

**Final Business Case: Update June 2021
Western Way Development**

Appendix 1 – Leisure Provision



June 2021

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A. Executive Summary

- 1.** The Western Way proposals would create an exciting new public and business offer for Bury St Edmunds and surrounding villages. The opportunity to build a new Leisure Centre and enhance the skatepark as part of that, to provide a 21st century leisure offer, integrated with health services for the people of Bury St Edmunds and surrounding area is a fantastic prospect.

A.1.1 This final business case for a replacement leisure centre and enhancement of the skatepark updates the full business case approved in September 2019 and sets out the case for investment to incorporate a replacement leisure centre as part of the Western Way development (WWD). It should be read in conjunction with the studies that accompanied that report. Since approval of the business case, the following work has been undertaken to develop the case further:

- Updated the design to move part of the leisure centre into the frame creating the space for a new two-court multi-use hall adjacent to the main four-court hall
- Moved the leisure café to link better to the public plaza
- Looked at options for the pool hall to address construction and cost challenges, in consultation with Swim England, and moved spectator seating poolside
- Updated the flexible studio/multi use space to ensure that it can respond to market changes and new trends and updated the accommodation schedule for main WWD facility to inform revised budget projections
- Reviewed the projections linked to the environmental performance of the facility to ensure they remain achievable as well as considering how this can form part of the Council's broader approach to this area
- Updated capital costs and revenue predictions to reflect design changes.

A.1.2 This business case provides the opportunity, benefit and cost information for a new leisure centre for Bury St Edmunds, replacing the existing ageing facility and should be considered alongside the wider strategic vision and business case for the whole development. It includes a comparison with the costs and implications of not building a new leisure centre now, but maintaining and refurbishing the existing leisure centre, effectively deferring the need for replacement by 20 years. It concludes that whilst in the short term the capital cost of providing a new leisure centre now is higher, in the longer term there is actually likely to be a lower (circa £18 million), overall capital requirement even if a full refurbishment of this new facility is accounted for in 20 to 30 years' time. The breakeven proposition is that a new build now will cost no more than refurbishment of the current centre with a rebuild deferred for 20 years.

- A.1.3** The business case also includes a proposal to develop and extend the skate-park, so it will be a key feature within the landscape scheme of the new development and will enable the necessary highways improvements. And a new athletics pavilion will be provided to serve the users of the athletics track.
- A.1.4** Clearly Covid.19 has had a huge impact on the leisure sector and the nature of the leisure centre offer has had to change to accommodate social distancing and respond to users' nervousness about using public facilities. At the time of updating this business case, centres have just reopened, and the offer will evolve as social distancing rules are updated. At the same time, the importance of health and wellbeing has never been so prominent. It is important to remember that these facilities would not come into use until 2024, by which time the world will look very different again. We can assume that there will no longer be a need to socially distance, and that confidence in attending places to exercise will have returned. Indeed, we may be in a position where there is an even greater awareness of the importance of physical health and there is a resurgence in attendance at centres.
- A.1.5.** West Suffolk's Strategic Plan includes a priority of "Resilient families and communities that are healthy and active". The Council is committed to using its community, leisure, open space, and heritage assets to support wellbeing and education and create behavioural change as further detailed in the "Promoting Physical Activity Framework"¹. This business case shows how this development will deliver benefits which will meet the objectives in the Framework including:
- Social and community
 - Economic
 - Personal experience
 - Health and wellbeing
- A.1.6** The Western Way development provides an opportunity to provide a replacement leisure centre in a multi-functional space enabling co-location with key public sector partners including health. By re-visioning how public services can work together and interact with communities we have an opportunity to offer benefits both to residents of West Suffolk and partners on the site ranging from shared/reduced building and facilities maintenance costs through to opportunities to create referrals routes and to enhance customer journeys. This will be particularly beneficial as the social prescribing approach is developed further across the District.²

¹ Indoor Facilities and Playing Pitch Strategy delivered by 4Global on behalf of West Suffolk Councils.

https://www.westsuffolk.gov.uk/leisure/Sport_and_Healthy_Living/activity/physicalactivitywssportsfacilitiesassessment.cfm

² <https://www.westsuffolk.gov.uk/community/lifelink>

A.1.7 The existing Bury Leisure Centre is located at the end of Beeton's Way and is now 46 years old. The building has been refurbished twice in its lifetime due to two fires and therefore the fabric of building itself is generally in good condition, although facilities are becoming dated. Further, there are practical issues such as the age of the plant that means that reactive and planned maintenance costs are increasing and will continue to do so, and the energy efficiency of the building is a challenge.

