework or contrary or not wholly in accordance with the budget.
- 4.2 Comments of the Interim Monitoring Officer
 - 4.2.1 The relevant Policy Framework document is the Council Strategy. One of the priorities set out in the Council Strategy is "healthy and active communities". The proposals also support the following way of working "giving value for money".
 - 4.2.2 The executive decision to demolish Splashes Leisure Centre is an operational matter and is consistent with the Council Strategy (policy framework) with regards to giving value for money.
 - 4.2.3 The decision of the Cabinet to demolish Splashes Leisure Centre can therefore, be considered to be wholly in accordance with the policy framework.

4.3 Comments of the Chief Finance Officer

4.3.1 At its meeting on 8 June 2021, the Cabinet approved the demolition of the existing Splashes Leisure Centre building, to allow for a future leisure facility on that site. The demolition is fundamental to and consistent with the decision to replace the existing leisure centre and could therefore be delivered within the current capital programme.

4.3.2 Whilst the business case for the new facility will need to be developed and any additional funding agreed by Council, in the meantime it makes sense to demolish the existing structure to:

- Save the ongoing revenue costs relating to business rates, security and maintenance;
- Mitigate the health and safety risks to the public associated with leaving a structurally unsound building standing unoccupied.

5. Options

5.1 The options open to this Committee in dealing with this call-in are to:

- a) to consider the matter and accept the Cabinet decision, or;
- b) ask Cabinet to reconsider its decision if Members have concerns about it/them (setting out in writing the nature of any concerns), or;
- c) refer the matter to full Council for consideration.

5.2 In accordance with rule 15.8 of the Constitution, to avoid the possibility of very many emergency Council meetings, Overview and Scrutiny Committees should normally only use the power to refer a matter to the full Council if it considers either:

- a) that the decision is contrary to the policy framework (i.e. those policies and plans listed in Article 4.1 of Chapter 2 of the Constitution) or contrary or not wholly in accordance with the budget;
- b) where a request for call-in is signed by six or more members representing at least two political groups.

5.3 If the Committee considers the Cabinet decision is, or would be, contrary to the policy framework or not wholly in accordance with the Council's budget, then it must first ask for advice from the Interim Monitoring Officer and/or Chief Finance Officer. If the officer advice is that the decision taken by Cabinet is within the policy framework or budget, and this is accepted by the Committee, then a referral to full Council, on the grounds that the decision is contrary to the budget or policy framework, would not be possible. As mentioned in paragraph 4 above, the Interim Monitoring Officer and the Chief Finance Officer have confirmed that the decisions taken by Cabinet set out in

paragraph 2 above are not contrary to the Council's budget or policy framework.

5.4 The Committee may refer the call-in to full Council if:

- the officer advice confirms the view of the Committee that the Cabinet decision was outside the budget or policy framework, or
- the officer advice does not confirm the view of the Committee but Members do not accept the officer advice.

5.5 In the event of a referral to full Council for reasons relating to the budget or policy framework, Cabinet will then meet to consider the views of the Interim Monitoring Officer and/or Chief Finance Officer, together with the views of the Overview and Scrutiny Committee. Having considered these views, Cabinet will decide what action to take and prepare a report for Council.

5.6 When the Council meets following a referral on the grounds that an Overview and Scrutiny Committee considers that a Cabinet decision is contrary to the policy framework or contrary or not wholly in accordance with the budget, it can decide:

- a) that the Cabinet decision falls within the existing budget and policy framework, in which case no further action is required, or;
- b) to amend the Council's budget or relevant policy framework document to encompass the decision, in which case the Cabinet decision takes effect immediately and no further action is required, or;
- c) to accept that the decision is outside the policy framework or budget, in which case Cabinet must reconsider the matter taking into account the views of full Council and take a decision which is in accordance with the advice of the interim monitoring officer/chief finance officer and which complies with the budget and policy framework.

5.7 When the Council meets following a referral on other grounds then it can decide:

- a) to accept the Cabinet decisions and therefore take no further action or;
- b) refer the decisions back to Cabinet for reconsideration, setting out the reasons for the referral back.

6. Risk management

6.1 Risk management is addressed in section 5 of the Cabinet report attached at Appendix A.

7. Climate change implications

7.1 Climate change is addressed in section 7 of the Cabinet report attached at Appendix A.

8. Financial and legal implications

8.1 The financial and legal implications in relation to the Cabinet decisions are set out at sections 8 and 9 of the Cabinet report attached at Appendix A.

8.2 In accordance with Chapter 4, part 5, paragraph 15.3 of the Constitution, six members of the Council may call in a decision for scrutiny by the relevant Overview and Scrutiny Committee. Call-ins must be dealt with in accordance with Rule 15 of the Overview and Scrutiny Rules and Rule 7 of the Budget and Policy Framework Rules.

9. Recommendations

9.1 The Committee is asked to consider the called-in Cabinet decisions 56/2021, 57/2021 and 58/2021 and decide either to:

- Accept the Cabinet decision and therefore take no further action or;
- Refer the decision back to Cabinet for reconsideration, setting out the reasons for the referral back or;
- Refer the decision to full Council for consideration.

