

## **CONSULTATION RESPONSE TO CAERPHILLY LEISURE STRATEGY**

**As of 30<sup>th</sup> July 2018, there has been no specific cost benefit analyst, rendering this consultation exercise meaningless.**

**The cost of borrowing £60million with compound interest at the given interest rate of 2.13% over twenty years is £91,457,000.**

**This amounts to repayment costs £4,573,000 annually.**

Cost calculations are as the report but are out of date. Building inflation has been 4% per annum for the past twenty years and 4.2% for the past four years. No allowance has been made for cost overrun. Overrun on Ty Penallta was 53%, Pwll y Pant 23% and Welsh Quality Housing Standard at present £120million over grant funding. Detailed and fixed cost contracts must be provided by CCBC before decisions can possibly be taken by council.

*2.2 Refers to the “current economic climate, recognises the challenge of poor levels of health in certain areas, reducing budgets and increasing population and demand”*

In the current economic climate has a cost benefit analyst been carried out? As of the time of writing no answer has been provided.

Caerphilly County Borough Council (CCBC) claim that closing leisure centres will have a positive effect on the health and well being of the county borough but provide no evidence of this.

As an estimate of this cost-benefit analysis, assuming four times the cost of Caerphilly Leisure Centre of £15m [section 7.7, p46] this costs £60 million. The 20 year repayment figure at 2.13% and annual compounding is £91,457,000, or £31,457,000 of interest which equates to annual interest payments over twenty years £4,573,000.

The present cost of the service for ten leisure centres is £1,928,047 [section 7.1, p45]. From the report, I believe the Sue Noakes, Pontllanfraith, Cefn Fforest and New Tredegar leisure centres are to be targeted for closure with a cost saving aim of £455,381. As above, the annual cost of borrowing is £4,573,000 annually, or ten times the projected savings. Only Labour in Caerphilly could support this act of financial recklessness.

The present cost of running ten leisure centres is quoted as £1,928,047. Wage costs, not including the director or head of service, is £3,468,680. Wage costs would remain neutral as staff are to be retained. Less service provision but the same staffing levels, what will the staff from the closed leisure centres be allocated to do?

With regard specifically to Cen Fforest and Pontllanfraith leisure centres, in excess of 4,500 additional houses have been built since 2010, or with the nuclear family, potentially an

18,000 increase in population and potential users of the leisure centres. There are also the 9,630 houses added by Labour to the doomed 2015 LDP which has left us with no planning control due to the shortfall in available land supply.

*2.3 The draft strategy makes clear “we will need to do things differently the strategy hangs great emphasis on our country parks, cycle paths, and outdoor facilities i.e. walking.*

While emphasis is made of the increase in people using the walkways and cycling, given the recent weather and record temperatures I am forced to ask is this expected to continue during November, December, January and February? Personally, I doubt the cold weather attraction of cycling and walking in freezing cold and wet weather. Why does Caerphilly not do things differently? Why do they not carry out a meaningful cost benefit analyst of the costs of borrowing £60 million to build four leisure centres, at £91,457,000 with interest? Caerphilly could do things differently by doing due diligence.

*2.4 The county borough has significant levels of countryside, outdoor space, country parks and allotments and has an aim to maximise the use of school facilities.*

Again, I have to ask whether it is the intention of CCBC to restrict exercise to that of a spring and summer pastime? Cold, rain, sleet and snow on dark nights will limit the take up of exercise especially by females and children. I have been informed by governors from local comprehensive schools that their schools will only be taking block bookings from clubs, and no bookings will be taken from individuals for school security reasons. Can this possibly be true? Please be aware the governing bodies run our schools.

#### **Advice on school security December 2012**

##### **Who is this advice for?**

School employers including: local authorities; governing bodies; academy trusts; and proprietors. Headteachers and other school staff.

##### **Key points Although**

fulfilling a public function, schools are private places. The public has no automatic right of entry. Parents of enrolled pupils have an ‘implied licence’ to come onto the school premises at certain stated times. It is for schools to define and set out the extent of such access. Parents exceeding this would be trespassing.

