

REPORT FROM: DIRECTOR OF PLACE

TO: EXECUTIVE

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TOWN DEAL PROGRAMME CAPITAL WORKS TO PENDLE WAVELENGTHS

PURPOSE OF REPORT

To provide an update on various works being carried out at Pendle Wavelengths and to authorise an extension and other improvements to Wavelengths funded by the Town Deal.

RECOMMENDATIONS

- (1) Note the update on various works being carried out at Pendle Wavelengths
- (2) Authorise the construction of an extension to Wavelengths and other improvements to be funded by the Town Deal

REASONS FOR RECOMMENDATIONS

- (1) For information and to provide context for the proposed additional investment of the Town Deal funding
- (2) To allow for the proposed Town Deal funded project to be initiated and a professional team and build contractor to be appointed in line with PBC procurement rules so as to ensure Town Deal funding rules can be met in terms of commitment of funds by March 2026.

ISSUE

1. A proposed extension and other improvement works to Pendle Wavelengths (Wavelengths) were included in the Nelson Town Deal bid as part of the Healthy Towns Programme. This consisted of works of value of £3,084,955 to Parks in Nelson and Wavelengths with a split of funding as follows:

Parks	£ 842,500
Wavelengths	£ 2,242,455
Total	£ 3,084,955

2. The funding package from the Town Deal totalled £2,321,149 meaning that the final funding breakdown for the works packages was as follows:

Parks - Town Deal	£ 590,000
Parks - Match <i>(from Nelson Town Council)</i>	£ 252,500
Wavelengths - Town Deal	£ 1,731,149
Wavelengths – Match*	£ 511,306
<i>(*Source TBC - see Paragraphs 22 – 24 inclusive)</i>	
Total	£ 3,084,955

3. Following the award of the Town Deal funding for Nelson to Pendle Borough Council, the Parks component of the Healthy Towns Programme has been initiated with a range of improvement projects completed and in-progress.
4. In respect of the Wavelengths' component of the Healthy Towns programme, the current facility mix for Wavelengths is:
- Leisure Water with flume, 'beach' area and wave machine
 - 25m x 4 lane swimming pool (linked to the leisure pool above)
 - Wet side Café
 - Fitness Suite (50 stations)
 - Studio
 - Junior and Women only fitness suite (15 stations)
 - Inside spa with café offer
5. The original Town Deal funded proposals for Wavelengths consisted of adding an extension to the building and making other improvements to facilitate:
- New Functional Studio and multi-use activity space (133m²)
 - New specialist Junior Gym facility (50m²)
 - Breakout Space (25m²)
 - New Water Features to the Pool Beach area.
6. These original proposals, funded by the Wavelengths component of the Healthy Towns Programme funding plus the PBC match, have not been actioned due to a number of reviews and public consultations taking place into the future of Leisure provision in Pendle. These reviews have been commissioned due to the escalating costs of operating the Leisure Centres, including Wavelengths, across the Borough.
7. Broadly speaking these reviews and consultations have found that Wavelengths is a popular facility with the public, being the only leisure pool in the Borough. As such it provides a unique reason to visit Nelson - attracting visitors from across the Borough and beyond. Attracting more visitors to Nelson is a key aim of the Nelson Town Deal Programme and is important in the context of the redevelopment of Pendle Rise Shopping Centre (PRSC), which will rely on footfall for its success. Indeed, as neighbouring town centre facilities, the redeveloped PRSC and Wavelengths will have a symbiotic relationship.
8. The original KKP Leisure Review states that '*a significantly higher percentage of the Pendle population is identified as being inactive compared to England and the North West and a lower percentage is considered to be active*'. It also identifies that the majority of the Borough's Asian-heritage population live in Nelson and states '*from a physical activity and wellness perspective this is important given the health challenges of specific communities, different activity requirements and cultural needs in accommodating specific client groups.*'