Lead officer contact:

Richard Hicks
Director of Place and Deputy Chief Executive
Email: richard.hicks@medway.gov.uk
Telephone no: 01634 332764

Appendices

Appendix A – Cabinet Report dated 8 June 2021

Background papers

None

This page is intentionally left blank

CABINET

8 JUNE 2021

SPLASHES LEISURE CENTRE

Portfolio Holder: Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services

Report from: Richard Hicks, Director of Place and Deputy Chief Executive

Author: Robert Banks, Capital Programme Manager
Bob Dimond, Head of Sport Leisure, Tourism and Heritage

Summary

This report requests Cabinet approval for the demolition of the existing Splashes Leisure Centre building to allow for a future Leisure facility on that site. The report also requests that part of the existing capital budget allocated to Splashes be used to fund this demolition.

1. Budget and policy framework

- 1.1. The provision of Leisure Services is a matter for Cabinet and so Cabinet is asked to approve the demolition of the existing building. As this will be funded from within existing budget, this is a matter for Cabinet.

2. Background

- 2.1. After extensive structural surveys were carried out at Splashes Leisure Centre to ascertain the condition of the building with the intention to refurbish, the building was found to have major structural faults beyond economic repair. It was advised the building should be taken out of use immediately. The building had already been closed to the Public since March 2020 due to the impact of Covid-19.
- 2.2. Members have tasked officers with developing a business case for the replacement of Splashes. Should approval be given for the demolition of the existing facility, a further report to Cabinet will follow on this business case and any further capital addition required.

3. Options

3.1. The range of options considered include:

- Option 1 - Do nothing; or
- Option 2 - Proceed with demolition of the building.

3.2. Option 1 would mean that the building would remain boarded up and “mothballed” until further decisions and progress are made on a new Leisure facility. As such, there would be no initial expenditure, as the demolition costs would form part of a future development plan. Risks associated with Option 1 include:

- Risk of partial or full collapse of the building;
- Ongoing costs of business rates for an empty building;
- Vulnerability to break-ins and anti-social behaviour;
- Ongoing costs associated with maintaining security for the building; and
- An empty building will deteriorate more quickly and become an eye-sore.

3.3. Option 2 would mean that there would be costs to the Council of procuring contractors to demolish the building safely and make the site safe. This option would mean that the risks as set out for Option 1 are avoided. However, there would be an initial expenditure for the demolition of the building, as this would be commissioned separately to any future development plan.

4. Advice and analysis

4.1. Having considered the two options, together with the knowledge that the existing Splashes building is no longer a useable facility in its current form, or financially viable to repair, the preferred option is option 2.

5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Risk of partial or full building collapse	The building cannot be used in its current condition. It will further deteriorate. Attempting to maintain a building that is at risk of full or partial collapse can result in reputational damage to the LA, particularly if	Demolition of the building would remove this risk.	C2

Risk	Description	Action to avoid or mitigate risk	Risk rating
	injuries are sustained.		
Risk of Vandalism and anti-social behaviour	An empty building is vulnerable to vandalism and anti-social behaviour.	The building is currently boarded up. Security and CCTV is in operation. Demolition of the building would remove this risk.	A2
Financial risk	Maintenance of the building will incur costs associated with business rates, security and insurance	Demolition of the building will remove these ongoing costs	B2

6. Consultation

- 6.1. Soft Market testing and pre-tender estimates were sought to estimate the cost of demolition.

7. Climate change implications

- 7.1. In order to comply with the Council's climate change aspiration, the tender for the demolition of the building will require compliance with all legislation in regard to the re-use and recycling of existing salvageable materials on the site. All salvageable Furniture, Fixtures and Equipment have already been removed from the site for use at other Council Leisure facilities, such as Medway Park.

8. Financial implications

- 8.1. The current capital programme includes £5million for the refurbishment of Splashes. As this report sets out, for a new facility to be delivered, the existing building will need to be demolished, therefore Cabinet is asked to fund the costs of this demolition of £343,000 from the existing approval [full Council minute number 96/2020 refers] and rename the Splashes Refurbishment 2020/21 scheme as Splashes Replacement.

9. Legal implications

- 9.1. If this project is approved, the Capital Projects team will follow the Council's financial procedure rules supported by the Category Management team in the

appointment of contractors to complete the various elements of works proposed.

10. Recommendations

10.1. The Cabinet is asked to:

- 10.1.1. Approve the demolition of the existing Splashes Leisure Centre building, Option 2 of the report, to allow for a future Leisure facility on that site.
- 10.1.2. Agree that the demolition costs of £343,000, inclusive of professional fees, are funded from the existing £5 million capital scheme, Splashes Refurbishment 2020/21, to enable the demolition of the existing Splashes Leisure Centre building for future development on that site.
- 10.1.3. Agree that the existing Splashes scheme, Splashes Refurbishment 2020/21, be renamed Splashes Replacement.

11. Suggested reasons for decisions

- 11.1. To enable the demolition of Splashes Leisure Centre and remove the risks of building collapse, vandalism / anti-social behaviour and ongoing maintenance costs.

Lead officer contact

Robert Banks, Capital Programme Manager, Regeneration, Gun Wharf
Tel: 01634 331711 Email: robert.banks@medway.gov.uk

Bob Dimond, Head of Sport Leisure, Tourism and Heritage, Medway Park,
Tel: 01634 338238 Email: bob.dimond@medway.gov.uk

Appendices

None

Background papers

None