##### **Barring**

Trespassing is a civil offence, schools can take civil action through the courts to stop persistent trespass. Schools may write to advise persistent trespassers of the potential offence.

Removing intruders during the school day

Section 547 of the Education Act 1996 makes it a criminal offence for a person who is on school premises without lawful authority to cause or permit a nuisance or disturbance.

## Safeguarding Vulnerable Groups (Teaching Times)

The Safeguarding Vulnerable Groups Act was first introduced in 2006 and is in rolling implementation. The Act is designed to protect children and other vulnerable adults from harm or risk of harm by preventing those individuals who are deemed unsuitable from gaining access to them through their work. The Soham murders are a chilling reminder of the necessity for such legislation. As a result, all schools should ensure that any contractors who are involved in new installations / repairs / maintenance on site, are CRB (Criminal Records Bureau) checked and cleared, and are able to provide proof of clearance on arrival at the school premises. When considering updating or reviewing perimeter and access control security measures, the recommended best practice would be to contact an established and reputable specialist security fencing and access solutions provider to request an audit of the perimeter given the operational requirements of the site.

## Be security savvy (Teaching Times)

Schools have a basic requirement to safely contain the children in their care during school hours, keeping them protected from unwanted intruders and away from any danger within the confines of the grounds. After hours, the school also needs to “lock-down” to deter acts of vandalism, theft, concealment and even arson.

### *2.5 Caerphilly will adopt a collaborative approach with schools*

Schools currently take swimming lessons as follows:

Newbridge LC **6** schools, Cefn Fforest LC **14** schools and Heolddu LC **15** schools.

Can Newbridge and Heolddu accommodate an additional 14 schools if Cefn Fforest closes? Will Caerphilly be able to discharge its commitment to the Welsh Government, the other twenty-one authorities, and most important of all its obligations to keeping our children safe in the water? An answer to the question of capacity post Cefn Fforest swimming baths was refused on the 30<sup>th</sup> July, 2018 by Jeff Reynolds, sport and leisure services facilities manager.

## Nofio Ysgol Framework

The partners involved in this commitment of 'Every Child a Swimmer' are Welsh Government, all 22 local authorities, Sport Wales and Swim Wales. In order to achieve this lifesaving task and to ensure their pupils are taught the vital skills of water survival, it is vital that Welsh Education commits to the 'Every Child a Swimmer' goal.

To ensure Welsh Education has the necessary tools to meet this target, Swim Wales, in consultation with our partners, have created a new School Swimming Plan for Wales to provide a teaching framework for teachers and schools – Nofio Ysgol.

Wales is surrounded by water, and many children and adults enjoy the sea, lakes, rivers and swimming pools across the country. However, there are many who are unable to enjoy the water safely. Unfortunately, around 400 people every year in the UK lose their lives, many due to a lack of basic water survival skills. Most children in Wales rely on school swimming as their only chance of learning basic water safety and swimming skills. As a nation, it is our responsibility to teach these skills.

There are many different approaches to the way schools and providers structure school swimming programmes.

According to the current National Curriculum: “pupils should be taught to develop skills of water safety and personal survival and swim unaided for a sustained period of time”. Swim Wales, with the support of education advisers and local providers, have agreed that the following will be assessed.

- **Being able to swim 25 metres wearing shorts and t-shirt, tread water for 30 seconds whilst demonstrating an action for getting help (shouting and waving) and then move into HELP (Heat Escape Lessening Position). All this must be performed without goggles.**
- **On a separate occasion, they will also be required to perform a shout and signal action in swimwear.**

### *3.1 The draft sports and Active Recreation supports the following wellbeing objectives within the corporate plan.*

The claim to support the corporate plan is flawed. The corporate plan identifies Our Medium-Term Financial Plan Principles 2018 these are set out below.

