

South Ayrshire Council

**Report by Assistant Director – Place
to Leadership Panel
of 8 March 2022**

Subject: New Leisure Centre

1. Purpose

- 1.1 The purpose of this report is to provide Members with an update on progress of the New Leisure Centre Project, including the final design proposals, costs and programme, and to seek approval to proceed to execute the necessary documents at financial close.

2. Recommendation

2.1 It is recommended that the Panel:

- 2.1.1 notes the final design proposals, project costs, and programme for the Leisure Centre project;**
- 2.1.2 notes that the acquisition of the land at Arran Mall as previously approved can progress now subject to successful planning application outcome and purification of all suspensive conditions associated with application; and**
- 2.1.3 requests the Head of Legal, HR and Regulatory Services, on acquisition of the Arran Mall site, to arrange for execution of the necessary documents, on behalf of the Council to reach Financial Close for the project with HubSW.**

3. Background

- 3.1 On 4 October 2018, a report setting out the Administration's vision for Ayr Town Centre was approved at a meeting of the Council. The report contained a number of projects and initiatives that the Council planned to take forward to create defined areas within the town.
- 3.2 In November and December 2018, a public consultation exercise 'Ayr Your Views' was held to capture the views of the public in relation to this vision including the proposal to replace the Citadel Leisure Centre with a new facility closer to the town centre.
- 3.3 The feedback from the public consultation was used to develop a Strategy and Action Plan for Ayr Town Centre which was approved by Leadership on 23 April 2019. One of the key proposals of this strategy was the creation of a Leisure and Recreation zone in the middle section of the High Street that would see the

transformation of an area currently occupied by the Arran Mall and Kyle Centre into a complex offering sports, cinema, dining and recreation day and night creating a bustling town centre for people to live, work and shop.

- 3.4 The proposed site for the New Leisure Centre is located within this 'Leisure and Recreation Zone' and incorporates the former Hourstons department store, Arran Mall and car parking area accessed from Dalblair Road. On 17 September 2019, Leadership Panel agreed to the purchase of Hourstons and this has now been concluded.
- 3.5 On 18 December 2019, the Council agreed to the conditional purchase of the Arran Mall site, and Missives were concluded in 2020, with several suspensive conditions in place to protect the Council's position before the transaction can complete,. These will require to be purified before the acquisition can progress.
- 3.6 On 19 January 2021 a Leadership Panel report seeking approval to submit a New Project Request to appoint a contractor and design team to develop and build the new leisure centre was approved. Following a tender exercise, BAM Construction and a design team led by LA Architects were appointed to design and build the new facility. The first task for this team was to help the Council facilitate further engagement with stakeholders and the public to obtain feedback on the proposed outline proposals for the new facility.
- 3.7 On 24 August 2021 a report was presented to Leadership Panel with the outcome of the consultation exercise and approval was given for a proposed list of facilities that would be provided in the new centre. These included a range of flexible wet facilities which maximises pool use and allows the 'learn to swim' programmes to grow and will comprise of a 25m 8-lane competition pool with mobile floor; a 20x10m flexible pool with mobile floor; a family fun area with flume; a wet changing area; and spectator seating. It was also proposed that there will be a range of flexible dry facilities which can cater for multiple activities and community use, including spaces which can accommodate a range of activities including spin classes, aerobics, pilates, yoga and martial arts; a fitness studio; and supporting spaces including consultation rooms, reception, café and storage.

4. Proposals

- 4.1 The detailed design process has culminated in the development of the final design proposals, project costs and programme. The total project costs including all construction related costs, development and professional fees and client direct costs are detailed in paragraph 6.1. Images of the design proposal are included in [Appendix 1](#).
- 4.2 The purchase of the Arran Mall is predicated on the purification of the suspensive conditions. Principal amongst these was the requirement to obtain successful (unchallenged) attainment of planning consent for the new leisure centre development. A Planning Application for the new leisure centre has been submitted to South Ayrshire Council and will be determined at a meeting of the Regulatory Panel (Planning) on 2 March 2022. On the basis of a positive outcome from Regulatory Panel, it would be appropriate to now seek to purify the suspensive conditions contained within the agreed missives and it is estimated that this will take a period from the date of planning of 3 months. On purification, the acquisition of the land to build the new leisure centre can be progressed.

4.3 It is now proposed that the successful acquisition of the land is a key requirement of reaching Financial Close with HubSW to formally agree to build the new facility. On the basis of successful acquisition of the land it is recommended that approval is given for the Head of Legal, HR and Regulatory Services to arrange to execute the documents, on behalf of the Council to achieve Financial Close for the project, as detailed in [Appendix 2](#).