A.1.8 There have also been developments in terms of leisure demand and customer expectations which mean that the current centre layout could be improved including:

- The position of the entrance in relation to the car park
- Ease of access
- Facilities spread over three floors
- Standard of sport/leisure facilities
- Mix of facilities/leisure offer

A.1.9 Since approval of the Full Business Case in 2019, the design team have developed the outline plans and further design work on the leisure element has focussed on creating as much flexible space as possible that can respond to changes in demand and trends in the leisure sector providing areas appealing to multiple groups of users. The new centre will offer the following unique selling points within the West Suffolk Leisure Portfolio of:

- Swimming – Family Fun
- Health and Wellbeing
- Adaptable Agile Space for any function
- 21st Century leisure centre – incorporating technology into the leisure experience.

A.1.10 The proposed facility mix is as follows:

- A range of swimming experiences, with a main **swimming pool** of at least **6-lane 25 metre** complemented by **a separate learners' pool** with moveable floor. (The final mix will be informed by the 2021 West Suffolk facilities assessment).
- A **destination fun pool** will include an internal splash park with slides, jets, water cannons, flume and splash pool
- **Spectator seating** for 150 people adjacent to the main pool
- A **leisure café**
- Extensive **Health and Fitness suite** to accommodate a broad range of fitness equipment with capacity for up to 150 stations
- **5 Flexible studios** and multi-use space to accommodate fitness classes and other activities
- **Treatment/consultation rooms** will offer a range of services and create opportunities for integration and collaboration with the adjacent health organisations
- **A four-court sports hall** will cater for a range of indoor sports and activities while providing flexibility and accessibility for public events. If the town's needs change in the future, it will be possible to extend the sports hall within the site

- **An adjacent two-court sports hall**, to be a multi-use space, but one that can be opened up to the four-court hall creating a 6-court competition space
- Ample **wet change, dry change**, shower, and toilet facilities
- **Improved Skatepark** with a wider range of features that will wrap around the north-west corner of the new leisure centre - benefiting from new lighting and outside toilet facilities
- **New Athletics Pavilion**, providing changing rooms, storage, club room and toilets for the users of the athletics track.

A.1.11 The proposal for the leisure centre has been developed on the basis of providing the optimum capacity and potential for a facility mix having regard to the leisure market, catchment area and future population growth, activities to encourage physical activity and facilities in the wider area as well as consultation feedback. It has also been designed to create a flexible space that can be used differently in the future in response to changing leisure trends. The final mix, including the swimming provision, will be finalised when the updated Sports Facilities Assessment and Action Plan has been completed by independent consultants -this is due in August 2021. The plans have been costed on the basis of a large main pool complemented by an entirely separate learners' pool with moveable floor, as this is less complex and more flexible in terms of use (this is the model adopted on Sport England advice for Mildenhall Hub), rather than a single pool divided by a boom. As well as being operationally beneficial this model is also potentially significantly cheaper to build. However, the increased size of the footprint for the leisure centre provides scope to ensure the final facility mix can reflect the findings of this Facilities Assessment, to ensure that it is large enough to accommodate future population growth.

A.1.12 The Council's commitment to its leisure provision has not faltered during the pandemic and has extended to providing additional financial support to its partner and leisure operator, Abbeycroft Leisure. The Council will continue to work with Abbeycroft Leisure, to ensure that the centre works to deliver the Council's priority of "Resilient families and communities that are healthy and active" at the same time as improving the financial performance, to meet the day-to-day running costs of the facility and potentially to deliver a wider return to support other community activities This update shows that economically there have been both benefits and additional costs to the leisure business case yet the case for the centre remains that to do nothing, and have to invest in our existing ageing centre (which will ultimately need replacing) would be the more costly option.

