

Report title: The Future of Dewsbury Sports Centre

Meeting	Cabinet
Date	5 th November 2024
Cabinet Members	Cllr Graham Turner – Finance and Regeneration Cllr Beverley Addy – Adult Social Care and Health
Key Decision Eligible for Call In	Yes Yes

Purpose of Report

This report consolidates background information and presents a range of options to inform decision-making regarding the future of Dewsbury Sports Centre (DSC).

Given the financial challenges, structural issues and the need for a sustainable health and leisure offer, the report presents several options for consideration regarding the future of DSC. The main options include:

- Option 1: Do nothing and keep the site in its current state.
- Option 2: Reopen both the wet and dry sides of the building.
- Option 3: Demolish the wet side, reopen the dry side with a new main entrance.
- Option 4: Permanently close DSC, demolish the wet side and enter negotiations around the future of the site.
- Option 4a: Option 4 plus construct a new leisure centre on a different site.
- Option 5: Community Asset Transfer of the buildings to an approved community group.

The recommended option is Option 4: the permanent closure of DSC.

This recommendation is based on several critical factors: financial constraints; the significant cost of refurbishing the existing facilities; and the available alternative physical activity provisions in the area. In addition, this approach offers an invaluable opportunity to better understand the complexities of community needs and to develop a longer-term strategic approach to address these issues comprehensively. By adopting a co-productive approach, we can ensure that the delivery of any long-term solutions effectively meet the needs of the community.

Background

DSC closed in September 2023 due to health and safety concerns owing to the discovery of Reinforced Autoclaved Aerated Concrete (RAAC). Prior to its closure, the centre had been loss-making, (c £1.113m per annum, the largest loss of any of the Kirklees Active Leisure (KAL) operated leisure centres prior to the Leisure Centre consultation in Autumn 2023) and required significant investment for repairs (**Appendix 1**). In December 2023, Cabinet came to a decision to reduce the leisure centre offer to eight centres throughout Kirklees, which did not include DSC. It is acknowledged that there was, and still are, some strong feelings in the community around the closure.

An Integrated Impact Assessment (**Appendix 5 IIA**) has been conducted to evaluate the implications of the closure. The assessment underscores the necessity of identifying a solution to aid the local community in enhancing health & wellbeing outcomes. It is apparent that while some individuals utilised the facilities within DSC to improve their health and wellbeing, a sports centre is not the preferred option for everyone. Dewsbury offers a diverse array of gyms with competitive membership prices; however, access to swimming pools is more restricted, as detailed in **Appendix 3**. In addition, the Third Sector play an essential role in the provision of sports and physical activity opportunities in Dewsbury and offer a wide range of opportunities. A long-term solution is required to more effectively address the needs of the entire community. A strategic approach, informed by a comprehensive needs assessment to further understand the complexities of community needs is recommended.

Recommendations

Cabinet is asked to approve the following:

- Consider the detailed options outlined in the tables in the Executive Summary (Section 1), which present a range of potential approaches for the future of Dewsbury Sports Centre (DSC). The different capital and revenue implications of each option should be noted, with particular attention to the detailed information provided in the appendices attached to this report, especially the health and leisure landscape in Dewsbury and the potential impact on residents.
- Approve Option 4 to permanently close Dewsbury Sports Centre and declare the existing buildings surplus to the Council requirements.
- Approve the demolition of the wet side facility, subject to capital funding being identified in the Council's revised Capital Plan to be presented at Council on 5th March 2025.
- The Executive Director for Place be authorised to initiate negotiations with the Landlord of the dry side building concerning the existing lease and the potential future redevelopment of the building/wider site.
- The Service Director Legal, Governance and Commissioning be authorised to enter into and execute on the Council's behalf any necessary documentation or instruments in relation to the above matters.
- Approve the writing off of KAL's outstanding borrowing costs which equate to £126k for 2024/25 and a total cost of £697k until 2035. An adjustment will be made to the Treasury Management budget to accommodate this change.
- The Executive Director for Public Health and Corporate Resources be authorised to work with partners including funders such as Sport England and sporting governing bodies to secure external investment to enable a programme of physical activity opportunities to be delivered in Dewsbury, along with a promotional campaign to highlight existing activities in the area. Proposals should aim to deliver a new style of provision to enhance health and wellbeing outcomes.
- Approve the commissioning of a strategic needs assessment to explore approaches to effectively address the health, well-being and social needs of the Dewsbury population.
- Members should note the recommendations in the Integrated Impact Assessment, (**Appendix 5**).

Reasons for Recommendations

- **Financial Unsustainability:** The cost of returning the entire sports centre facilities to an operational state or refurbishing and remodelling the dry side facilities is very significant and unaffordable given the financial challenges facing the Council. The estimated capital costs for refurbishing the wet and dry sides are approximately £9-10 million (**Appendix 1**).

These financial details are comprehensively outlined in Option 2 and Option 3 in the executive summary of this report.

- Lack of Revenue Provision: DSC does not form part of the Council’s agreed Leisure Centre offer with Kirklees Active Leisure (KAL) and, therefore, is not part of the Council’s core grant offer. It is estimated that there would be an additional annual operating loss of around £1.113 million and presently there is no revenue provision to operate the facilities if they were re-opened. The financial overview in Section 3.2.1 highlights the absence of a revenue provision for DSC.
- Alternative provision in the Dewsbury area is diverse with over 20 private gyms, one directly behind the DSC building, and there is a wide range of sports and physical activity opportunities such as football, rugby, martial arts, yoga, walking and running available which are referred to in Sections, 2.7, 2.8 and **Appendix 3**.
- As detailed in Section 3.4.2 and supported by the Integrated Impact Assessment (**Appendix 5 IIA**), the presence of the sports centre did not significantly alter health outcomes in the past. Even when DSC was operational, the community continued to face lower than average levels of physical activity and higher than average adverse health outcomes. This historical context underscores the need for a more comprehensive approach rather than reverting to a solution that has already proven ineffective. More work is needed to understand the barriers to physical activity and to explore new styles of provision that can improve health and well-being outcomes.
- To progress any physical activity interventions in the Dewsbury area, external investment/resources will need to be secured due to the Council’s current financial position, which precludes funding these programmes solely itself. Officers are presently working with key partners and Sport England to develop a systems leadership approach in Kirklees, with a specific focus on Dewsbury, to collaborate and increase resources for physical activity programmes

Resource Implication:

There is currently no capital allocation in the Council’s Capital Plan for the demolition of the wet side provision at DSC and the site’s subsequent conversion into a car park or other alternative use. An estimated allocation of £3.483 million will need to be identified through the re-prioritisation of existing schemes within the Council’s current funded Capital Plan to facilitate the demolition in the fiscal year 2025/2026 (refer to Section 1.4 which details the financial implications of the demolition). As part of the Council’s new Capital Plan to be considered by Council on 5th March 2025, Cabinet will outline which scheme(s) will be removed/re-prioritised in order to ensure that a capital allocation of £3.483m is provided for the demolition scheme.

