

Premises of the former Bonnyrigg Leisure Centre

Report by Chief Executive

1.0 Purpose of Report

- 1.1** This report advises Council on the assessment of bids received from parties seeking to take possession, by way of transfer by the Council, of the premises of the former Bonnyrigg Leisure Centre; and makes recommendations based on the outcome of that assessment.

2.0 Background

- 2.1** In February 2010 Council agreed that the facilities provided at the Leisure Centre be relocated to the new Lasswade High School Centre and, as a consequence, authorised the closure and disposal of the existing Leisure Centre once the new Lasswade Centre (community hub) opened. An extensive public consultation exercise was a key element of this process. The new Centre was opened in July 2013, at which point the previous Leisure Centre was closed.
- 2.2** In response to some expressions of local interest concerning the future of the premises the Council advertised them to let by way of advertisement in September 2013; with a closing date for the receipt of offers ultimately extended to 6 January 2014.
- 2.3** Members will be aware of progress reports to Council on 13 August 2013, 5 November 2013 and 4 February 2014 which provided updates on the process of advertising and disposal.
- 2.4** In response to the Council's advertisement two bids were received by the due deadline; these being from:-

- 2.4.1** Bonnyrigg Centre Trust Ltd.; and
- 2.4.2** Midlothian Fitness Academy.

3.0 Assessment of Bids

- 3.1** To ensure that a comprehensive, robust and consistent assessment would be undertaken I appointed an assessment panel comprising three Council heads of service and a representative of the Community Planning Partnership, that person being an associate director of NHS Lothian. The remit of the Panel was,

"To consider and address the merits of the bids received from parties seeking to secure the premises of the former Bonnyrigg

Leisure Centre, and to report its findings, conclusions and recommendations to the Council's Chief Executive."

- 3.2** The Assessment Panel undertook its work entirely objectively and independently: and delivered its final report to me on 12 March 2014. A full copy of the report of the Panel is annexed to this report.

4.0 Consideration of the report of the Assessment Panel

- 4.1** The report of the Panel shows that it met on four occasions over a period of four weeks, including a meeting with each bidder to fully understand each bid and to offer each bidder the opportunity to state their respective cases. The Panel had access to a full range of information. Accordingly, I consider that the Panel has undertaken a comprehensive and complete assessment of the bids.
- 4.2** Whilst it is important that opportunities are offered for community groups to take over former Council-run premises to provide locally based additional services to communities, it is essential that a number of key criteria are met for such ventures to be successful. These criteria are set out clearly in the Panel's report. In using these assessment criteria the Panel has concluded that neither bid sufficiently meets these criteria and, accordingly, recommends that neither be accepted. From my consideration of the Panel's report I am willing to accept this recommendation. I also accept the recommendation of the Panel that a review should be undertaken of the opportunities for soft play in the Bonnyrigg area. Finally, on the reasonable assumption that all potential options for the reuse of these premises has now been exhausted, I am recommending that the building be demolished.

5 Report Implications

5.1 Resource

The costs of the work of the Assessment Panel have been within allocated budgets. As advised in previous reports to Members, the costs, including maintaining security and public safety of the premises, are approximately £7,000 per month. To cover the potential option of demolition an appropriate sum has, following tender, been set aside to cover this eventuality. A further potential financial implication is noted under the risk section of this report.

5.2 Risk

The report of the Assessment Panel identifies the potential adverse consequences (risks) of accepting either of the submitted bids. It is also relevant to note the interest of 'Fields in Trust' which, under the provisions of the trust arrangement which applies to the Park, needs to approve of the proposals for changes to the use or disposal of the premises. The role of Fields in Trust, correctly did not form part of the Panel's assessment. In separate informal contact with Fields in Trust that body has advised that in the event of the premises being used for an essentially commercial use, it may require the site and buildings to be valued for their proposed commercial use, and a replacement site of equivalent value be provided for use as public open space/playing field: or equivalent improvements to the existing Park. The report of the

Panel states a concern that one of the bids could be regarded as “primarily a commercial venture” although it does caveat this description with other comment (paragraph 7.6 of the Panel report refers). The risk to the Council is that if transfer took place to a bidder whose use of the building was deemed by Fields in Trust to be essentially commercial in nature, then the Council could potentially incur the quite substantial costs of providing enhancement or equivalent replacement land for use as public open space/playing field. In the event that the Council decides to demolish the building, Fields in Trust has advised that it would not raise objection subject to the site reverting to use as part of the wider public park within which it lies.

5.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Business transformation and Best Value

5.4 Impact on Performance and Outcomes

None directly applicable to this report.

5.5 Adopting a Preventative Approach

Not directly applicable to this report.

5.6 Involving Communities and Other Stakeholders

The advertising to let of the premises provided the opportunity for community based groups to apply to operate from the building. Each of the bidders took up the offer of the Assessment Panel to meet with the Panel in support of their respective bids.

5.7 Ensuring Equalities

The deliberations of the Assessment Panel included reference to criteria directly related to equalities and addressing the needs of minority and other groups.

5.8 Supporting Sustainable Development

Not directly applicable to this report.

5.9 IT Issues

None.

6.0 Summary

- 6.1** The Council has provided opportunity for community interests in Bonnyrigg to come forward and submit proposals for the future use of the former Bonnyrigg Leisure Centre. Two bids were submitted, and these have been subject to comprehensive, independent, robust and consistent consideration by an assessment panel. That panel has reported with recommendations that I recommend this Council to accept and which, accordingly, are included in section 7 below.

7.0 Recommendations

7.1 Council is recommended to:

- i. not accept the bid submitted by the Bonnyrigg Centre Trust Ltd.;
- ii. not accept the bid submitted by Midlothian Fitness Academy;

- iii. agree that the former Bonnyrigg Leisure Centre building be demolished as soon as is practicable;
- iv. instruct officers to undertake a review of the merits and opportunities for soft play provision in the Bonnyrigg area; and
- v. instruct the Chief Executive to write to each of the two bidders to inform and explain the reasons for the decision of the Council.

Date 17 March 2014

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Background Papers:

- a) Submission by the Bonnyrigg Centre Trust Ltd.
- b) Submission by Midlothian Fitness Academy.
- c) Report of the Assessment Panel as submitted.