B. The Strategic Case

1. The opportunities of an improved leisure facilities as part of the Western Way development

The Council's role in providing Leisure Facilities and supporting the Physical Activity and Health Agenda

B.1.1 The need for a strong accessible leisure offer is ever more important. Sport England stated in December 2020, when launching the National Leisure Recovery Fund that

“Gyms and leisure centres play a vital role in helping people to be active and they’ll be crucial in our nation’s recovery from coronavirus as well as wider health, wellbeing and community benefits”.

B.1.2 Despite leisure, sport and physical activity being non-statutory services, the evidence of their public value and the positive physical and mental health impacts is stronger than ever before. These services can contribute to multiple public policy objectives. These include reducing health inequalities, upskilling, and employing local people and being community spaces for social engagement and interaction. Locally West Suffolk Alliance has an ambition of

“Strengthening the support for people to stay well and manage their wellbeing and health in their communities” “Building local integrated working, across all ages and across both physical and mental health”.

B.1.3 This commitment to integration can be evidenced through projects already in delivery including the Mildenhall Hub, Brandon Leisure Centre, support for Social Prescribing and projects to integrate leisure and fitness (delivered by Abbeycroft Leisure) into health pathways.

B.1.4 A leisure centre remains a flagship occupier, essential to the concept of health and wellbeing hub that our health partners are committed and the current situation has highlighted the need for health and leisure to work collaboratively to prevent ill-health and to tackle health inequalities.

B.1.5 The existing centre is now 46 years old, and the challenges remain in regard to the current layout and condition, whilst other centres in the Councils portfolio have been upgraded or rebuilt. The Council is undertaking a review of its Local Plan responding to the housing need set by government to deliver at least 16,000 homes up to 2040 across the District. And the residents of those homes will need access to good leisure provision.

B.1.6 The Suffolk Physical Activity Needs³ assessment summarised the burden of physical inactivity:

³https://www.healthysuffolk.org.uk/uploads/2017-10-12_Needs_assessment_Final_short_version.pdf

- Physical Inactivity is one of the top 10 causes of disease and disability in England and is attributed to 6 percent of deaths globally
- Inactivity causes 1 in 6 deaths in the UK
- Inactivity is the principal cause for 21 to 25 percent of breast and colon cancer, 27 percent of diabetes burden and 30 percent of ischaemic heart disease
- Inactivity costs an estimated £7.4 billion a year to the UK.

The 2019 State of Suffolk⁴ report states that:

- Low levels of physical activity are a significant contributor to disease and disability in Suffolk. It is estimated that around 1,850 premature deaths each year are attributable to physical inactivity
- The estimated total cost of inactivity is £134 million per year
- By keeping physically active throughout life, people can live healthier and longer lives. Regular physical activity can help to prevent and manage many physical health conditions and it also reduces the risk of mental ill health such as depression and dementia.

B.1.7 The Council is committed to “Promoting Physical Activity” and its framework sets out its objectives and intent.⁵ The benefit of co-locating health and leisure facilities is already being tested out in places such as Warrington and West Norwood and it is a fundamental pillar of our own Mildenhall Hub development. Sport England (in their guidance on strategic facilities funding) recognises that some of the biggest increases in activity have been where sport is located alongside other services such as schools, libraries, or doctors’ surgeries.

B.1.8 The Needs Assessment also identifies the challenge of reaching those who are currently not active, and here local authority provided facilities have a key role to play as they look not only at the immediate financial position of the centre but of the wider economic, social and health contribution it can make, further enhanced by being co-located with a number of other services.

B.1.9 The proposal for the centre and its operation meets the principles of the Council’s Promoting Physical Activity Framework as set out below and the Council’s partnering agreement with Abbeycroft requires them to deliver against all aspects of the framework:

Social and community

- It **creates an environment that provides the opportunity for physical activity for all** by extending the range of activity and improving the swimming offer for families; it will deliver an **inclusive offer** with accessible facilities

⁴ [SF1160 - JSNA State of Suffolk Report 2019 Ex Summary LR.pdf \(healthysuffolk.org.uk\)](#)

⁵ https://www.westsuffolk.gov.uk/leisure/sport_and_healthy_living/activity/index.cfm

- During the development of the centre, the Council and Abbeycroft will work with a range of groups to increase access and **address barriers to participation**, focussing on those identified as being most in need
- Through its co-location with health, participation in social prescribing initiatives as well as the range of activities and facilities, the new centre **will improve the quality of life and the health and wellbeing of all our communities.**