There is no revenue provision for the cost of holding the vacant dry side building until a decision regarding its future is made. These revenue holding costs must be accommodated within the existing Corporate Landlord budget for property facilities management. For further details on the revenue implications refer to Section 1.4 which details revenue implications.

Date signed off by Executive Director & name

Rachel Spencer Henshall – Deputy Chief Executive and Executive Director for Public Health and Corporate – 28/10/2024

David Shepherd – Executive Director for Place – 26/10/2024

Is it also signed off by the Service Director for Finance?

Kevin Mulvaney – Service Director for Finance / Section 151 Officer – 28/10/2024

Is it also signed off by the Service Director for Legal and Commissioning (Monitoring Officer)?	Samantha Lawton – Service Director for Legal and Commissioning (Monitoring Officer) - 24/10/2024
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Electoral wards affected: Dewsbury

Ward councillors consulted: None

Public or private: Public report with private Appendix

The report includes **Appendix 7**, which is recommended to be considered in Private. This is because the information contained is considered as exempt under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006. This appendix contains details relating to the financial or business affairs of any person including the Council. It is deemed that it would not be in the public interest to disclose the information contained in the private appendix as disclosure. Revealing this information could potentially hinder the Council's ability to secure value for money, compromise the commercial confidentiality of the entities mentioned within the report, and ultimately be detrimental to the Council's financial and business interests. These concerns are considered to surpass the benefits of increased public accountability, transparency in the expenditure of public funds, and openness in Council decision-making processes.

Has GDPR (General Data Protection Regulation) been considered? Yes, person-identifiable data is not present in this report.

1. Executive Summary

- 1.1 In Autumn 2023, national government guidance was issued regarding the potential safety implications of Reinforced Autoclaved Aerated Concrete (RAAC). A comprehensive survey of Dewsbury Sports Centre (DSC) conducted by both internal and external structural surveyors confirmed the extensive presence of RAAC throughout the wet side of the facility, including the main entrance and plant areas. Consequently, the entire building was closed to the public in September 2023. It was determined that the dry side of the building could not function fully without access to the main entrance and the utility services provided by the wet side.
- 1.2 On 26th September 2023, a decision was made by Cabinet to consult on the future leisure offer. Subsequently, on 12th December 2023, Cabinet considered a report regarding the Kirklees Active Leisure (KAL) Offer for 2024/25. A decision was reached to establish a rationalised leisure centre offer funded through a £2.555m core grant, which involved reducing the number of sites from twelve to eight, with six of those sites featuring swimming pools. DSC was excluded from this leisure centre provision as part of that decision due it being closed, the significant capital investment required for refurbishment and the site's revenue operating deficit,
- 1.3 Cabinet resolved that:

“Officers be authorised to develop a future plan for physical activity across Dewsbury which would contain a range of long-term options and that an assessment be made on the cost and feasibility of creating access to the dry side facilities at Dewsbury Sports Centre.”

This report responds to that decision by providing an analysis of the leisure and health landscape in Dewsbury following the closure of DSC. **Appendix 1 & Appendix 7** detail the

capital and revenue implications of reopening the dry side, as requested by Cabinet, to facilitate a decision on the future of the leisure centre provision in Dewsbury.

1.4 Financial information has been consolidated regarding all potential options highlighted in this report below.

Option 1 - Do nothing, site remains in its current state

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over building life	Revenue Deficit per year	Key Points	Timescale
Nil	Nil	£152K mothball cost including utilities if KAL continues to manage plus £60K lease costs Total £212K £350K per annum if managed by the Council.	<ul style="list-style-type: none"> • KAL continue to manage the mothballed site. • No income, continuing revenue outgoings. • Discussions occur with the Landlord about the future options for the leased dry side building. • Council will need to write down remaining borrowing of £697k as DSC is not part of KAL core offer 	Ongoing

In addition to the above – option to carry out intrusive. specialist surveys and further appraisal work to inform future options for the site

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 25 years.	Revenue Deficit per year	Key Points	Timescale
£750k	£54K	Nil	<ul style="list-style-type: none"> • Intrusive surveys of the wet side RAAC and the concrete pools have not occurred to date due to cost to establish extent of the issues and the design solutions/costs to return the building (if possible) to operational use. Specialist contractors would need to be procured. Risk that £750k would need to be funded from revenue if no capital scheme comes forward. 	9 – 12 months

Option 2 - Re-opening of the existing building – both wet side and dry side - by addressing all known condition items to ensure operational life of 25 years +

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 25 years.	Revenue Deficit per year	Key Points	Timescale
£9m – £10m	£646K to £718K	£1.113m (2022/23 loss – last full year of operation) plus £60K lease costs Total = £1.173m Less continuation of borrowing repayment average c£70k pa over 10 years	<ul style="list-style-type: none"> The capital cost is a broad estimate that is not supported via intrusive surveys / site investigations / a detailed technical and cost appraisal. The realism of repairing the RAAC and concrete pools in an affordable and economic manner remains untested and cannot be confirmed without significant exploratory work. 	Upwards of three years for the full site.

