

# Perth And Kinross Council

15 May 2024

## BELL'S SPORTS CENTRE

### Report by Strategic Lead – Economy, Development & Planning (Report No. 24/151)

#### 1. PURPOSE

- 1.1 This report asks Council to approve a formal request from Live Active Leisure (LAL) to withdraw delivery of services from Bell's Sports Centre from August 2024. It sets out the background including the decision of Council on 22 January 2024 to consolidate future Perth city sports provision onto a single site; ongoing flood risks; and the architectural significance of Bell's alongside major affordability issues for both the Council and LAL.

#### 2. RECOMMENDATIONS

- 2.1 It is recommended that Council:

- **Approves** permission for LAL to withdraw services from Bell's from 31 August 2024
- **Notes** transition planning underway by LAL, supported by Council officers, to relocate services to Dewars Centre/elsewhere
- **Notes** alternative public service uses for Bell's Sports Centre are being explored by officers in liaison with Historic Environment Scotland in light of the recently confirmed Category B listed status for the building
- **Instructs** officers to bring forward further proposals for Bell's to Council later in 2024, including plans for community engagement on these further proposals.

#### 3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Proposals
- Section 6: Conclusion & recommendations
- Appendices: Options Appraisal commissioned by Live Active Leisure, February 2024

#### 4. BACKGROUND

- 4.1 Bell's Sports Centre was completed in 1968 and was originally the largest timber supported domed structure in the UK until the London Millennium Dome was built in 1999.

With construction funded by the Gannochy Trust it comprises a large events arena, sports courts and gym/group fitness facilities. Bell's is owned by LAL and constructed on land owned by Perth and Kinross Council and leased to LAL through a sixty-year ground lease. The Council is sole member of LAL and ultimately the underwriter of the company.

- 4.2 The original Bell's coaching hall was repurposed by LAL in 2022 to expand the gym offer in response to growing market demand. The business case for this was supported by earlier feasibility work funded by the Gannochy Trust including engagement on how access to Bell's for wider use and enjoyment, particularly by young people, could be enabled.
- 4.3 Historically Bell's was mostly used for national events which are good for the profile of Perth but restricted access to Bell's for the wider community during many weekends of the year. These events also operated at a loss of around £20,000pa.
- 4.4 On 22 January 2024 Council approved several recommendations from a review of leisure assets including consolidation of future Perth city leisure provision onto one site. The likeliest location for this is the Perth Leisure Pool/Dewars Centre sites given the existing provision and infrastructure and the fact these sites are owned by LAL. Report [24/19](#) refers.
- 4.5 The leisure assets review considered significant affordability challenges with the current leisure estate including Bell's. The review included analysis of usage, running costs, cost per head and capital spend requirements which for Bell's showed:
  - 262,000 usages in 2022/23. Overall usage in the preceding decade had declined, although introduction of new gym/fitness facilities in 2022 had redressed this to some extent.
  - A £571,000 pa operating loss<sup>1</sup>
  - £1.1M capital spend required on maintenance and repair
  - £4.2M capital spend required on energy efficiency measures (to reduce annual energy consumption by 15%)
- 4.6 In October 2023 Bell's was subject to major flood damage from both surface water and ingress below foundation levels. The venue is regularly flooded from below its foundations due to its location on the North Inch and adjacency to the River Tay. Whilst sometimes minor, these incidents have become more frequent as adverse weather events have also increased due to climate change totalling 5 events in the last 7 years. The last major flooding incident at Bell's was August 2020 when Perth Leisure Pool was also catastrophically flooded resulting in closure for just over 12 months. Since October 2023 the majority of the Bell's site has remained closed with only group fitness activities reinstated on the first floor. LAL moved to reinstate this service quickly because it is a significant income source, as is the gym.