1. How are services being protected by closing down facilities for the community? What evaluation has been undertaken of the impact of closing leisure centres on the deprivation of communities.
2. This strategy will have a devastating impact on certain communities. Far from reducing expenditure this strategy will increase borrowing by £60 million.
3. The plan claims to adopt a long-term approach to financial planning. How by adding £60 million and at 2.13% interest take the repayment figure to £91,457,000, or £4,573,000 per year, against £1,928,047 keeping ten leisure centres open. Financial planning fatally flawed.
4. There has been no offer to any community to undertake collaboration, partnerships or community trusts. Community Plan fatally flawed.
5. Over the past few years borrowing for the WQHS has added 120 million to HRA borrowing, at 2.13% interest payback is £182,914,394 or £9,145,719 per year over twenty years, the leisure strategy will add a further £91,457,000, or £4,573,000, per year, over twenty years. Financial Planning, fatally flawed.
6. Before the decision to close the leisure centres and borrow £60 million, will a cost benefit analyst be carried out?

## **Our Medium-Term Financial Plan Principles 2018**

1. We will seek to protect services for the most vulnerable whilst continuing to evaluate all other services.
2. We will limit the impact of cuts on front-line services where we can whilst continuing to reduce expenditure and explore opportunities to generate new sources of income.
3. We will adopt a longer-term approach to financial planning that considers the impact on future generations. We will need to accept that we will not be able to maintain existing levels of service but will introduce more innovative ways of working through the use of emerging technologies.
4. We will engage with our communities to understand their needs and explore options to deliver some services through collaboration, partnerships, community trusts etc. to ensure that communities remain resilient and sustainable in the longer-term.
5. These principles will help to steer our financial decision making during the next few years and will be routinely reviewed to ensure they stay relevant for the coming years.
6. Although this is a five-year Plan, the Resources Section within each objective may be subject to changes beyond our control. We will keep these under review and update the public as part of our public performance reporting.

### *3.2 The draft strategy supports wellbeing objectives within the Caerphilly public services board's wellbeing plan the Caerphilly we want.*

The claim of a shared commitment to improve the way we work if this strategy is adopted means still more borrowing of £60,000,000 with interest £91,457,192, or £4,572,859 per year, over twenty years. As the closure of leisure centres has been tried since 2014 and rejected by the public on each of three separate occasions, I believe its fair to say this is a corporate and cabinet strategy and is not the wish of the public. Hence the seventeen pages and thirty-nine multiple section questions including those on race, religion, sexuality, disability, employment and ability to speak Welsh. Most unrelated to the leisure strategy.

The claim of giving our future generations the best start, means if the strategy is adopted, reduced opportunities in sport will likely occur and they will be saddled with large debts to pay off following reckless spending of borrowed money.

Empowering and enabling residents to achieve their potential, by ignoring their stated desire to keep leisure centres open and by saddling them with huge corporate debt building four leisure centres.

Enabling communities to be resilient and sustainable, by increasing deprivation and saddling them with huge corporate debt building four leisure centres.

### *3.3 The draft strategy will contribute to the draft regeneration strategy a foundation for success.*

The report claims to support the regeneration strategy and support people, reduce inequality, built-in capacity, and resilience, in order to create healthier, prosperous, cohesive communities. It will, however, increase deprivation, and has necessitated rejecting

the public's views on leisure centre closure and saddling them with additional corporate debt.

***Supporting Quality of Life providing the right physical environment for our communities that encourages them to prosper.***

Do we really intend to deliver improved quality of life and allow communities to prosper by closing leisure centres and saddling the people with increased corporate debt? Will it add to the already shameful 110 lower super output areas (LSOA's)?

***The continuing challenges for Caerphilly are: 1 Reducing poverty, Caerphilly County Borough has 110 Lower Super Output Areas (LSOAs), 14 of which are within the most deprived 10% in Wales.***

This is a record of shame, structural funding of £10,200,000,000 has been spent and still we have some of the poorest communities in Britain and Europe. Now we close leisure centres and saddle the communities with increased corporate debt. Will it add to the already shameful 110 lower super output areas?

**Improving health. There remains a health inequality, with those living in the least deprived areas living longer compared to those living in the most deprived areas.**

Life expectancy is some seven years less than the most prosperous parts of England. Caerphilly's answer is to close leisure centres. The corporate shame of ignoring 110 LSOA's is pitiable, quality of life is now under real threat. Already Caerphilly has a general practitioner referral scheme costing £332,360, which can only get worse following any decision to close leisure centres.

