

# Finance and Resources Committee

10.00am, Tuesday, 27 March 2018

## Spend to Save Funding – Craiglockhart Leisure and Tennis Centre

<b>Item number</b>	7.8
<b>Report number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	
<b>Council Commitments</b>	39 – put exercise at the heart of our health strategy by increasing access to sport and leisure facilities

### Executive Summary

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This report sets out a request for spend to save funding of £285,259 for Craiglockhart Leisure and Tennis Centre, to support the provision of six all-weather, floodlit tennis courts. The project has a 4.25-year payback period.

## Spend to Save Funding – Craiglockhart Leisure and Tennis Centre

### 1. Recommendations

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- 1.1 It is recommended that members of the Finance and Resources Committee:
- 1.1.1 Consider the Spend to Save application in respect of Craiglockhart Leisure and Tennis Centre (CLTC) from Edinburgh Leisure (EL) and, subject to approval, refer this decision to Council for ratification for use of Fund.

### 2. Background

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- 2.1 Craiglockhart Leisure and Tennis Centre is managed by Edinburgh Leisure on behalf of the Council. While operated by EL, CLTC is owned by the Council and the proposed investment will enhance a Council-owned asset.
- 2.2 CLTC offers the following tennis facilities:
- six acrylic indoor courts, available all year round;
  - three American fast dry clay courts, historically covered by an inflatable dome, which enabled them to be used during the winter months; and
  - five outdoor American fast dry clay courts, which are open between May and September, subject to weather and light.
- 2.3 The venue is under increasing pressure to meet the needs and balance out the demand from coaching programmes, club lets and public bookings. In the winter months, the demand for indoor courts is oversubscribed. The outdoor courts are ineffective at removing surface water, and following heavy rainfall or low temperatures, they are rendered unplayable for long periods of time, and play is therefore limited. Maintenance costs currently surpass income generated.
- 2.4 A project team, including representatives from Tennis Scotland, the Lawn Tennis Association (LTA), Sportscotland, the Council and Edinburgh Leisure has considered various options that would enable CLTC to increase participation, meet the needs of users and achieve a more sustainable business model.

### **3. Main report**

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- 3.1 The project team has identified the following preferred option:
- add an additional outdoor court to create six outdoor courts, as required by the LTA to host tournaments;
  - extend hours of play through the introduction of floodlighting; and
  - move to all year-round play through a modern synthetic clay surface, with lateral and perimeter drainage that can cope with the climate, and provide a high-quality playing experience for intensive public use, while being the preferred surface for performance players and tournaments.
- 3.2 EL has advised that the project has been discussed with Sportscotland, Tennis Scotland and the Lawn Tennis Association. All organisations have given positive indications on support. The total estimated cost of the works is £535,259, with £250,000 of funding contributions anticipated towards costs. The request is for Spend to Save funding of £285,259.
- 3.3 If the project is to be ready for the 2018 outdoor tennis events season, works would have to be complete for June 2018.
- 3.4 Income expected to be generated from the new all-weather courts is estimated at £51,000 per annum, compared to £4,000 from the existing clay courts. Additionally, running costs, including those relating to the provision of floodlights, are estimated to be £20,000 lower than the costs of servicing the existing clay courts.
- 3.5 These savings would enable the Spend to Save funding to be repaid within a 4.25-year period.
- 3.6 Members of the Committee are asked to consider this application and, if approved, refer the decision to Council for ratification of use of the Fund.
- 3.7 As members will recall, the approved Council budget motion included in-principle decisions for other spend to save projects. The associated business cases are currently being developed, and it is anticipated that these will be brought to the June meeting of this Committee.

### **4. Measures of success**

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- 4.1 Tennis provision at CLTC is enhanced.
- 4.2 External funding towards costs is secured.

## **5. Financial impact**

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- 5.1 £285,259 of funding will be drawn down from the Spend to Save fund, subject to approval, with monies being repaid over 4.25 years. The change will be reflected within Edinburgh Leisure's service payment arrangements with the Council.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 The Spend to Save business case has been reviewed by Council officers. Income figures in the business case have not been increased for inflation, thus providing an element of risk mitigation.
- 6.2 There is a risk that if nothing is done, the existing outdoor courts will continue to operate at a significant deficit and will ultimately become unplayable.
- 6.3 Any risk on non-achievement of income lies with EL, as it will underwrite the repayment of spend to save funding.

## **7. Equalities impact**

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- 7.1 While there is no direct additional impact of the report's contents, continuing investment in the city's sporting infrastructure contributes positively to the promotion of active and healthy lifestyles.

## **8. Sustainability impact**

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- 8.1 While there is no direct additional impact of the report's contents, the planned project includes expenditure impacting upon carbon, through the use of floodlighting. The new all-weather courts will have reduced maintenance requirements, as well as increasing utilisation of a currently underused asset.

## **9. Consultation and engagement**

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- 9.1 The project team, established in 2014, included representatives from Tennis Scotland, the Lawn Tennis Association, Sportscotland, the Council and Edinburgh Leisure.

## **10. Background reading/external references**

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- 10.1 None.

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## **11. Appendices**

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