Option 3 - Wet side remains permanently closed and is demolished. The dry side is reopened by building a new main entrance and addressing all know condition items to ensure an operational lifespan of 25 years +

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 25 years.	Revenue Deficit per year	Key Points	Timescale
£9.196m	£661K	£601K operating costs plus £60K lease costs Total = £661K	<ul style="list-style-type: none"> This is based on an initial desk top option appraisal and set of assumptions with no supporting site surveys / investigations and should therefore still be treated as an estimate rather than a precise figure. It assumes the demolition of the wet side building and the conversion of the cleared space to car parking or other alternative use to be identified. (£3.483m). It could be possible to generate a capital receipt from the disposal of the wet side site to offset the demolition cost. It assumes the construction of a new main entrance on the dry side and the refurbishment of the centre to address fabric, mechanical and electrical infrastructure issues that would give the building an extended 	2.5 years

			<p>life of 25 years + at a cost of £5.713m</p> <ul style="list-style-type: none"> • Opportunity to continue to recover some of the outstanding £697k borrowing – would need to be negotiated as this is a partial reopening offer. 	
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Option 4 - DSC is permanently closed. The wet side is demolished and the future of the dry side is discussed with the Landlord.

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 25 years.	Revenue Deficit per year	Key Points	Timescale
£3.483m	£251K	<p>£350K per annum for first 12-18 months.</p> <p>£250K per annum after demolition of the wet side and until lease situation resolved</p>	<ul style="list-style-type: none"> • Assumes demolition of the wet side building and the conversion of the cleared space to car parking or other alternative use to be identified. It could be possible to generate a capital receipt from the disposal of the wet side site to offset the demolition cost. • Council to enter negotiations with the Landlord regarding the future of the dry side building and the wider site, with the Council responsible for all holding costs in the meantime. Current dry side lease has 125 years and therefore requires the Council to reach a negotiated settlement with the landlord or a re-assignment of the lease with Landlord agreement to avoid future holding costs. • Revenue costs include business rates, lease charges, utility standing charges. Council will need to write down remaining borrowing of £697k as DSC is not part of KAL core offer. 	<p>12-18 months.</p> <p>To be negotiated</p>

Option 4a - Construction of a new leisure centre on a site to be determined

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 40 years.	Revenue Deficit per year	Key Points	Timescale

£21m - £34m	£1.28m to £2.08m	From £525k - £575k (swimming pool only) to £1.113m	<ul style="list-style-type: none"> • A swimming pool only complex (with supporting changing rooms etc) has been estimated at £21m. • A leisure centre of the size and facilities mix of Spen Valley Leisure Centre has been estimated at £34m. • Both these estimates are very high-level cost per m2, with assumptions made around inflation, size, abnormal etc – although these are a QS estimate, they are not supported by a feasibility study / surveys / site investigations etc. • Estimated projected net deficit position of KAL managing a pool only site £525k- £575k • Council will need to write down remaining borrowing of £697k as DSC is not part of KAL core offer 	5-6 years depending on the size of building and the site chosen.
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Option 5 - Community Asset Transfer (CAT) of the buildings – wet side and dry to an approved community group

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over building life	Revenue Deficit per year	Key Points	Timescale
Nil	Nil	£350k per annum until CAT agreed (expected to take 2-3 years)	<ul style="list-style-type: none"> • Finding a community group with the appetite, capacity, skills, experience and knowledge to take on an asset of this size, complexity, backlog of capital works and loss-making nature would be a significant undertaking • Any CAT proposal would no doubt be reliant on grant funding given the maintenance backlog and investment needed. This would be a time consuming and exceptionally challenging ask. • Timescales for conducting consultation, engaging stakeholders / governing bodies and development of the business plan would likely mean the Council retaining responsibility for the asset for the next 2-3 years, possibly longer. 	2 – 3 years

			<ul style="list-style-type: none"> Any re-assignment of the dry side lease to a third party would require the Landlords approval, which may prove difficult to obtain. Council will need to write down remaining borrowing of £697k as DSC is not part of KAL core offer. 	
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2. Information required to take a decision

The usage of DSC and the demand for leisure activities in Dewsbury

- 2.1 Prior to its closure, DSC was reported to be a significant loss-making site for KAL, operating at an annual revenue deficit of around £1.113m per annum (based on last full year of operation in 2022/23) for the combined wet and dry sides.
- 2.2 Since its closure, KAL has engaged with users and relocated many of them where feasible to alternative facilities, such as Spen Valley Leisure Centre and Batley Sports and Tennis Centre. Prior to the closure of the centre, there were 3,180 registered customers at DSC: 16% of those continue to use alternative KAL centres; the remaining 84% have not remained with KAL. Timetables have been reviewed and enhanced at Batley Sports & Tennis Centre and Spen Valley Leisure Centre to try and meet the demands of customers who attended DSC e.g. increased female only swimming sessions at other sites.
- 2.3 KAL is unable to provide figures on the alternative provision that previous KAL customers are attending if they chose not to relocate to other KAL leisure centres when DSC closed. However, it can provide a detailed analysis of the use of the rest of the KAL leisure centre offer since September 2023 by former DSC customers through until approximately June 2024 (when former customers were merged into memberships of the other KAL sites).
- 2.4 **Appendix 2** provides an overview of the impact of the closure. Customers who chose DSC as their main centre averaged 20,113 visits (83% to DSC itself) per month prior to the closure of the centre. In June 2024, this reduced to 5,000 monthly visits by former registered customers of DSC to other KAL centres. Monitoring shows the majority choosing to use facilities at Spen Valley Leisure Centre.
- 2.5 KAL has remodelled its offer to accommodate groups and users of DSC as far as practicable within their centres. A small female only gym has been established at Batley Sports and Tennis Centre; increased fitness classes, both aquatic and studio based, have been added; and group access has been accommodated where possible. 40% of OWLS (older people's activity sessions) who used DSC transferred to other sites when the site closed; however, this had reduced to 26% in June 2024. **Appendix 5 IIA**, the Integrated Impact Assessment explores the impact on users.
- 2.6 All school swimming has been successfully relocated to alternative KAL sites. However, access to general swimming is now much more limited, particularly within the Dewsbury area. In addition to the two centres managed by KAL, the nearest private swimming facility is SWIM! in Batley, which is a small pool primarily focused on providing swimming lessons for children. The only other private gym with a pool is Everlast, located on the Birstall border of the district, approximately 5.3 miles from Dewsbury town centre.