3.4 *The wellbeing of Future Generations (Wales) Act is about improving the social, economic and cultural wellbeing of Wales. It requires public bodies to think more long term, working with communities.*

A prosperous Wales - will CCBC be more prosperous in adding £91, 457,000 or £4,573.000 in annual repayments to Caerphilly's already large borrowing figures?

A healthy Wales - will Caerphilly CBC be made healthier by closing leisure centres? Will people take part in exercise in open air situations, during the rain, snow and sleet of the freezing winter months?

A more equal Wales - will Caerphilly become more equal by stripping provision away from the second most populous town centre of the county borough, and the second most widely used leisure centre in the county borough?

A more globally responsibly Wales - will Caerphilly become more responsible by adding pollution miles to the journey of those taking part in leisure centre-based sport, but only as part of a club?

## Nofio Ysgol Framework

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To ensure Welsh Education has the necessary tools to meet this target, Swim Wales, in consultation with our partners, have created a new School Swimming Plan for Wales to provide a teaching framework for teachers and schools – Nofio Ysgol.

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There are many different approaches to the way schools and providers structure school swimming programmes.

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### *3.5 Caerphilly CBC's strategy will contribute to Sport Wales Community Sport outcomes.*

Will CCBC be increased frequencies of leisure centre use by making the travel distance greater? Longer journeys will increase the pollution miles necessary to undertake participation, and also increase the cost of sport and leisure via travel costs. As stated above, all of this will only be available to members of clubs, no individual bookings will be taken at school-based leisure centres.

How does CCBC intend to target inequality and barriers to participation? Do they intend to do this by closing leisure centres hence adding to the deprivation of our communities? It appears that not only will costs increase for everyone, it will have the largest impact on the poor and deprived communities of Caerphilly, contrary to CCBC's wellbeing strategy.

#### 4.1 *The report*

The report on the closure of leisure centres has been around since 2014. It has been rejected at public meetings, petitions, and the Wales Audit. There seems to be a determination to override the wishes of the public on this matter.

#### 4.3 *The benefits of a physically active lifestyle, and the current financial climate.*

The benefits of a physically active lifestyle are clear to residents, who have rejected the attempts to close certain leisure centres multiple times in the past. The claim of recognising multiple challenges of poor health are not consistent with the desire to close leisure centres in areas of deprivation or areas of heavy population. Even more at odds with stated claim is the desire to close leisure centres in areas of large and uncontrolled house building, where demographics indicate population growth is extremely likely.

The claim of reducing budgets is at odds with the stated need to build four new leisure centres. Costs have been kept secret, except for Caerphilly town leisure centre, where the cost is £15 million. The cabinet member for neighbourhood services is unlikely to accept a lower amount spent on his ward, and the leader who is having a new leisure centre opened on the doorstep of his ward is similarly unlikely. We are looking at £60 million of borrowed money.

#### 4.4 *The council has no statutory responsibility to provide sport and active recreation.*

Given there is no statutory right to provide leisure services, the wage costs of the department are:

Leisure Centre	£3,468,680
Central Leisure	£ 447,655
Sports Development	£ 330,670
Caerphilly Adventure	£ 259,885
GP Referral	£ 157,684
Community Centres	£ 287,298



**Total Wage Costs - £4,951,872 with the exception of Central Leisure these wage costs are for 146 full time equivalent staff.**

plus, unspecified salaries for the Relevant Director and relevant head of service, circa £150,000-£180,000

The gross salaries are funded in part by or in full by ratepayers/income/grant funding:

Leisure Centre	£3,394,586	+ £213,300 grant income
Central Leisure	£ 4,000	
Sports Development	£ 492,608	
Caerphilly Adventure	£ 215,330	
GP referral	£ 36,077	+ £138,600
<b>Total Income</b>	<b>£4,494,501</b>	<b>Variance (£457,371) + unspecified salaries for the Relevant Director and relevant head of services, circa £150,000-180,000.</b>

4.5 *Wellbeing of future generations act, opportunities we provide are fit for the future.*

Can Caerphilly CBC meet its commitment to the Nofio Ysgol Framework?

