

DUNDEE CITY COUNCIL

REPORT TO: Leisure and Arts Services Committee – 15 March 2004

REPORT ON: Olympia Leisure Centre

REPORT BY: Director of Leisure and Arts

REPORT NO: 236-2004

1.0 PURPOSE OF REPORT

1.1 To outline proposals for the continued provision of leisure swimming facilities in Dundee.

2.0 RECOMMENDATIONS

It is recommended that Members agree to

2.1 The medium term retention and development of Olympia as Dundee's regional leisure swimming facility as outlined in Section 7.

2.2 Note the assessment of new build options outlined at Section 6.

2.3 Remit the Director of Leisure and Arts to further review the provision requirements for swimming in Dundee, following the creation of the current PPP Programme of school and community pool developments.

3.0 FINANCIAL IMPLICATIONS

3.1 The capital costs of the improvements outlined in this report are estimated at £1,040,000. £380,000 can be contained within the Leisure and Arts Department's capital budget for years 2004/2005 and 2005/2006. It is intended to apply for **sportscotland** lottery funding for swimming pool upgrades at the level of £300,000. The remaining £360,000 will be funded from future years capital receipts.

3.2 It is anticipated that the proposed levels of capital investment will ensure demand is maintained and that the ongoing operating costs are contained within the provision made in the three year Revenue Budgets 2004–2007.

4.0 EQUAL OPPORTUNITIES IMPLICATIONS

4.1 The proposals in this report will ensure the continued provision of significant leisure facilities which ensure equality of access.

5.0 LOCAL AGENDA 20 IMPLICATIONS

5.1 Olympia provides opportunities for social, leisure and cultural activities for all.

6.0 BACKGROUND

6.1 At a meeting of the Leisure Services Committee held on 28 June 1999 the Director of Leisure & Parks and the Chief Executive were given the remit to carry out a review of the Olympia Leisure Centre operations. Since then a number of changes have been made including the introduction of single shift operation, more focussed marketing and new initiatives including the introduction of Leisureactive Memberships. These initiatives have grown the level of business at Olympia and are having a positive impact on earned income.

- 6.2 The Leisure Services Committee Article VI of 15 October 2001 agreed that the requirements to extend the life of Olympia Leisure Centre and alternative options for swimming provision in Dundee be progressed.

7.0 OLYMPIA LEISURE CENTRE: REPLACEMENT VERSUS RETENTION

A detailed exploration of a potential new build replacement for Olympia has been undertaken, building upon and extending the consultancy work carried out by Kit Campbell Associates. A Best Value approach has been taken to assessing the pros and cons of pursuing a new build option as against retaining and developing Olympia Leisure Centre. The key issues considered have included the following.

7.1 Visitor Appeal

- 7.1.1 Olympia is Dundee's most visited paying attraction with 374,000 visitors projected for 2003/2004. It should be noted that this is a growth on the 2002/2003 figures of 3%. The continued popularity is founded upon the significant leisure waters and particularly the extensive fun/recreational elements including flumes which in visitor feedback are of considerable appeal to the major teenage audience. This popularity is consolidated by the extensive mix of facilities (training pool, recreational pool, dive pool, kiddies pool, training suite, health suite, structured class activities) which are provided on the single site.
- 7.1.2 Over the last 12 months the launch of the new Leisureactive Membership Scheme has seen over 1,600 new memberships, all committed to regular monthly payments. These schemes have also significantly extended markets, particularly focussing on adults, students and older people.
- 7.1.3 Any new build facility is likely to provide a "new attraction" popularity during its initial opening period. However based upon issues of affordability any new facility is likely to provide a far more modest mix of attractions than the current Olympia Complex (see consideration of costs below) and it is therefore unlikely that the longer term stabilised level of visitor numbers could be maintained at current levels of usage at Olympia. This would be primarily due to the more limited facilities on offer.

7.2 Impact of other Swimming Investment

- 7.2.1 The current PPP Programme of new build schools including community facilities will provide the single biggest investment in swimming facilities in the City for a generation. The pools, through the provision of separate community access, and extended opening, will provide the opportunity to offer pay as you go swimming, club pool time, and organised class activities which will collectively ensure that public access is maximised to these new community facilities.
- 7.2.2 Private sector provision for swimming continues to grow with a number of private sector membership clubs providing pools in the City.
- 7.2.3 It is inevitable that changing patterns of provision across the City over the next 3 – 5 years will have an impact on patterns of usage. It is anticipated that more localised community access will assist in growing the overall level of swimming activity. What is more difficult to predict is the impact this will have on patterns of usage at Olympia or any new build facility. As a result it could be considered imprudent to commit to a significant and costly new build project prior to assessing the impact of the PPP investment on provision in the City.