Economic

- The new centre will deliver an improved financial performance through reduced running costs as well as increased attendance through the improved offer. However, it should be noted that the provision will put a new pressure on the Council's **Medium-Term Financial Strategy**, but a pressure that would be unavoidable in some form given the work needed on the existing centre
- The centre will deliver wider social value, demonstrating **how our impact on health and wellbeing will financially benefit the whole public sector and deliver wider value for money.**

Personal experience

- The new centre has been designed to ensure that **opportunities for physical activity that are accessible, inclusive, welcoming, nurturing, and convenient** and will **encourage participation and keep active people active**, particularly having regard to its location as part of the wider Western Way development and proximity to education facilities
- The facilities provide for a range of activities, acknowledging **that there are a range of motivations to participating in physical activity and that some people want to be competitive, whilst others don't.**

Health and wellbeing

- One of the leading objectives of the project has been co-location and the delivery of facilities and **initiatives that will support the Suffolk Health and Wellbeing Strategy** and to **ensure that active people remain active and that more people become active** and will support Covid recovery
- Data from Suffolk Public Health [Suffolk Observatory – Welcome to the Suffolk Observatory](#) shows that this area of West Suffolk enjoys relatively high levels of physical activity and low levels of obesity. However, higher than average adults report having a limiting long-term illness or disability. The partnerships that will develop with health will include **activity to address preventable health issues by creating local opportunities that address local health needs.**

Providing a flagship occupier for the Western Way Development

- B.1.10** The Western Way Development is about re-visioning public services and creating not just new buildings but new ways of working together and interacting with communities. The RSA recognised in their study of Wiltshire Community Campuses⁶ that “campuses are about more than

⁶ <https://www.thersa.org/action-and-research/rsa-projects/public-services-and-communities-folder/people-shaped-localism/what-we-did>

new buildings. They are catalysts for new ideas, partnerships and relationships, particularly at the local level". The inclusion of a new leisure facility, a facility that people of all ages can use and help shape can act as another beacon for the site. It will bring a range of people to the site, as well as benefiting from the attendance of those who already use the site. Being part of this new site offers a number of benefits to all occupiers, over and above what could be achieved if each partner simply built and operated their own facility in isolation:

- a. Shared/reduced facilities maintenance costs
- b. Shared Plant and Building Management Systems
- c. Opportunity to explore shared reception arrangements
- d. Shared catering facilities
- e. Shared car parking provision
- f. Opportunities to create referrals routes and enhanced customer journey
- g. Joint marketing opportunities
- h. Opportunity to create a half day destination that complements other facilities on the site
- i. Shared benefit from energy centre and renewables

Not including a leisure centre could therefore increase the cost of the site for other partners.

- B.1.11** Finally, relocation of the leisure centre will release land for other uses that will be a key part of the wider development.

Existing leisure centre layout, condition and challenges

- B.1.12** The building has been refurbished twice in its lifetime due to two fires and therefore the general condition of the building is good. As an asset the building has no real structural concerns, although the plant is starting to age and both reactive and planned maintenance costs are increasing and will continue to do so. In addition, there is a strong likelihood that a new facility would be far more efficient than the existing building and any new facility would benefit from the most recent advances in technology to reduce the cost of utilities.

- B.1.13** Whilst the building is sound, the age and layout of the building are no longer in line with current industry/consumer expectations. An independent report completed by The Sports Consultancy (TSC) (2019) observed that "As the population grows, as a consequence of growth plans for the town, the leisure centre will be unable to match customer demand and maintain pace with ever changing leisure trends". Examples of issues with the current centre include:

- The position of the Entrance in relation to the car park
 - Ease of access
 - Facilities spread over three floors
 - Décor/Style of the building
-

- Standard of Sports and Leisure Facilities
- Facility Mix

B.1.13 The Centre is also limited by poorly located car parking for peak demand. This has limited the facility's growth potential and needs to be addressed as part of any future development. The travel distance between the car park and facility is a major cause of complaint and influences both visiting rates and the retention of customers.