9. The KKP report goes on to say that *'If the Council is looking to help address health inequalities within the area, then the demographic profile identifies Nelson as the location which will deliver the biggest impact.'*
10. Leisure Review proposals have included closing Wavelengths and Pendle Leisure Centre and developing a new build facility on the Seedhill Athletics site, but a viable business case for the level of investment required at c£50million was not forthcoming.
11. Viability considerations for all Leisure Facilities are prevalent in the current environment of high energy costs. Indeed, there has been recognition from the UK Government of the rising costs of operating Leisure Centres and especially Swimming Pools. Pendle Borough Council has bid into and benefited from Government funding to support facilities through the Swimming Pool Support Fund (SPSF).
12. In addition to this Pendle Borough Council has recently released its own funds into supporting the three Leisure Centres, with a £772,000 for urgent repairs and maintenance and £1,000,000 for improvements, especially around energy efficiency.
13. These various funds will more than satisfy the Town Deal match funding requirement of £511,306 if the £1,700,000 Town Deal Funding is applied to a capital project at Wavelengths.
14. The various funds translate into an investment into Wavelengths as per the table below:

Fund	Allocated Amount	Works to be Undertaken
Sport England – SPSF Revenue	£233, 973	This funding is revenue only.
Sport England – SPSF Capital	£342,126 (Covers some initial decarbonisation elements)	<ul style="list-style-type: none"> • PV Panels • Upgrade pool hall windows to triple glazing • LED lights
PBC Capital Programme	£94,400 (Wavelengths allocation from £1,000,000 efficiency investment in Leisure Centres)	<ul style="list-style-type: none"> • LED Lighting • Variable Speed Fans • Upgrade to Variable Speed Drives for pool pumps
	£160,000 (Wavelengths allocation from £772,000 emergency repair funding)	<ul style="list-style-type: none"> • Minor works to car park surface and forecourt • Re-surface entrance area of the service car park • Wave Machine / Pool tank wall repairs • Wave Machine • Poolside Balustrade / Safety Rail Replacement

15. A further bid is being made to the Public Sector Decarbonisation Scheme (PSDS) which provides funding for decarbonisation projects and this, if successful, will provide funds for the following further improvements at Wavelengths:

Fund	Allocated Amount	Notes	Source
PSDS	TBC C£250,000	<ul style="list-style-type: none"> • Heating – replace the existing gas-fired boilers with air-source heat pumps 	Strategic Leisure Pendle

		<ul style="list-style-type: none"> • Front house heating and cooling via variable speed fans and heat exchange • Hot Water – replace existing gas-fired hot water heaters with storage calorifier fed from a lift unit served by the main air source heat pumps. • Air Handling Units – Replace with new high-efficiency heat recovery air handling units • Lighting – replace all existing fluorescent lighting with LEDs • Photovoltaic (PV) cells will be provided on the roof, the extent of PV will be determined during the next stage of the work 	Leisure Facility Option Appraisal 2023
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16. The key item of the scope of works being achieved through the current existing Pendle Borough Council investment is the new wave machine along with pool tank repairs. This significant investment of c£100,000 provides a basis for investing in other improvements to the pool hall experience and across the facility. In fact, taking the estimate of the PSDS award for decarbonisation works and adding it to the confirmed investment outlined in the table in Paragraph 14 brings us to c£750,000 of investment in Wavelengths prior to the Town Deal project recommended for implementation in this report.

17. Another factor for consideration is the Town Deal outputs: the bid for investment in expanded facilities in Wavelengths was targeted to lead to an increase in user numbers – based on the extended, additional and improved facilities. Therefore, investing the £1,700,000 must achieve this and will be difficult to achieve based on energy efficiency measures only.

18. The outcomes in the Town Deal bid are:

Outcome Indicator	Total
Increased Attendance Sessions (adult)	82,200
Increased Attendance Session (youth)	25,200

19. Pendle Borough Council has until 2029 to show Town Deal funded outputs are being met. These additional outputs are reflected in an improved revenue model, which is outlined in the Town Deal bid and estimates at 2021 costs that an additional £85,000 per annum income would be achieved from these increased attendance sessions. Whilst there will be an increase in expenditure, such as salaries, utilities, cleaning supplies etc. the additional revenue the new facilities will generate should cover this increase in expenditure. The Chief Executive of PLT suggests a breakeven position after year one, and then the new facilities should generate a surplus to contribute to the bottom line. However, this is not guaranteed.

20. Funding rules require the Town Deal funds for Wavelengths to be spent, or to be contractually committed spend, by March 2026. For the proposed improvements in Wavelengths to be completed by this date in order to satisfy the funding rules, immediate project initiation is required.

21. However, the original cost estimates in the Town Deal bid date from 2021. Since then construction costs can be assumed to have risen by at least 25%. This has increased the cost of the original Town Deal proposals to approximately £2,800,000 – requiring a top up investment from PBC of c£1,100,000.