- 2.7 Alternative provision in the Dewsbury area for gym activities is diverse, with over 20 private gyms. Private gyms with swimming pools are much more limited due to high operating costs and generally do not offer pay-as-you-go memberships, with monthly prices ranging from £40 to £50.99. The Third Sector plays a pivotal role in the provision of sports and physical activity opportunities in the Dewsbury area offering a wide range of opportunities such as football, rugby, martial arts, yoga, walking and running. An overview of sport and wider physical activity in Dewsbury can be found in **Appendix 3**.
- 2.8 Customer utilisation of a reopened KAL centre and the associated financial impact is likely to be further affected by the recent opening of a private facility which has opened in close proximity to DSC and where free car parking is available. This private facility offers a standard membership of £10.99 per month for the first year (increasing to £19.99 per month after that), with no contractual obligation, thereby customers can choose to cancel and leave at any time. Competing with this offer poses a significant financial challenge to KAL.
- 2.9 Considering the competitor impact, the successful relocation of some customers and the extended period of closure, it is estimated that KAL would require £601K of revenue funding from the council per annum to reopen the dry side only at DSC. This is due to the necessity of rebuilding the customer base from scratch. The £601k projected annual loss would be in addition to the £2.555m core grant support which the Council provides to support the remaining eight centres currently managed by KAL.
- 2.10 According to the 2021 census, the population of North Kirklees was 191,494 individuals out of a total of 433,216 in the entire Kirklees area. It could be stated that there is one pool per 95,000 people in North Kirklees and one pool per 40,000 people in South Kirklees. However, this assessment is complicated by the geographical distribution of pools and public transport networks. Many residents in North Kirklees find it more convenient to access Huddersfield Leisure Centre than the pools located within North Kirklees itself and they also have access to pools in adjacent authorities such as Leeds, Wakefield and Bradford.
- 2.11 Benchmarking with similar local authorities to Kirklees revealed that the average of those surveyed was one pool per 77,000 people, this compares less favourably to Kirklees where there is one pool to 55,000 people.

Updated Building related information

- 2.12 **Appendix 2** of the Leisure Centre Offer 2024/25 cabinet report (dated 12th December 2023) outlined the condition of DSC with particular focus on the wet side of the building. The scrutiny was prompted by the discovery of extensive RAAC throughout the premises, in addition to other issues relating to the main pool tank and aging mechanical and electrical infrastructure. The report estimated the capital re-opening cost of the wet side at around £6m - £7m. Since this date, the main swimming pool and the learner pool have been fully drained on health and safety grounds following several break-ins to the building.
- 2.13 At the request of Cabinet, the Council's in-house Technical Services have conducted a feasibility study to evaluate the potential re-opening of the dry side of DSC and to estimate the associated costs. It is important to highlight that, although no RAAC is present in the dry side, the primary entrance to DSC, along with essential services required for site operation, is located on the wet side of the facility. Consequently, the study has had to examine the possibility of adapting the dry side to function independently, assuming the wet side remains closed. Additionally, it has addressed the scenario in which the dry side could be reopened if a decision were made to demolish the wet side due to its deteriorated condition. The feasibility study is attached at **Appendix 1**.

- 2.14 The dry side of DSC was in an adequate condition when it closed, though **Appendix 2** of the 12th December 2023 Cabinet report did note that due to its age, many key elements of the fabric, mechanical and electrical infrastructure would require replacement within 5-10 years at a cost of around £2m.
- 2.15 In order to explore the option of re-opening the dry side of DSC, the following assumptions were made:
- A new main entrance would be required (to replace the existing main entrance that is attached to the wet side building), with subsequent remodelling of parts of DSC to accommodate the new build
 - As the building has been closed for a significant period of time, necessary health and safety works would be required including fire safety issues, works to the sports hall floor and the re-commissioning of all services required to operate the building
 - To prevent the need for a future closure of the building once re-opened in order to undertake major condition works, all major fabric, mechanical and electrical works that would be required over the next 5-10 years would be undertaken prior to re-opening therefore guaranteeing the building an extended life of 25 years plus.

The technical study concluded that the cost of re-opening the dry side of DSC in line with the above assumptions would be £5.713m.

- 2.16 As part of the same technical study, demolition of the wet side building and the re-purposing of the cleared site as car parking / other alternative use was costed at £3.483m.

Land and Building Ownership / Leases

- 2.17 DSC sits on the periphery of the ring-road as part of a wider retail park. It is a complex structure involving two interlinking buildings over multiple floors each under different ownerships and uses. The Council owns the freehold of the wet side building. Additionally, the Council owns the freehold of the broader site but entered a 150-year lease with a 3rd party for the remaining site in 1999. However, the Council leased back the section of the building that the dry side occupies on a 150 year minus three days lease. The penultimate page of **Appendix 1** to this report provides further details.
- 2.18 As the freeholder of the wet side, the Council retains the authority to decide on any future investment / disinvestment of this part of the site. Should the demolition of the wet side and the re-purposing of the land for an alternative temporary use, such as car parking, be approved, the Council is empowered to proceed independently. Conversely, as the leaseholder of the dry side of DSC, the Council is required to consult and obtain permission from the Landlord for any significant modifications or changes to the dry side.
- 2.19 There is no formal sublease in place for DSC between the Council and KAL. KAL occupies the premises under a periodic tenancy, which either party can serve three months' notice on. The agreement may be concluded early if both parties agree. Upon handover of DSC by KAL to the Council, the Council will assume full liability and responsibility for all holding costs associated with both the wet and dry sides of the building. Details regarding the costs are outlined in section 3.2 of this report.
- 2.20 Should a decision be made to not re-open either side of DSC, the assets will be declared surplus to operational requirements and disposed of appropriately. The wet side would be

demolished, and the future of the dry side would be subject to negotiations with the Council's Landlord.

3. Implications for the Council

3.1 Council Plan

Addressing the ongoing financial implications of Dewsbury Sports Centre as set out in this paper certainly fits with the first priority in the Council Plan of "Addressing our financial position in a fair and balanced way." Also, the approach we have taken in terms of engagement and consultation throughout this process with the community highlights our continued focus of "working with people, partners and in our places."

