

DECISION TAKEN UNDER DELEGATION TO THE CHIEF EXECUTIVE

Subject:

Dovedale Refurbishment

Date of Decision:

21st November 2024

Decision Number:

5/2024

Background:

The Council agreed in February 2022 to commit £1,464,000 to the refurbishment of Dovedale Sports Centre. This is a joint-use centre owned by and operated in partnership with Chelmsford College, who are also contributing to the budget. The sum was included within the Capital Programme for 2022/23 with delegations to the Director of Public Places to decide on a preferred scheme. The initial scheme was subsequently developed with a view to address the urgent backlog of works whilst upgrading the facilities to enable the best possible financial return, essentially through upgraded fitness facilities and support accommodation.

In order to test affordability, value for money and provide greater cost certainty the scheme was subjected to an early tender exercise and this was completed in August 2024. The Business Case was updated, particularly in lieu of the overwhelming success of the Riverside scheme where membership and income growth has exceeded expectations, also mirrored by the more modest gym investment at CSAC in 2023.

The Business Case also highlights the primary aims and benefits the scheme will achieve:

- Upgrade joint use community leisure centre to benefit College students and local community
- Enable morning use of the fitness room/studio for the local community (not currently available)
- Increased number of total attendances, the number of different community groups participating and attract new and key customer groups.
- Create a modernised, good quality alternative option for City centre customers with additional benefits of relieving pressure on the Council's other extremely popular fitness venues.
- Raise the standard of Dovedale to the same as the other Council's leisure centres.
- Improved energy efficiency of the plant and carbon reduction
- A positive net revenue return

It should also be recognised that an options appraisal identified that a "do nothing" approach would result in significant ongoing and increasing maintenance costs to keep the existing building operational, estimated at £1,050,000 over the next 5 years. The 2025/26 budget would have identified a worsening net position of around £50,000 as a result of additional costs and reducing revenue, a situation which would have continued without this investment. Proceeding with this scheme will see income increase from £219,000 in 2024/25 to £359,000 in 2028/29.

A start date of June 2025 is critical to the delivery of the scheme and as such to ensure statutory consents (Planning & Building Control) and construction lead in times are achieved ahead of this the matter cannot wait until the next Cabinet/ Council meetings. Hence, it is proposed to authorise this via urgency decision with additional capital requirement identified below requiring executive sign off.

The outcome of the tender exercise and budget review requires approval of additional capital budget of £710,000 (total budget for the scheme will be £2,340,000). Of this additional approval, £655,000 would need to be funded by the Council.

The revised cost plan has been market tested with competitive tenders received from 4 Essex based contractors. This early tender exercise provides a greater level of confidence, together with a good contingency sum will help to de-risk the project against unforeseen cost increases.

The revenue impact of the project after allowing capital financing costs will be an additional net cost over existing 2024/25 budget of £16,000 in 2025/26, rising to £81,000 in 2026/27, £28,000 in 2027/28 and improving by £5,000 in 2028/29 with continued positive improvement after this.

Importantly, the joint use agreement will be extended to 2050 and with the additional daytime use will ensure this facility helps to complement the Riverside facility and meet the needs of a growing city.

Supporting Information:

The Leader of the Council was consulted before making this decision and had no objection to it.