4.4 Subject to a positive planning application, successful acquisition of the land required and approval by this Panel, a headline programme would be as follows:

- acquire land for development 10 June 2022;
- reach Financial Close with HubSW 17 June 2022;
- could commence works on site 18 July 2022; and
- complete by December 2024.

4.5 The delivery of the New Leisure Centre Project will bring about a range of environmental benefits and includes a number of sustainability measures such as renewable energy, heat retention and natural ventilation. It is proposed that the project will also adhere to the Council's new Sustainable Development and Climate Change Strategy including the target for a net zero carbon facility.

5. Legal and Procurement Implications

5.1 Specialist legal advisors have been appointed by the Council to develop the project agreements with HubSW to deliver the facility.

5.2 The recommendations in this report are consistent with the Council's Standing Orders relating to contracts for HubSW.

6. Financial Implications

6.1 The New Leisure Centre is an identified project within the Council's approved Capital Programme, and it is proposed that the total project costs are met from the current approved allocation of £44,997,239. A breakdown of the project costs is as follows:

Total Construction Related Costs (incl fees)	£40,372,187
Total Client Direct Costs (incl site acquisition)	£4,625,052
Total Project Cost	£44,997,239

6.2 This is funded from the allocation for the project contained within the General Services Capital Programme.

7. Human Resources Implications

7.1 Not applicable.

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8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are still some suspensive conditions that need to be agreed and finalised to allow the land acquisition to progress. These are not, however, thought to be overly onerous at this stage.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 The risks associated with rejecting the recommendations are that the Council would be unable to meet the commitments set out in the agreed Ayr Town Centre Strategy and Action Plan with regards to the development of the Leisure Centre.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessments is attached to this report in [Appendix 3](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - The proposals in this report do not represent a qualifying plan, programme, policy or strategy for consideration for SEA. There exists therefore no obligation to contact the Scottish Government Gateway and no further action is necessary. An SEA has not been undertaken.

11. Options Appraisal

11.1 A business case that considered various options was previously prepared for this project and the subject of earlier reports to Leadership Panel.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Commitment 6 of the Council Plan: A Better Place to Live/ Enhanced environment through social, cultural and economic activities.

13. Results of Consultation

13.1 There has been public consultation on the contents of this report as part of the recent online public engagement exercise.

13.2 Further statutory consultation has been held as part of the planning application for the project in advance of the Planning submission.

13.3 Consultation has taken place with Councillor Ian Cochrane, Portfolio Holder for Environment, Councillor Brian McGinley, Portfolio Holder for Resources and Performance, and Councillor Chris Cullen, Portfolio Holder for Economy and Culture, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Assistant Director - Place will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Complete the purification of the conditions and thereafter the acquisition of land	10 June 2022	Service Lead Special Property Projects/ Head of Legal, HR and Regulatory Services
Execution of the contract documents	17 June 2022	Head of Legal, HR and Regulatory Services

Background Papers Report to South Ayrshire Council of 4 October 2018 – [Ayr Town Centre](#)

Report to Leadership Panel of 23 April 2019 – [Ayr Town Centre Strategy and Action Plan](#)

Report to Leadership Panel of 19 January 2021 – [New Leisure Centre](#)

Report to Leadership Panel of 24 August 2021 – [New Leisure Centre](#)

Person to Contact Derek Yuille – Service Lead Special Property Projects
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612820
Email derek.yuille@south-ayrshire.gov.uk

Louise Reid, Assistant Director – Place
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612032
Email louise.reid@south-ayrshire.gov.uk