3.2 Financial Implications

3.2.1 KAL has projected an annual operating deficit of £601K if the decision was made to reopen and for them to manage the dry side only. It is anticipated that financial losses would be significantly greater if operations were to include the wet side given the loss in 2022/23 was £1.113m. There is no revenue provision in the Council's Medium Term Financial Plan or in the agreed KAL core grant of £2.555m for the re-opening of DSC.

3.2.2 The development of membership for the dry side would be required. which may be difficult due to the low-cost competition which has opened since DSC's closure, particularly with this being in close range of the centre. **Appendix 7** provides further detail about the estimated expenditure and income if the dryside was to reopen.

3.2.3 KAL continues to manage the closed site, forecasting a mothballed cost for 2024/2025 of £152,554, which includes utilities paid by the council. To limit expenditure, the gas supply has been suspended to the site which will save £60K over the next 12 months. There are ongoing reports of anti-social behaviour at the site which has resulted in several break-ins, necessitating increased security measures by KAL. Presently, KAL is covering all the costs associated with the site, except for the utility costs, from the income it generates from other sites and in return the Council will not charge the £124k of borrowing repayments due in 2024/25.

3.2.4 It is envisaged that KAL will return the site to the Council at the end of the current financial year, which means that the Council will assume responsibility for all costs associated with the site from 1st April 2025. Due to the rules governing business rates, the Council will be liable for full business rates as the charitable rate paid by KAL will no longer be in effect. It is projected that the closure costs for the entire site in financial year 2025/26 will be £350K. This sum will cover utilities, service charge to the landlord, insurance, security, business rates and other miscellaneous items, potentially reducing to around £250K per annum following demolition of the wet side. There is no budget provision for these holding costs in the Council's current financial plan and these will need to be managed through prioritisation of the Corporate Landlord budget. If KAL continues to be responsible for managing the site, the costs will be lower but additional budget provision will have to be identified to meet their costs as they will be in addition to the council's agreement with KAL in relation to the core grant of £2.555m for the rest of the leisure centre offer.

3.2.5 To mitigate the annual closure cost of DSC, it is recommended that the wet side of the building is demolished as it is beyond its economic lifespan and the associated revenue and capital costs of returning it to use are unaffordable for the Council. A car park could be established until the future of the wider site is determined, though this would not be expected to create

any significant income due to its location and the availability of free car parking in the vicinity. Other alternative uses could also be explored within the capital envelope provided.

- 3.2.6 Although the dry side of DSC benefits from a peppercorn rent arrangement, the building remains under a lease agreement with the Landlord for 125 years. Consequently, the Council will incur significant holding costs of approximately £250K per annum until we can either assign our lease to a 3rd party or negotiate an exit with the Landlord to relinquish the current lease. This negotiation may come at a significant financial cost through a potential reverse surrender premium, which is unknown and therefore uncosted at present. It is also pertinent to note that the demolition of the building cannot proceed without the Landlord's consent, especially since the dry side is part of a larger complex that currently includes Dewsbury Library, the former Mecca Bingo Hall and a retail outlet.
- 3.2.7 The holding costs for the dry side would include the service charge/insurance payment to the Landlord, business rates, security, utilities and other miscellaneous costs. These costs are anticipated to be incurred for an indeterminate period, as outlined in section 3.2.6.
- 3.2.8 Each of the potential options for DSC require a degree of capital to either refurbish existing buildings or to demolish life expired facilities, the borrowing costs of which are referenced in the options tables in section 1.4 of this report. Given there are no grants available for any of the proposed works, the costs would need to be met from the Council's Capital Plan and funded via borrowing. Members have previously agreed that any new items in the capital plan would require the identification of schemes of the same value being removed from the capital plan. This is currently being reviewed and Members will be updated as to the schemes that can no longer progress should capital be required for any option.
- 3.2.9 KAL has outstanding capital borrowing charges totalling £696k payable in instalments until 2035 relating to improvements to the fabric of DSC. As the building is not in a usable condition and therefore is not fit for purpose, it is recommended to Cabinet that the Council does not seek to recover these costs from KAL and that this is reflected in the upcoming 25/26 budget.

3.3 Legal Implications

- 3.3.1 There is no statutory obligation to undertake a public consultation. However, a comprehensive 6-week consultation was carried out in relation to the leisure centre offer review in September to November 2023, in which DSC was identified as a potential closure. No services have been provided from the building for over 12 months. The recommendations in this report do not require any further consultation and the report has been informed by feedback to the earlier consultation.
- 3.3.2 The council has a duty of Best Value under section 3 of the Local Government Act 1999 to secure continuous improvement in the way functions are carried out having regard to a combination of economy, efficiency and effectiveness. The council has a fiduciary duty to taxpayers to ensure, before committing to any revenue funding (and future capital costs), that it is prudent, affordable and sustainable in the context of the council's unprecedented budget challenges and the statutory requirement for a balanced budget. The council must have regard to all relevant factors and disregard irrelevant factors. It must act in accordance with Wednesbury reasonableness meaning that decision making should be rational having regard to all relevant factors.
- 3.3.3 The council's discretionary grant funding to KAL is provided under section 19 of the Local Government (Miscellaneous Provisions) Act 1976 and all other enabling powers. This is a power and not a statutory duty as the provision of leisure services is discretionary. There is no statutory duty to provide sport activity or to provide leisure facilities or swimming pools.

3.3.4 The council has a statutory duty under section 12 of the Health and Social Care Act 2012 (Section 2B of the NHS Act 2006 - duties as to improvement of Public Health) to take appropriate steps for improving the health of the people (which includes children) in its area. The steps include amongst other things:

- Providing information and advice
- Provision of services or facilities for the prevention, diagnosis or the treatment of illness
- Providing financial incentive to encourage individuals to adopt healthier lifestyles
- Providing assistance to help individuals to minimise any risk to health arising from their accommodation or environment
- Making available the services of any person or facilities.