B.1.14 The current Leisure Centre acts as West Suffolk College's sports provision to meet its course and curriculum requirements. The College has confirmed that it will continue to use the centre, as the college grows and explore further opportunities to link education and leisure. Currently the college uses the following:

1. Sports Hall – WSC use the hall for 40 plus hours per week
2. Fitness Centre – The College made a capital investment into a 20-station facility that enables them free use but also provides access to the general public in the evenings and weekends.

B.1.15 The final facility mix will be informed by the 2021 Facilities Assessment that will be completed in August 2021. The proposals for development already address the key findings of the 2015 Sports Facilities Assessment as follows:

- Based on the quality audits and assessments, age and condition, the priorities for future investment in facility provision are Swimming Pools and Sports Hall due to age (by 2025)
- The existing leisure centre is ageing and in the medium term there will need to be consideration to its replacement. Replace ageing facilities where new provision is needed; all new provision should be designed and developed based on Sport England and NGB guidance and be fully inclusive
- Rationalise existing provision where new facilities can replace/improve facilities
- Current car parking provision is inadequate
- Invest in existing provision to improve quality
- Invest strategically to ensure economic viability and sustainability of provision
- Where possible, provide facilities (formal and informal) closer to where people live; access to informal provision is critical in the rural areas
- Aim to ensure that more facilities on education sites provide opportunities (on a formal basis) for community access.

Skatepark and Athletics Pavilion

B.1.16 The existing skate park is well used and an important facility for the young people of the town. Necessary highway improvements have led to proposals for the relocation of the skate bowl and the design of the whole site has created the opportunity to enhance the facility that should attract more users. The new skatepark will sweep around the corner of Western Way and Olding Road with a hierarchy of skate facilities and viewing terraces set into planted banks. The street frontage with its proximity to

the leisure centre will be an important improvement for users of the skatepark and enhance the wider street appearance.

- B.1.17** Currently, users of the athletics track have use of a porta cabin that provides a small meeting space and accessible toilet provision with other facilities such as changing rooms being in the existing leisure centre. Feedback from West Suffolk Athletics Club is that the track is one of the best in the region and could be increasingly used for events. Whilst there is an ambition for a spectator stand to support that growth, this business case includes provision for a pavilion that will provide changing facilities and toilets, storage, and a meeting room. This will be essential if the leisure centre is relocated as users will not have access to facilities otherwise.

Population change

- B.1.18** The other dynamic to consider is the growth of the town. The Core Strategy and Vision 2031⁷ has established that in the period 2012 – 2031 Bury St Edmunds will grow by 5740 new homes with most new housing being located in five strategic areas of growth located around the town. Further, the Strategic Housing Market Area Assessment (SHMAA) identified that approximately 50 percent of the expected growth between 2031-2041 is expected to be within the boundaries of the town of Bury St Edmunds. The Vision provides that “the town centre will be the main focus for new retail, leisure and office development”.
- B.1.19** Whilst it is extremely difficult to examine the impact of local economic development on facility provision consumer research⁸ identifies that 62% of people will use the services that are most easily accessible to them. Therefore, location and convenience of access is key to attract the market and the developments highlighted above are likely to have a significant impact on leisure provision in Bury St Edmunds and any new facility development will need to take account of this. In addition, the centre will benefit from its co-location with office buildings encouraging workers to use the facilities.

⁷Vision 2031:

https://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/BSE-vision-2015v6-hi-res-compressed.pdf

⁸ <http://www.healthclubmanagement.co.uk/health-club-management-features/Findings-from-the-Health-and-Fitness-Omnibus-Survey-report-2017/32021>

C. The Economic Case (How and why will it work?)

1. Benefits Overview

C.1.1 The benefits of building a new leisure centre remain. That step change in performance is needed to address the new health challenges we are facing as a result of Covid.19. Building a new leisure centre now as part of the Western Way Development offers a number of benefits:

- a. Improve the quality and range of offer resulting in increased membership and visits to the centre
- b. Reduce the maintenance and repairs liability the current 46-year-old building
- c. Reduce operating costs, in particular energy and use of renewables
- d. Remove the need to rebuild / significant refurbishment of the existing leisure on the existing footprint that would result in closure of the centre for at least one year, losing both income and footfall
- e. Utilise the opportunity of the broader Western Way Development to replace the leisure centre rather than at a later stage when capital costs could be higher
- f. Release land for other uses
- g. Maximise the integration benefits with other users of the site, encouraging use of the leisure centre by visitors to the health facilities and workers in the office buildings as well as West Suffolk College
- h. Create a new user experience, particularly through the use of new technology in the new buildings.