### Nofio Ysgol Framework

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Schools who now take swimming lessons at Newbridge LC **6** schools, Cefn Fforest LC **14** schools and Heolddu LC **15** schools. Can Newbridge and Heolddu accommodate an additional 14 schools if Cefn Fforest closes? An answer to this question was refused on the 30<sup>th</sup> July, 2018 by Jeff Reynolds, sport and leisure services facilities manager.

#### 4.8 *The draft strategy claims to adopt the Welsh Government’s blue print for sports and leisure, Facilities for Future Generations.*

Level 1: Very local. If, as claimed, the community centre is door-step provision, why is the community centre strategy to follow the draft sports and recreation strategy by some months? Combining the two would tie the community provision together.

Level 2: Travel to community facilities, described as ideally located on school sites.

Level 3. Large strategically placed Centres of Excellence.

If a cost benefit analyst was carried out the interest charges on the cost of Caerphilly Town leisure centre £15 million, times four i.e. £60 million is at 2.13% £91,457,197 or £60,000,000 plus £31,457,197. Annual interest payments over twenty years £4,572,859. Significant housing growth is used to justify the Caerphilly Town leisure centre, while the second largest population centre is totally shut out of any provision despite housing growth of 4,500 since 2010, or with the nuclear family, potentially an 18,000 increase in population and potential users of the leisure centres.

#### Advice on school security December 2012

##### **Who is this advice for?**

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##### **Key points Although**

fulfilling a public function, schools are private places. The public has no automatic right of entry. Parents of enrolled pupils have an 'implied licence' to come onto the school premises at certain stated times. It is for schools to define and set out the extent of such access. Parents exceeding this would be trespassing.

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### **Be security savvy (Teaching Times)**

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[5.1 1, A healthier Wales, Caerphilly's sports and active leisure strategy will reduce the availability of facilities to casual or individual users, by locating leisure centres in school premises.](#)

2. A prosperous Wales - To deliver the strategy Caerphilly CBC will have to borrow £60 million at 2.13% compound interest total to repay £91,457,000, over twenty years or £4,573,000 per annum. Ten times the cost of keeping open the four most at risk leisure centres.

3. A Wales of cohesive communities - Caerphilly CBC will achieve cohesive communities by increasing the levels of deprivation amongst it's 110 LSOA, fourteen of which are in the bottom 10%.

5. A more equal Wales - Caerphilly will manage this by increasing the deprivation in some LSOA's, likely some of the 14 in the bottom 10%, while spending in some the most prosperous wards of CCBC.

## 5.2 The Long Term,

The financial climate means it is not possible to continue subsidising all provision. The potential savings from the closure of the Sue Noakes, Pontllanfraith, Cefn Fforest and New Tredegar leisure centres is £455,381, plus the cost of updating, Bedwas and St Cenydd, unknown, plus £60 million for four Centres of Sporting Excellence plus compound interest of £31,457,000 over twenty years. It is financial nonsense.

### 7.1 Financial Implications,

Should the strategy be adopted then detailed financial implications will be given on an ad-hoc basis with likely no reference to total cost. Any robust business case or otherwise will only be made after the decision to close leisure centres has been made by a Labour cabinet.

### 7.2 provides an overview of the net costs,

Leisure centres	£1,928,047	Free Swim Grant	£213,300
Statutory maintenance	£ 20,000	National exercise referral	£174,677
Caerphilly adventure	£ 143,091	Sports dev officers	£430,200
Central Leisure costs	£ 666,034		
Outdoor and green	£4,458,662		
<b>Total Cost</b>	<b>£6,416,709</b>	<b>Total Grant Money</b>	<b>£818,177</b>

**Less Outdoor and Green Space £4,458,662**

**Cost to Caerphilly Rate Payers of operating ten leisure centres,  
£1,958,047 pa**

**Cost of borrowing £60 million at 2.13% compound interest,  
£91,457,000**

**Annual Cost of Borrowing £60 million at 2.13% compound interest,  
£4,573,000 over 20 years**

**Potential annual savings from closing Sue Noakes, Pontllanfraith, Cefn Fforest,  
and New Tredegar, £455,381**

**Annual expenditure in excess any potential savings, from closing four leisure centres,  
£4,117,619**

### 7.3 Council cannot continue as it is

£34m of further cuts are identified [section 7.3, p45] between 2019 and 2023 which is claimed to be extremely challenging. The potential savings from closing Sue Noakes, Pontllanfraith, Cefn Fforest, and New Tredegar is £455,381, yet this strategy will add £4,573,000 to Caerphilly's debt repayments. I am of the opinion the ratepayers of CCBC need a very specific explanation of the financial logic of this strategy.