3.3.5 Section 149 of the Equality Act 2010 sets out the Public Sector Equality Duty replacing the previous duties in relation to race, sex and disability and extending the duty to all the protected characteristics i.e. race, sex, disability, age, sexual orientation, religion or belief, pregnancy or maternity and gender reassignment. The Public Sector Equality Duty mandates public authorities to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and other conduct prohibited under this Act
- Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it; and
- Foster good relations between persons who share a protected characteristic and persons who do not share it, which involves having due regard, in particular, to the need to - (a) tackle prejudice and (b) promote understanding.

3.3.6 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- Undertake measures to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it, including, in particular, steps to take account of disabled persons' disabilities;
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

Members should carefully consider the Integrated Impact Assessment ([IIA](#)) at **Appendix 5** before making a decision.

3.4 **Other (e.g. Risk, Integrated Impact Assessment or Human Resources)**

Dewsbury: Population, Health and Physical Activity

3.4.1 Dewsbury is divided into three wards: Dewsbury East, Dewsbury West and Dewsbury South. The three wards have a total population of 61,000. All three have a higher proportion of minority ethnic residents, this being particularly accentuated in Dewsbury West. The

largest ethnic group besides White British is Asian and Asian British and within that group particularly residents of Pakistani origin. In both Dewsbury East and Dewsbury West, Pakistani is the largest ethnic group. All three areas rank within the most deprived areas in England with Dewsbury West including the most deprived Lower Super Output Area (LSOA) in Kirklees.

Ward	Population (Census 2021)	Deprivation (LSOAs in 20% most deprived nationally)
Dewsbury East	20,086	6/12
Dewsbury West	21,688	6/12
Dewsbury South	19,261	5/12

- 3.4.2 Dewsbury faces significant health challenges and inequalities being one of the most deprived areas in Kirklees and England. The life expectancy at birth for both males and females in Dewsbury is lower than the national average with these wards having some of the lowest levels in Kirklees. Some of the major health issues affecting Dewsbury are obesity, diabetes, cardiovascular disease, mental health problems and respiratory diseases. The wider determinants of health will contribute to poor health outcomes. Data from the 2021 census indicates that Dewsbury has relatively high proportions of individuals who have no qualifications and people who have never worked or are long-term unemployed. Dewsbury also has a higher proportion of households where English is not the primary language (up to 15% of households in some parts of Dewsbury).
- 3.4.3 Any form of bodily movement contributes to physical activity and there are myriad ways and places in which people can be physically active, which is important for a variety of reasons. It enhances physical and mental health & wellbeing, positively influencing health conditions such as coronary heart disease, obesity & type 2 diabetes, mental health problems & social isolation. It also contributes to supporting community identity; development and place building; & community cohesion. Physical Activity can also encompass diversionary activities to address anti-social behaviour and provide pathways & opportunities for active travel or people to achieve personal goals. As a result, promoting and supporting people to be physically active is complex and cannot be wholly achieved in isolation without addressing the wider social determinants of health, such as employment, community safety, poverty, cohesion, access to services and housing.
- 3.4.4 This is particularly important due to the acknowledged lack in physical activity levels across various populations and cohorts, both on a national and local scale. These disparities are particularly evident among women and girls; individuals with long-term health conditions or disabilities; certain ethnic groups; and residents of more deprived areas. It is recognised that seven LSOAs in Kirklees fall within the top 10% priority areas for physical inactivity and social need nationally, two of which are situated within the three Dewsbury wards. Furthermore, the CLiK Survey 2021 found that 47.8% of respondents in Dewsbury East, 41.7% in Dewsbury South and only 34.0% in Dewsbury West met the guidelines for physical activity. These longstanding inequalities indicate that the historical provision at DSC has not adequately addressed the needs of many residents.
- 3.4.5 Efforts have been taken to seek interim funding via Sport England’s development award. If successful, this will provide seed funding to enable engagement activity to be undertaken, to understand some of the least active and most disadvantaged communities,

(geographic and cohorts). The emphasis will be on tackling some of the wider systemic issues or barriers if the award is granted. The 2021 CLiK survey feedback appears to endorse this approach as it highlighted examples of existing barriers that hinder physical activity such as outdoor safety with 32% of respondents in Dewsbury West saying that 'Feeling safer in public open spaces' would help them become more active (the highest value across all Kirklees wards). Cost was another common perceived barrier with around a third of respondents in Dewsbury expressing that access to free or affordable local facilities or activities would facilitate greater physical activity.

- 3.4.6 An Integrated Impact Assessment (**Appendix 5 IIA**) has been undertaken to assess the impact of closure on Dewsbury citizens. This includes an assessment of the impact on climate change.
- 3.4.7 DSC was the most used leisure centre by Black Asian and Minority Ethnic (BAME) residents until its closure. In response to this, KAL has enhanced the offer at Batley Sports & Tennis Centre & Spen Valley Leisure Centre to accommodate the needs of displaced customers. These enhancements include additional female only swimming sessions and a small female only gym. Currently, female only gym sessions at Batley Sports & Tennis Centre are utilised to 11% of their capacity whilst Spen Valley usage is higher at 77% capacity.
- 3.4.8 Whilst the IIA undertaken did not identify any concerns regarding the effect on KAL staff or any significant impact on the local environment, it did confirm that residents with certain protected characteristics would be negatively impacted by the permanent closure of either or both the wet and dry side facilities. The extent of this impact is currently unknown and may require further monitoring in the future.
- 3.4.9 The primary themes identified were accessibility (including time taken and associated travel costs), logistics (encompassing distance and modes of transport) and affordability. These factors will be felt by all residents who live close to the centre but especially those older residents who, until its closure, used DSC on a very regular basis as an affordable means of tackling long-term health conditions and as a social network hub. However, earlier consultations revealed that disabled residents and their carers harboured genuine concerns that the absence of a local facility would prevent them from engaging in regular exercise. It is evident that further efforts are necessary to comprehend their barriers and implement effective mitigations. Pensioners living on or near the poverty line appear to face a heightened risk of poor health and loneliness. It became clear from the consultation that KAL leisure centres served not only as exercise venues but also as crucial social interaction spaces. The most significant impact will likely be on residents with mobility or safe travel issues (such as behavioural conditions that endanger themselves or others), potentially resulting in lifestyle changes detrimental to their long-term health and wellbeing.
- 3.4.10 The community consultation, carried out in the Autumn of 2023, highlighted several issues pertaining to the local South Asian communities that may adversely affect their long-term health and wellbeing. DSC had the highest proportion of BAME members compared to any other KAL managed facility up until its closure. Concerns include negative impacts on South Asian children who are for instance, at greater risk of childhood obesity and related medical problems and could benefit from KAL activities and personal safety. Additionally, worries about the availability of culturally sensitive facilities for Muslim women were raised. In response KAL has developed a more culturally sensitive offer at Batley Sports & Tennis Centre including a small female-only gym and an increase in women only sessions across its leisure centres. This has gone some way towards mitigating the impact of losing DSC.