7.3 A Central Location

In considering potential sites for a new build replacement, primary consideration has been given to public accessibility (particularly in relation to pedestrian and public transport users which are a significant element of current usage). A number of sites have been considered including Allan Street Car Park, Riverside sites, areas around the Railyard and Railway Station, city centre sites near the Overgate, as well as DISC and Camperdown. These sites were rejected due to a range of factors including lack of proximity to City Centre/ lack of access; lack of availability of sites due to alternative development proposals; or likely acquisition costs.

The limited availability of land within the city centre area and current patterns of use has led to the conclusion that the central waterfront provides the preferred site solution. That said the proposed phasing of the central waterfront re-development and the requirement for investment and infrastructure to ensure high quality access means that a suitable site is unlikely to be available until 2009/2010. In addition, any development would need to provide a massing and form complimentary to the Central Waterfront Masterplan. It is also prudent to continue to monitor the availability of other city centre sites.

7.4 **Costs**

7.4.1 The costs of a new build swim and leisure centre are clearly dependent upon the range, scale and mix of provision which is prescribed. A model which provides for leisure water incorporating flumes or other play features and also training, club and gala provision within a single swim hall has been identified. This provides the optimum balance between affordability, efficiency of design and meeting Olympia user expectation. This facility would be less extensive than the existing Olympia but would be designed in a way aimed to retain the bulk of Olympia's current market. The working model would differ from Olympia in 3 main aspects; the scale of facility, the lack of a health suite and the lack of a dive pool. The estimated capital build cost of this facility is estimated at current costs of £8 million. This assumes a Council owned site and does not include any site acquisition costs.

7.4.2 It is further anticipated that a modern new build design would provide opportunities to reduce the operating costs compared against the existing Olympia operation. This is possible through the deployment of more streamlined staffing for a single pool hall and through more efficient plant and services costs. In this model it is assumed that anticipated annual revenue saving of circa £324,000 would in turn be utilised to support an estimated capital borrowing within the Prudential Framework of £3.7 million. As such the revenue burden related to a new build proposal would be at a level consistent with the current revenue costs of Olympia, albeit some of this cost would be invested in capital borrowing. This would leave a requirement of £4.3 million to be found from capital receipts and external funding. It is anticipated that a sports lottery grant of £300,000 would be pursued (the maximum available).

7.4.3 In relation to the costs of the new build provision it is concluded that even allowing for Prudential borrowing, it is unlikely (given current capital plan commitments) a further commitment of £4 million can be accommodated within the short term.

7.5 **Conclusion**

On balance, a combination of issues currently unresolved mean an early decision on replacement to Olympia is difficult to recommend. An alternative central waterfront site is unlikely to be available until 2009/2010. The impact of significant investment in PPP pools will be more clearly measurable over the next 4 years. Other development opportunities including those in conjunction with either of the City's Universities and feasibility study work in relation to a conference centre may provide more innovative and sustainable models for leisure facility replacement. In addition the level of capital resource required to replace Olympia, given other capital plan commitments is not available in the short term.

It is therefore recommended that Olympia is retained and developed to ensure its continued popularity until 2009/2010. At this stage a more informed view can be taken on any proposed move.

8.0 **INVESTING IN OLYMPIA TO PROVIDE A MODERN REGIONAL POOL FACILITY**

8.1 **Proposed Improvements**

Olympia continues to provide a high quality leisure experience. A facility of this scale at current new build prices would cost in the region of £15 million (**sportscotland** estimate). The key core facilities have been relatively recently refurbished and have at least a further 10 year lifespan. That said some of the public areas are very tired and have suffered from under investment and heavy use. It is recommended that a pragmatic programme of investment aimed at securing Olympia's medium term popularity through to at least 2010 is progressed. The key areas of investment proposed are:

- Introduction of open plan reception area with improved lighting, signage and access.
- Re-configuration of health suite to facilitate sunbed removal and introduction of enhanced fitness equipment.

- General upgrade to the café restaurant area.
- Provision of significant upgrading to changing village, including cubicles, lockers and lighting.
- Upgrading of fitness studio with introduction of new teenage fitness suite and activity room.
- Refurbishment of waterslides
- Introduction of new aqua gym to dive pool area
- Upgrading of training pool changing facilities and scoreboard
- Undertaking of essential health and safety maintenance works to plant and pools

A detailed programme of works and estimated costs are provided at Appendix 1.

8.2 Investment Phasing

It is proposed to phase this work over 3 financial years with the bulk of investment in year 1 and 2. It is proposed that the cost of these works would be phased as follows;

2004/5	£190,000
2005/6	£490,000
2006/7	£360,000

£380,000 can be contained within the Leisure and Arts Department's Capital Budget for year 2004/5 and 2005/6. It is intended to apply for **sportscotland** lottery funding for swimming pool upgrades to the level of £300,000. The remaining £360,000 would require to be funded from capital receipts.

9.0 CONSULTATION

The Chief Executive, Depute Chief Executive (Finance), Depute Chief Executive (Support Services), Assistant Chief Executive (Community Planning), Director of Planning & Transportation and Director of Economic Development have been consulted on this report and are in agreement with its contents.