22. While the c£750,000 of investment in Wavelengths outlined in paragraph 16, does provide for match funding in respect of overall investment in improving the centre, it does not offset the c£1,100,000 required to afford the original scheme. This is because there is very little overlap in works between those facilitated by the c£750,000 and those in the proposed Town Deal extension.

23. When the original bid was put in, it was envisaged that the 'match' figure in the bid of £511,306 would make up the difference between the Town Deal funding and the cost of proposals. However, as the match funding sourced has paid for other complementary energy efficiency works, the cost of the proposed Town Deal works has increased and the Town Deal funding award is fixed, this would leave a requirement of £1,100,000 from PBC to make the extension affordable.
24. Exhaustive work by Officers has failed to identify any external funding sources for the extension envisaged by the Town Deal and as such the shortfall would need to be made up by PBC. This is not a feasible way forward. (The full analysis of investment in Wavelengths over the last 12 months or so and the updated position on the original Town Deal proposals is contained in Appendix One.)
25. Therefore, Officers have worked up a proposal for a more modest extension to Wavelengths that would still deliver the targeted Town Deal outputs and would be affordable within the available £1,700,000 funding. As the match funding has been provided and the outputs of additional usage of the centre will be achieved, this would be compliant with DLUHC (now Ministry for Housing, Communities and Local Government) rules. Pendle Leisure Trust have also looked at the feasibility of implementing a 5-a-side 'Goals' type facility within the extension but have advised that it is not feasible.
26. Proposals are shown in Appendices Two to Four inclusive, however in summary they include:

Modest ground floor extension of 196m ²
Alterations to Nail Bar to provide new entrance to extension c/w air handling
Smart gaming wall (LU interactive system)
Improvements to water features and beach
Improvement to shower and change areas
Redecoration to pool structure
Improvements to car parking and link bridge over culvert to provide 18 additional car parking spaces

27. In summary it is therefore recommended that the revised proposal for an affordable Town Deal funded extension and improvements to Wavelengths are authorised with immediate effect for the following reasons:
- The failure to prove the business case for an alternative new build centre to replace Wavelengths
 - Levering the existing investment of up to c£750,000 being made by PBC along with UK Government funds
 - The risk of losing the c£1,731,149 Town Deal investment in Wavelengths through delay
 - The benefit to Nelson residents
 - The role of Wavelengths in attracting visitors to the town

IMPLICATIONS

Policy:

28. The proposals are in support of the Town Deal Bid submitted by Pendle Borough Council.

Financial:

29. The proposals secure £1,731,149 of Town Deal funding awarded to Pendle Borough Council for Wavelengths.

Legal:

30. Formal agreements will need to be put in place with Pendle Leisure Trust as operator of the facility to allow for the works to take place.
31. The works will require an alteration to the demise of the property that PLT is responsible for.

Risk Management:

32. Risk Management for this project will sit under the extensive Risk Governance in place as part of the Town Deal Programme.

Health and Safety:

33. All Health and Safety issues will be managed in accordance with prevailing HSE and Construction Design Management (CDM) regulations.

Sustainability:

34. All of the proposed works identified in this report are designed and intended to promote and improve energy efficiency in Wavelengths.

Community Safety:

35. All necessary measures will be taken to ensure works do not impinge on Community Safety.

Equality and Diversity:

36. The Wavelengths Healthy Town proposals are designed to widen the appeal of Wavelengths especially in terms of young people (which directly links to the target outcomes of the Town Deal proposals). Investing in Wavelengths to keep it in the Town Centre of Nelson will benefit those Town Centre residents from low-income households who may depend on public transport and may find the need to travel longer distances to a Leisure destination a barrier to participation in activities that promote well-being.

APPENDICES

APPENDIX ONE - Wavelengths Options Analysis (RAISE) June 2024

APPENDIX TWO – Revised Wavelength Extension Drawing (PLT / PBC Property Services)

APPENDIX THREE – Revised Wavelength Extension Site Layout Drawing (PLT / PBC Property Services)

APPENDIX FOUR – Revised Wavelength Extension Budget Costs (PLT / PBC Property Services)

LIST OF BACKGROUND PAPERS

Town Deal Healthy Towns - Hatch Business Case

Strategic Leisure Pendle Leisure Facility Option Appraisal 2023