- 3.4.11 The most significant perceived impact of the potential closure of DSC, is financial in nature; this includes increased expense and longer and more complicated journeys to and from an alternative facility, especially for public transport users. Although the Equality Act 2010 does not recognise poverty as a protected characteristic, Kirklees Council has incorporated it in its IIA framework. The IIA produced around the leisure centre review in 2023 and the IIA completed around the closure of DSC specifically indicates that low income is probably the most significant factor in preventing residents from accessing fitness activities and because most protected characteristics are statistically more likely to be at risk of poverty, the closure of DSC may disadvantage a significant number of residents on inclusion grounds. Further work needs to be undertaken to assist the council and its partners in understanding how best to address gaps in provision and support Dewsbury citizens on low incomes to be active.

4 Consultation

- 4.1 The Leisure Centre Review Consultation at the end of 2023 attracted 17,860 respondents, of which 10% were from Dewsbury and used DSC. Alongside keeping fit, other impacts and barriers highlighted around the closure included combatting chronic health conditions, general wellbeing and mental health, increased travel and transport, affordability and the impact of the loss on the community and local provision. While the consultation concentrated on the options for the leisure centre offer, rather than the future of specifically DSC, pertinent insights have been extracted from the overall findings and are presented in **Appendix 4**.
- 4.2 The significance of leisure centres to communities was highlighted in the unprecedented response to the consultation in November 2023. Leisure centres were highlighted as 'cultural and social hubs'. Respondents noted that local centres help break down language barriers, support participation in physical activity amongst different generations and cultures and build connectedness, particularly amongst older people.

Appendix 6 shows the full consultation findings of the leisure centre review in late 2023.

5 Engagement

- 5.1 Engagement sessions with residents with protected characteristics were conducted as part of consultation regarding the proposed changes to the leisure centre offer in September 2023. Representatives from Black and Minority Ethnic communities emphasised the role of leisure centres as 'cultural hubs' enabling diverse groups to come together as a community breaking down barriers. Carers expressed concerns that the closure of these centres would adversely affect the health of those they care for, citing transportation challenges as a significant issue. Furthermore, individuals with disabilities and/or long-term health conditions underscored the importance of pool-based activities in improving their health, mobility and alleviating pain.

6 Options

6.1 Options Considered

Option 1 - Do nothing, site remains in its current state, with consideration given as to whether detailed site investigations are required to help determine the future of the site.

- 6.1.1.1 Both the wet and dry side of DSC are currently closed and remain the responsibility of KAL. Due to the charitable nature of the Trust, this is the most cost-effective method of holding the buildings until such time as a decision is made regarding the future of the site.

6.1.1.2 Since the closure of the wet side, the swimming pools have been drained for Health and Safety reasons but specialist surveys of the RAAC that can be found throughout the building, or the condition of the concrete pool tanks have not occurred due to the very significant cost (estimated at around £750K) and the intrusive nature of the surveys that would be required. Should consideration be given to the re-opening of either building, but particularly the wet side, it is recommended that specialist consultants are procured to fully assess whether this building can be technically returned to an operational state in an affordable and economically viable manner.

Option 2 -Re-opening of the entire site – wet and dry side

6.1.2.1 The Cabinet decision made on 12th December 2023 effectively closed DSC by confirming the withdrawal of KAL from the site and by not including it in the confirmed list of eight centres in the leisure centre offer to be funded from the Council core grant to KAL from 2024/25 onwards. This was based on an annual operating loss for the site of around £1.113m and a capital cost to return the wet side of the building to an operational state of £6m - £7m.

6.1.2.2 In summary, the capital cost of re-opening the entire site – wet and dry side – would be around £9m - £10m with an expected annual operating loss of £1.113m based on 2022/23 figures.

Option 3 – Wet side remains permanently closed and the dry side is reopened

6.1.3.1 Under this proposal, the wet side of DSC would be demolished and a car park or other alternative use created in its place, with an estimated capital expenditure cost of £3.483m. A new main entrance would be built on the dry side and all Health and Safety and major condition works addressed, thereby extending the building life of 25 years+. The anticipated capital cost of this is £5.713m. KAL has projected a revenue operating loss of £601K per annum which the Council would be expected to fund.

6.1.3.2 In summary, the total capital cost of option 3 would be £9.196m with an expected annual operating deficit of £601K per annum based on KAL's estimate as seen in **Appendix 7** of this report.

Option 4 – DSC is permanently closed.

6.1.4.1 This route would see the permanent closure of DSC with neither the wet side nor dry side re-opening. The wet side of DSC would be demolished, and a car park or other alternative use established, in its place, at an expected capital cost of £3.483m. Regarding the dry side, the Council would enter into negotiations with the Landlord regarding the future of the building and the wider site. The Council would assume responsibility for all holding costs. It could be possible to generate a capital receipt from the disposal of the wet side site.

6.1.4.2 In summary, the total capital cost of option 4 would be £3.483m, with holding costs of £350k for the first 12 months, until the wet side was demolished. Reducing to an estimated £250K per annum to hold the dry side of DSC until the lease situation was resolved.

6.1.4.3 The implementation of option 4, would require the Council to identify existing schemes in the Council's Capital Plan to be removed to free up capital for the demolition works. This will be addressed in the updated Capital Plan to be presented at Council on 5th March 2025. The revenue holding costs would need to be accommodated within the existing Corporate Landlord budget for property facilities management.