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<sup>1</sup> Includes LAL corporate overhead including property costs

- 4.7 Perth and Kinross Council have been notified of planned flood mitigation investment by Scottish Water for the Bell's area planned to start within the next 12-18 months. The proposed works include enhanced building drainage, upsizing of existing sewers, a new sewage pumping station, surface water management measures in the car park and a small bund along North Inch Pathway, budgeted at £5-£6M. These works will provide a 1in30yr (plus climate change allowance) level of protection to the Sports Centre, car park and children's play park from out of sewer flooding. We remain in dialogue with Scottish Water on this matter and have made them aware of formal Council decisions to consolidate future Perth leisure provision at the PLP/Dewars Centre sites.
- 4.8 Also in autumn 2024, condition surveys identified the presence of RAAC (reinforced autoclaved aerated concrete) in parts of the original Bell's structure. The cost of addressing this to meet current building standards regulations is estimated at £600,000.
- 4.9 Following the October 2023 flood LAL commissioned an independent options appraisal to consider the costs/benefits of fully reinstating Bell's, partially reinstating it or withdrawing services altogether and relocating Health and Fitness to the Dewars Centre. The options appraisal is at **Appendix 1**. This identified costs of £2M to fully reinstate the building, including an estimated £600,000 cost to address the RAAC.
- 4.10 Historic Environment Scotland (HES) is the national body responsible for ensuring protection of the country's built heritage through Listing. Following public consultation HES has now formally confirmed Category B listed status for Bell's dome and the immediately attached structures (excluding the entrance hall, pavilion and connecting entrance). HES has indicated that it would consider supporting future proposals to remove some of the attached perimeter structures and has referenced the presence of RAAC in these elements in its designation statement. Discussions have taken place onsite with HES about potential ways to maintain and protect the dome structure for the future, but with a different purpose to that of a sports centre.
- 4.11 In light of the factors outlined in paras 4.2-4.8, LAL has written to the Council to request formal approval to withdraw service provision from Bell's Sports Centre with effect from 31 August 2024 enabling all transition arrangements to be completed.
- 4.12 Also on 22 January 2024 Council approved an officer recommendation to work with LAL on preparing a costed Transition Plan setting out where, how and why interim leisure provision will be delivered in Perth whilst issues with Bell's as outlined above and other matters are resolved; and whilst the PH20 project (paused in February 2022 for affordability reasons) is re-scoped. This work is underway.

## 5. PROPOSALS

5.1 On 8 February 2024 following consideration of the independent options appraisal on reinstatement of Bell's, the LAL Board approved a decision in principle not to reinstate and to relocate Bell's services to Dewars Centre. The total cost is estimated at £900,000 including purchase of new gym equipment and modifications to Dewars, to be met from LAL's general reserves. It will mean:

- Indoor bowling at Dewars will cease from summer 2024 and there will be reduced meeting room availability for conferences/events.
- Group fitness and gym facilities will operate from Dewars from summer 2024 until completion of the PH20 project (currently assumed to be 2028/29 assuming project approval in autumn 2024). Court activities including gymnastics will be relocated to other Perth city venues where possible.

5.2 Under the terms of the Service Level Agreement (SLA) between the Council and LAL, LAL must formally request permission to withdraw from a property where it is delivering services on behalf of the Council. This is defined in clause 2.3 of the SLA:

*The Service Provider [LAL] shall be under an obligation (subject to clauses 8.3, to 8.103 to supply the PSO4 Services from the Service Provider Properties, the Properties and any such properties added to the Property Portfolio and (subject to clauses 8.3 to 8.10) the Service Provider shall not be entitled to terminate the supply of PSO Services from any of such venues without the prior written consent of the Authority (such consent not to be unreasonably withheld or delayed).*

5.3 For avoidance of doubt, the SLA does not specify which services must be delivered from which venues as this is an operational matter for LAL. The Council cannot direct LAL operationally, which risks losing LAL's charitable status and therefore business rates relief and other key benefits.

5.4 Also within the terms of the SLA, the Council cannot unreasonably withhold or delay permission for LAL to withdraw services from a venue. Given the affordability challenges with Bell's, which pre-date the flood damage of October 2023 and other factors outlined in this report, it is officers' view that the LAL request is reasonable and indeed necessary for financial sustainability.