Quality and range of offer

C.1.2 Bury St Edmunds has been a high performing facility from both a financial and participation perspective. Alternative provision has increased in Bury St Edmunds with Bury Leisure Centre continuing to provide the town's only public swimming facilities. Most recently in 2018, the Council opened the Skyliner Sports Centre as part of the Council's own strategy to decentralise 'dry-side' provision if this improves accessibility and capacity. Any new entrants to the market would impact on the performance of Bury St Edmunds Leisure Centre, to which there would normally be two reactions:

1. Invest in the product/service to maintain or grow market position
2. Reduce the overhead in line with reductions in income

C.1.3 The second strategy is generally only a short-term measure and if sustained over any period just sees performance continue to deteriorate as income continues to fall in line with reductions in expenditure. Furthermore, the Council's specific role in the market does not support this, since the ability of Abbeycroft to generate income is essential to cross-subsiding costly public-access facilities, in particular the swimming pool and track. This is the important context for discussion of commercial considerations in this business case: The

Council's commercial strategy is required to maintain provision of key public facilities at a time of reducing public sector funding.

C.1.4 The development of a new facility is likely to produce a step change in performance or at a minimum protect its current position as the core provider in the town. Following the last refurbishment at the Centre, it is understood that membership increased significantly, although historical data to confirm this is no longer available.

C.1.5 Feedback from users' consultation in 2019 were:

- 754 respondents, majority of whom were current Abbeycroft customers who had used the centre within the last 12 months – (412 respondents), with 242 nonusers responding – both perspectives being essential
- The most popular activity was swimming followed by the gym: 347 (59.11 percent) used the pool for family/fun swimming; 202 (34.41 percent) – used the gym (excluding exercise classes and personal training); 183 (31.18 percent) used the pool for lane swimming
- In respect of importance of features in new facility, 395 (52.7 percent) rated a dedicated car park area for leisure and health users as '5' on importance to them. With a further 207 (27.7 percent) rating it '3' or '4'; 321 (43.0 percent) rated a fun splash water area for the family and leisure use a '5', with a further 231 (31.0 percent) rating it a 3 or a 4.; 299 (39.8 percent) rated the fitness suite as a '5' on importance to them in the new leisure centre, with a further 277 (37.1 percent) rating it a '3' or a '4'.

An independent report from The Sports Consultancy (TSC) report (shared in 2019) proposed a facility mix that was a combination of traditional leisure centre - activity spaces such as swimming pools, a multi-use sports hall, a gym, group, exercise studios and new activity spaces – together with extended leisure waters, to continue to offer a destination style attraction for Bury St Edmunds and the District. TSC analysis was based on market, competition and population growth and the correlation between resident feedback and expert report is helpful and has helped to shape the final facility mix. Additional work was undertaken to validate the final mix having regard to cost and new competition in the leisure market.

C.1.6 It should be noted that location of the car parking in particular has limited the site's growth potential and has been a cause of complaint, influencing both visiting rates and retention of customers. The location and layout proposed as part of Western Way main business case will address this.

C.1.7 In addition to the above competition in other key markets continues to grow and operations compete for the "leisure pound". This proposal brings together an optimum solution that builds on the opportunity a co-located facility brings and creates a unique selling point for Bury Leisure Centre through the leisure swimming offer and complements other developments within the West Suffolk leisure portfolio to ensure

that each facility provides the optimum solution for each of the catchment populations they serve.

Reduce the maintenance and repairs liability

- C.1.8** West Suffolk Council leases the leisure centre buildings to Abbeycroft, and the Council retains responsibility for forward planned maintenance, preventative, and re-active maintenance. The Councils' property team have reviewed the condition reports and now estimate if the building is to have a future, routine maintenance and renewals over the next five years would cost around £450,000 (£100,000 increase from Nov 2019) to provide the building with up to another 10 years life. Extending beyond that is likely to require spend of approximately £5m to renew plant in 8 years' time. This essential investment represents approximate value of 20 percent to 25 percent of a centre rebuild cost. Whilst there is an argument that the existing leisure centre could have a functional life beyond 10 years, it is clear that additional investment to keep the centre attractive and relevant to users would be required on top of this, and ultimately a new centre would still be required.