Date: 2 March 2022

Aerial View from Alloway Street



Aerial View from Dalblair Road



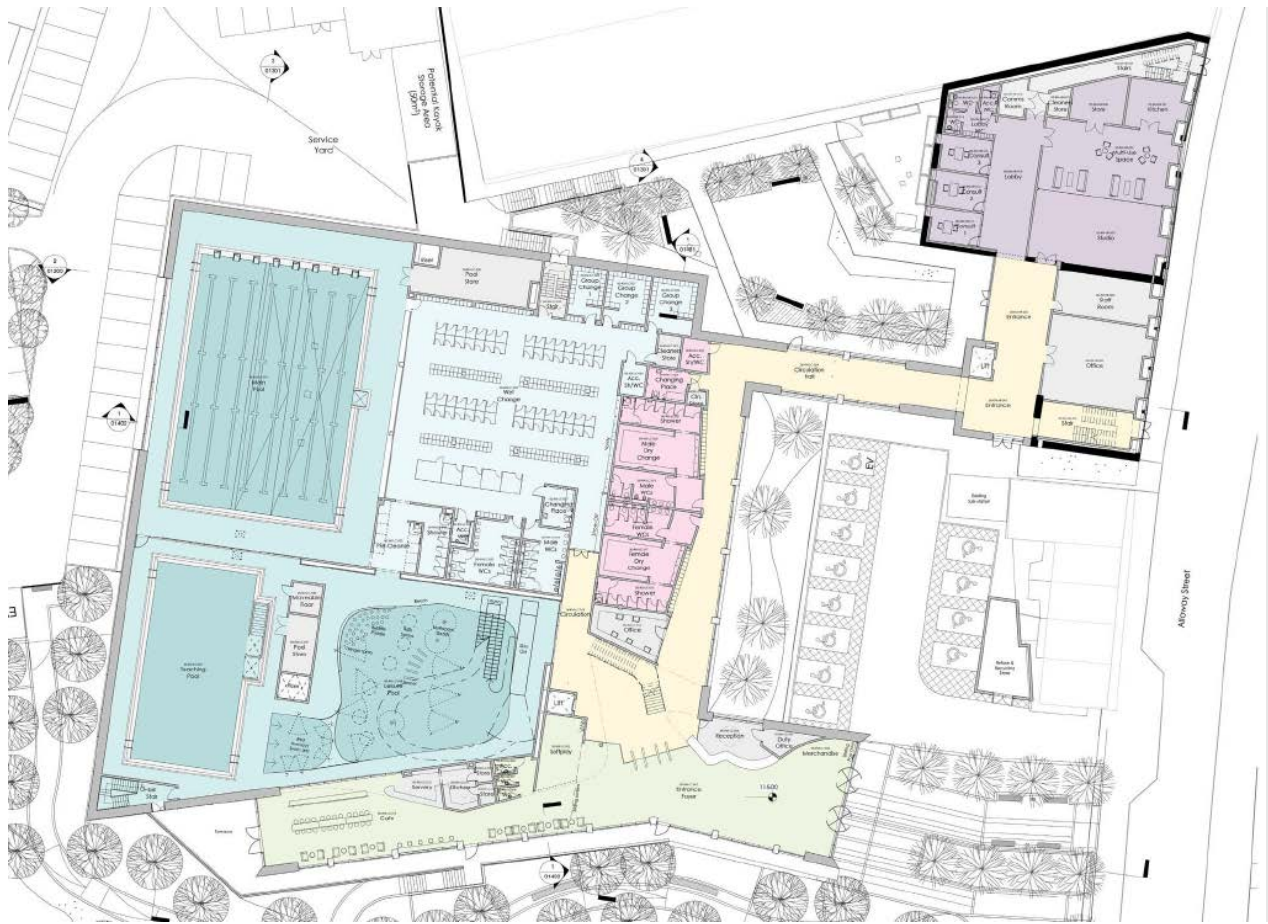
Front Entrance from Alloway Street



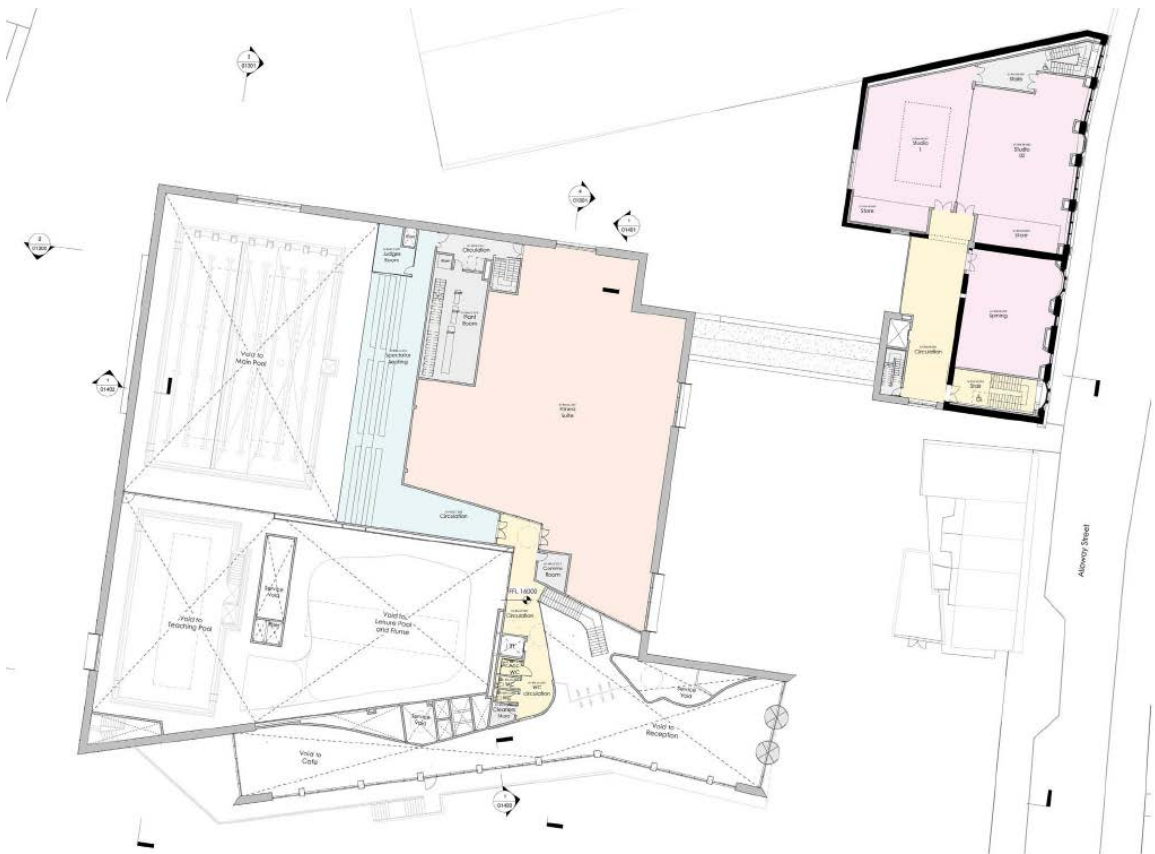
Rear of Building from Dalblair Road



Proposed Ground Floor Plan



Proposed Upper Floor Plan



Execution of Documents on Behalf of South Ayrshire Council

New Leisure Centre Project

The financial close process for the project requires a great deal of legal documentation which involves the Council, Hub South West and back-to-back subcontractor agreements. Financial close permits the entering into of the necessary contract documentation. The external legal and technical advisers will be responsible for verifying and certifying to Council officers that the key aspects represent an appropriate and bankable deal for the Council. Financial close can only take place once approvals are in place from:

- South West Hub board; and
- South Ayrshire Council;

Final negotiations will take place by the appropriate officers and also put in place named proper officers who would execute the project agreement documentation.

It is therefore proposed that authority is granted to the Head of Legal, HR and Regulatory Services (as proper officer for the purposes of signing documents as required by Schedule 2 of the Requirements of Writing (Scotland) Act 1995, and as proper officer for the purpose of the issue of certificates under and in terms of the Local Government Contracts Act 1997 and the Local Authorities (Contracts) (Scotland) Regulations 1997) to execute on behalf of the Council, all documents relating to the transaction as follows:

- (1) the project agreements for the New Leisure Centre Project between South Ayrshire Council and DBDA Co/hubco. These are based on the SFT standard form project agreements and sets out the contractual arrangements for all parties;
- (2) the construction direct agreements for the New Leisure Centre Project between South Ayrshire, DBDA Co/hubco and the Building Contractor (BAM Construction);