Option 4a – Build a new leisure centre

6.1.4.4 Under this proposal, a newly constructed leisure centre could be developed either on the current site - contingent upon the cooperation of the Landlord - or at a to-be-determined location within the town centre. Comprehensive consultation, both within the Council and with external stakeholders, will be imperative to ensure that the facilities offered align with the leisure and health requirements of Dewsbury residents.

6.1.4.5 For the sake of comparison, a new build leisure centre, based upon the floor area and facilities mix of the recently completed Spen Valley Leisure Centre, is estimated at a capital cost of £34m (includes inflation to an assumed mid-point construction in 2029), whilst a smaller new build swimming pool complex with supporting accommodation such as changing rooms and toilets has been estimated at £21m (inflated to 2029). Due to the complexity of the development, design and construction of new build leisure facilities, it is estimated that any new build would not open for 5-6 years. For a pool only site, a broad estimate around the net annual position of this would be a loss of £525k- £575.

Option 5 – Community Asset Transfer

6.1.5.1A Community Asset Transfer (CAT) could be considered for the site though this would pose significant challenges for the successful community group undertaking the project and would need the co-operation of the Landlord regarding the dry side building, due to the existing lease arrangements, with no guarantee that this would be forthcoming.

6.1.5.2 A CAT can be time consuming and have difficulties to overcome even with a smaller asset. DSC is a large, complex facility with very significant capital investment needs, as well as being a loss-making operation. For any community group to be successful, a robust detailed business case would need to be developed, including the details as to the proposal for securing the millions of capital required to address the significant Health and Safety / condition needs of the buildings and how the loss-making facility could be made to cover its running costs. It is highly likely that any proposal would be reliant on external grant funding, the sources of which are limited.

6.1.5.3 Any successful community group would need the capacity, appetite, skills, knowledge and experience to demonstrate a viable business plan and operate this complex building successfully. Given the scale of the task, it is likely that timescales for consultation, engaging stakeholders / governing bodies and development of the business plan would probably mean the Council retaining responsibility for the asset for the next 2-3 years, possibly longer.

6.2 Reasons for the Recommended Option

6.2.1 The officer recommendation to Cabinet is that option 4 is adopted. This would mean the permanent closure of Dewsbury Sports Centre. The primary reasons for this recommendation are as follows:

- DSC does not form part of the Council's agreed Leisure Centre offer with KAL and therefore is not part of the Council's core grant offer. There is no revenue provision to operate the facilities if they were re-opened.
- The cost of returning the whole existing sport centre facilities to an operational state that will provide an extended life or the cost of refurbishing and remodelling the dry side facilities to an operational state that will provide an extended life are very

significant and not feasible given the financial challenges of maintaining the Council's current Capital Plan, which does not include provision for DSC.

- Alternative provision in the Dewsbury area is diverse with over 20 private gyms, one directly behind the DSC building, and there is a wide range of sports and physical activity opportunities such as football, rugby, martial arts, yoga, walking and running available as referred to in Sections 2.7, 2.8 and **Appendix 3**.
- As detailed in Section 3.4.2 and supported by the Integrated Impact Assessment (**Appendix 5 IIA**), the presence of the sports centre did not significantly alter health outcomes in the past. Even when Dewsbury Sports Centre (DSC) was operational, the community continued to face lower than average levels of physical activity and higher than average adverse health outcomes. This historical context underscores the need for a more comprehensive approach rather than reverting to a solution that has already proven ineffective. More work is needed to understand the barriers to physical activity and to explore new styles of provision that can improve health and well-being outcomes.

6.2.2 Given that the recommendation is to not reopen DSC, Cabinet should agree to not pursue the recovery of the outstanding borrowing costs of £697K from KAL related to DSC up to 2035. Instead, appropriate adjustments should be made within the treasury management budget. This recommendation is based on the fact that the borrowing relates to the infrastructure of the building, which is now deemed unfit for KAL's operational needs and consequently incapable of generating the necessary income to offset these debts.

6.2.3 In addition, it is recommended that the Cabinet approves that further work is undertaken to understand the health and physical activity needs of Dewsbury residents and to work in partnership to secure external investment to implement any necessary interventions and new programmes of work. This recommendation is based on the following:

- Data indicates that there is lower than average levels of physical activity and higher than average adverse health issues amongst Dewsbury communities. This trend was evident even when DSC was operational, thus necessitating additional efforts to identify the barriers to physical activity and to explore innovative provisions aimed at enhancing health and well-being outcomes.
- In advance of any physical activity interventions in the Dewsbury area, it is essential to secure external investment due to the current financial constraints faced by the Council, which preclude the possibility of self-funding these programmes. Efforts have been taken to seek interim funding via Sport England's development award

7 Next steps and timelines

7.1 Should the option to close be approved, the Council will initiate negotiations with the Landlord concerning the present lease of the dry side building and the future development of the broader site. Additionally, the Council's Technical Services will be tasked with the development, design, tendering and implementation plan for the demolition of the wet side building and its conversion to car parking provision / alternative use to be determined.

7.2 External investment will be sought to enable a programme of physical activity opportunities to be delivered in Dewsbury, alongside a promotional campaign to highlight existing activities in the area. Proposals will aim to deliver a new style of provision to enhance health and wellbeing outcomes.

7.3 The Council will seek funding to commission a strategic needs assessment to explore approaches to effectively address the health, wellbeing and social needs of the Dewsbury population.

8 Contact officer

Adele Poppleton – Service Director for Culture and Visitor Economy
David Martin – Head of Service for Property

9 Background Papers and History of Decisions

Cabinet 12 December 2023 -

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=139&MId=7416>

10 Appendices

Appendix 1 DSC potential reopening overview
Appendix 2 KAL DSC closure impact report
Appendix 3 Dewsbury Sport & Physical Activity Provision
Appendix 4 Consultation – Dewsbury Insight
Appendix 5 Integrated Impact Assessment (IIA)
Appendix 6 Leisure Centre Review Consultation Summary
Appendix 7 KAL – Dry side only costs - Private

11 Service Director responsible

Joanne Bartholomew – Service Director for Development
Adele Poppleton – Service Director for Culture and Visitor Economy