STEVE GRIMMOND
DIRECTOR OF LEISURE AND ARTS
1 March 2004

Appendices

Appendix 1 – proposed improvements to Olympia

Dundee City Council – Leisure & Arts Department – Leisure Centres Section

FUTURE OF OLYMPIA – HIGH-PRIORITY CAPITAL MAINTENANCE REQUIREMENTS TO ENSURE BUILDING/SERVICE RETENTION FOR 8-10 YEARS

AREA	ITEM	MAIN IMPROVEMENTS	MAIN BENEFITS	YEAR	ESTIMATE
HEALTH SUITE	Re-configuration	Streamlined service	Facilitate sunbed removal	04/05	£50k
FITNESS STUDIO (ACTIVITY ROOM)	Ceiling	New lights; new panels	Safety; enhanced ambience	04/05	£15k
	Floor	New surface	Suitability for change of use	04/05	£20k
	RPM Cycles	25 static exercise units	Ability to extend successful classes from Sports Centres	04/05	£15k
	Exercise units	Resistance/CV equipment	Meet needs of youths/young persons	04/05	£30k
	Music System	State-of-the-art sound/mic	Facilitate staff-led activities	04/05	£10k
WAVE POOL	Ceiling-Mounted Air-Handling Units	Refurbish	Safety; efficiency; appearance	04/05	£10k
	Wave-Channel Wall	Remove	Increase available swim space	04/05	£10k
DIVE POOL	Aqua-Gym	Install 9 wall-mounted pool exercise units in unused water space	Addition to facility mix that offers non-load-bearing activity	04/05	£30k
				04/05	£190,000

AREA	ITEM	MAIN IMPROVEMENTS	MAIN BENEFITS	YEAR	ESTIMATE
TODDLER POOL	Ceiling	Redecorate	Enhanced ambience	05/06	£10k
TRAINING POOL CHANGE-ROOMS	Ceilings, lights and cubicles	New/replacement units	Safety; service; appearance	05/06	£10k
FOYER	Access Controls	More efficient pedestrian traffic management	Eliminate fraudulent entry	05/06	£50k
	Ceiling	More lighting; re-decorate	Enhanced ambience	05/06	£30k
	Internal Signage	Better siting/clarity/design	Enhanced presentation	05/06	£20k
RECEPTION	Re-configuration	Open-plan; enhance area	More welcoming; easier interaction; staff needs	05/06	£50k
FORUM	General Up-grade	New floor covering; more lighting; ceiling decor	Safety; enhanced ambience	05/06	£10k
RESTAURANT	Ceiling	More lighting; re-decorate	Enhanced ambience	05/06	£25k
	Kitchen	Replacement equipment; better ventilation	Safety; food hygiene/service	05/06	£25k
UNISEX CHANGE	Lockers	New doors and numbers; new shelves; re-decorate	Refurbished appearance; all compartments large-size	05/06	£50k
	Cubicles	Replacement panels or decorative overlays	Refurbished appearance; enhanced ambience	05/06	£20k
	Ceiling	New lights; re-decorate	Safety; enhanced ambience	05/06	£50k
	Toilets>Showers	New cubicles; re-tiling	Enhanced ambience	05/06	£25k
ALL POOLS	Tiles/Grout	Repair erosion/damage; includes expansion joints	Safety; seals; appearance	05/06	£25k
	Tiled Walls	Decorative panels	Enhanced ambience	05/06	£10k

ALL POOLS (CONTINUED)	Hoist/High Platform	Quicker/easier high-level repairs & maintenance	Safety; customer service	05/06	£20k
	Access controls	New doors and barriers	Safety; control; appearance; minimise maintenance costs	05/06	£20k
	Stores and hoses	General up-grade	Safety; hygiene; service	05/06	£15k
BUILDING-WIDE	Radio system	Replace obsolete units vulnerable to breakdown	Maintain emergency response capability	05/06	£25k
				05/06	£490,000

AREA	ITEM	MAIN IMPROVEMENTS	MAIN BENEFITS	YEAR	ESTIMATE
TRAINING POOL	Scoreboard & lane-lines	New units	Maintain club activity needs	06/07	£60k
WATERSLIDES	High-Tower	Clean/refurbish	Structural integrity; appearance	06/07	£15k
	Launch Platform	Replace launch pads and surrounds	Structural integrity; appearance	06/07	£30k
FITNESS STUDIO	Exercise Units	Replacement resistance & c-v equipment	Minimise repair expenditure; meet customer expectations	06/07	£80k
BASEMENT	Toxic Gas	Finish/complete building-wide detection system	Safety	06/07	£15k
	Ceiling Panels	Remove asbestolux units	Safety	06/07	£10k
CEILING VOID	Heat Exchangers	Replace inefficient units vulnerable to breakdown	Customer service; energy conservation	06/07	£50k
BUILDING-WIDE	Contingencies		Provide for unforeseen issues	06/07	£100k
				06/07	£360,000