## 6. NEXT STEPS

6.1 In liaison with LAL and Historic Environment Scotland, Council officers are looking at viable alternative uses for Bell's to maintain and protect it as a unique part of the built heritage of Perth, in an affordable way. Officers will revert to Council with further advice on this later in 2024 including proposals for wider community engagement on any such proposals.

6.2 Council officers are also working with LAL to support the development of a costed transition plan as recommended in the leisure assets review. This is about providing continuity of leisure services not just by relocating services from Bell's to Dewars Centre, but for the next 5 years as work proceeds on PH20. As instructed in January, a revised final scope for PH20 will be submitted to Council for consideration/approval in August 2024.

6.3 In the meantime LAL has started engagement with local clubs and users of Bell's and Dewars, plus procurement of equipment and building works at Dewars, to enable relocation of services. Progress will be overseen by the LAL Property and Environment Committee, reporting to the LAL Board.

## 7. CONCLUSIONS

7.1 This report outlines the relevant factors/considerations for LAL in making a formal request to withdraw from delivering leisure services at Bell's Sports Centre and relocate services to Dewar's Centre. Under the terms of the SLA, the Council cannot reasonably refuse such a request and officers therefore recommend it is approved. Wider work to develop alternative uses for Bell's is also underway, along with ongoing work to rescope PH20 to ensure it is affordable, deliverable and financially sustainable.

### Author

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### Approved

Name	Designation	Date
David Littlejohn	Strategic Lead Economy Development & Planning	15 April 2024

- Appendices: Options Appraisal commissioned by Live Active Leisure, February 2024

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Local Outcomes Improvement Plan	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>None</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>None</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>None</b>
Legal and Governance	<b>None</b>
Risk	<b>Yes</b>
<b>Consultation</b>	
Internal	<b>None</b>
External	<b>None</b>
<b>Communication</b>	
Communications Plan	<b>Yes</b>

### 1. Strategic Implications

#### Local Outcomes Improvement Plan

1.1 This Review impacts on the following aspects of the Local Outcomes Improvement Plan

- (i) Poverty and cost of living
- (ii) Mental and physical wellbeing

#### Corporate Plan

1.2 This Review impacts on the following priorities within the Council's Corporate Plan:

[Corporate Plan Priority: Tackling poverty](#)

[Corporate Plan Priority: Tackling climate change and supporting sustainable places](#)

[Corporate Plan Priority: Enabling our children and young people to achieve their full potential](#)

[Corporate Plan Priority: Supporting and promoting physical and mental wellbeing](#)

## 2. Resource Implications

### Financial

2.1 There are no immediate financial implications to this report.

### Workforce

2.2 There are no immediate workforce implications to this report. LAL has work underway to redeploy staff currently employed at Bell's Sports Centre.

### Asset Management (land, property, IT)

2.3 The asset management implications are contained within the report.

## 3. Assessments

3.1 The report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA. Equalities Impact Assessments will be prepared for any consolidation/disinvestment recommendations if approved.

### Strategic Environmental Assessment

3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.3 The report has been considered under the Act and, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

### Sustainability

3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:

- in the way best calculated to delivery of the Act's emissions reduction targets;
- in the way best calculated to deliver any statutory adaptation programmes; and
- in a way that it considers most sustainable.

- 3.5 If approved the recommendations from this report will support the Council's discharging of its duties in relation to the Act.

#### Legal and Governance

- 3.6 There are no immediate legal and governance implications to this report.

#### Risk

- 3.7 LAL has a risk profile in place to support implementation of the proposals in this report.

### **4. Consultation**

#### Internal

- 4.1 The Strategic Lead, Property Services and Strategic Lead, Legal and Governance have been consulted in the preparation of this report.

#### External

- 4.2 Live Active Leisure and the Gannochy Trust have been consulted in the preparation of this report.

### **5. Communication**

- 5.1 A Communications Plan will be prepared to support implementation of the recommendations if approved.

### **2. BACKGROUND PAPERS**

- 2.1 Appendices: Options appraisal for Bell's Sports Centre, Integratis Consulting, February 2024