Having cut £89m by the end of this financial year and facing a further £34m of cuts over the next four, can CCBC be seriously considering borrowing an additional £60m and repaying £91,457,000 over the next twenty years to build four leisure centres?

### 7.5 £3 million backlog of repairs, but there is a potential capitol receipt from rationalisation.

As with any rationalisation, as the scope and depth of the rationalisation increases, the greater the savings and of course the bigger the capitol receipt. Clearly then, closing all ten leisure centres and selling to private leisure suppliers would be the way to go to maximise the capitol receipt. Obviously having the private leisure supplier bring in their own staff will maximise the corporate saving. From what we know:

1. Cost of borrowing £60 million at 2.13 compound interest	£91,457,000
2. Savings from not doing category 1,2,3 repairs	£ 3,000,000
3. Savings from running costs	£ 1,958,047
4. Savings from staff wages	
	Leisure Centre £ 3,468,680
	Central Leisure £ 447,655
	Caerphilly Adventure £ 259,885
	GP Referral £ 157,684
Interim Potential savings	£ 9,290,951
Savings from not borrowing £60 million + interest annually	£ 4,573,000
Unspecified salaries Relevant Director, head of service, circa £150,000-£180,000	
<b>Savings</b>	<b><u>£ 14,013,951+</u></b>
<b>Less Grant Funding</b>	<b>£ 818,177</b>
<b>Total Savings</b>	<b><u>£ 13,195,774</u> annually</b>
Outdoor and Green Spaces to be retained	£ 4,458,662

## 7.6 Population Growth and Uncontrolled Building

Significantly, Caerphilly has approximately 3,000 more people than Blackwood, yet is to have a level 3 facility while Blackwood will get nothing. Indeed, Blackwood is to be stripped of any council leisure facilities; they will be transferred to the Rhymney Valley. Since 2015 Blackwood has had in excess of 4,500 houses built or scheduled to be built within a two-and-a-half-mile radius. The withdrawal of the CCBC Interim LDP has meant uncontrolled building is the norm in Caerphilly. The populations are as follows:

Caerphilly 31,000

Blackwood 24,000

Risca 11,500

Newbridge 6,500.

## 7.7 Options

A new build leisure centre is quoted as £13-15m. Assuming one for Caerphilly Town and that a new build will be required for the Aberbargoed – Bargoed - Pengam option as no facility exists on the plateau, will Newbridge and Risca also benefit from new builds or will the 'option one' refurbishment of £5,188,00 or 'option two' refurbishment of £8,915,000 be deemed as adequate?

**Rhymney Valley cost options £30,000,000 plus compound interest at 2.13%**

**£30 million plus interest £45,728,598**

**Islwyn cost options £10-18 million plus compound interest 2.13%**

**£10 million plus interest £15,242,860**

**£18 million plus interest £27,437,159**

The fact Caerphilly Leisure Centre is specifically referred to [section 4.8, p40] and the Aberbargoed-Bargoed-Pengam plateau is vacant space, with no facility to modernise, investment in The Rhymney Valley will be between two and three times the investment in Islwyn.

*Submitted by Cllr Graham Simmonds*

## Construction Cost Inflation – Commentary

Since 1993, the 25-year long-term annual construction inflation for non-residential buildings has averaged 3.5%, even when including the recessionary period 2007-2011. The long-term average inflation is 4% for the 20 non-recessionary years during that period. During rapid growth period of 5 years from 2004-2008, inflation averaged 8% per year. Inflation is 4.2% per year for the last 4 years.