- (3) the collateral warranties for the New Leisure Centre Project between South Ayrshire Council, DBDA Co/hubco and any other DBDA Co/hubco party as appropriate to protect the Council against insolvency of any of the contracted parties; and
- (4) any other ancillary document relating to the transaction.

South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: [Equality Impact Assessment including Fairer Scotland Duty](#)

Further guidance is available here: [Assessing impact and the Public Sector Equality Duty: a guide for public authorities \(Scotland\)](#)

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. See information here: [Interim Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018.

1. Policy details

Policy Title	New Leisure Centre, Arran Mall, Ayr
Lead Officer (Name/Position/Email)	Derek Yuille, Service Lead – Special Property Projects – derek.yuille@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	x
Disability	-	x
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – gender identity (issues specific to women & men or girls & boys)	-	-
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children's Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage? (Fairer Scotland Duty). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low impact
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low impact
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low impact
Increase participation of particular communities or groups in public life	Low impact
Improve the health and wellbeing of particular communities or groups	Low impact
Promote the human rights of particular communities or groups	Low impact
Tackle deprivation faced by particular communities or groups	Low impact

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Rationale for decision:	
The proposal does have a significant positive impact with regards to community participation and health and wellbeing therefore an EQI is required	
Signed : Derek Yuille	Service Lead
Date: 31 January 2022	