Sustainability

- C.1.9** Energy costs for Bury Leisure Centre typically account for 11.5 percent of the Bury Leisure Centre budget and are forecast to increase as wholesale energy prices increase. (Note 2020 to 2021 has seen a significant reduction but this is clearly because centres have been closed). The Council has now committed to its Climate Change Action Plan and an ambition to achieve net zero carbon by 2030. Building performance will play a key part of that and the Council has committed to improve the energy efficiency and incorporate renewable energy (electricity and/or heat) into all its buildings within five years. This has been supported by the Government's Public Sector Decarbonisation Fund that provides grants for public sector bodies to fund energy efficiency and heat decarbonisation measures. Such investment in an ageing building would not make economic sense, but the importance of reducing emissions and costs of utilities is more pressing.
- C.1.10** The Western Way Development will have renewable energy solutions that should reduce this cost, and this is detailed in the main business case. The wider sustainability of the leisure centre has been a key consideration in the design, and opportunities to reuse elements of the existing centre will be explored, including equipment, fit out items and plant where this appropriate.

2. Evaluation of Location

C.2.1 The need for a central location for the leisure centre has been proved over the years and is a planning policy. This business case addresses the opportunity of a new Centre as part of the Western Way development and as such the Council needs to assure itself that it is a location that will work for a leisure centre, and there is not a better location having regard to the growth in the town. The table below provides an overview of location criteria.

Pedestrian Access	The site is within 2km of housing estates to the North and South and the main town centre. It is already well served with footpath linkages to Newmarket Road as well as Beetons Way connecting to Tollgate Lane.
Cycling Access	Existing footpath/cycle path that links the site to Newmarket Road, linking to cycle route into town. Site within a reasonable cycle ride (up to 5km/15 mins) of the majority of the built-up area of Bury St Edmunds. The site links to the Suffolk County Council Cycle Map, 2018. ⁹ Cycle park provision to be made in main site.
Public Transport	The Western Way development includes plans for a new bus stop adjacent to the site. Currently bus services run to the location from Haverhill, Newmarket, Mildenhall, Brandon, Thetford, Diss and Thurston and surrounding villages.
Vehicle Access	The Main Business Case sets out the highways proposals which will improve access to the site. Proximity to the A14 means that the users from surrounding villages and rural communities can access the site.
Car Parking	The wider development of the site will include new car parking. The proposed location adjacent to the leisure centre addresses existing user concerns.
Proximity to Education	Tollgate Lane and Beetons Way are home to County Upper School, King Edward VI School, St Benedict's Catholic School, West Suffolk College and will be home to the Abbeygate VI form. The proximity of leisure to this "education corridor" is a key benefit of the site.
Other facilities	The current running track and pitch (which is being upgraded) is owned by King Edward VI School and is used under a community use facility
Business	The site is under 2km from the town centre and will itself be home to a number of private and public sector operations. This provides the opportunity to engage with businesses as part of Suffolk's Health and Wellbeing Board's ambition to "support employers to incorporate physical activity as part of the working day". ¹⁰

⁹ <https://www.suffolk.gov.uk/assets/Roads-and-transport/cycling/Bury-St-Edmunds-Cycle-Map.pdf>

¹⁰ www.healthysuffolk.org.uk/projects/workplace-wellbeing

C.2.2 In addition to the Mildenhall Hub and work underway at the Brandon Leisure Centre, there are a number of projects nationwide that are now being developed with other agencies that follow a co-location or hub principle.¹¹ Anecdotal evidence suggest that use of these facilities far exceeds the indications provided by latent demand studies due to the convenience of the facility.

3. Alternative options

C.3.1 The challenges of the condition of the existing leisure centre means that it will need major refurbishment and it is not unique in that regard. In January 2020, the Local Government Association stated that two thirds of leisure centres are outdated and need urgent new investment from government. Figures from Sport England showed that up to 63 per cent of sports halls and swimming pools are more than 10 years old. Nearly a quarter of all sports halls and swimming pools have not been refurbished in more than 20 years. In January 2020, before the pandemic, the LGA were highlighting the fact that Councils needed to “redesign, upgrade and renovate facilities to the standard needed to support healthy, active communities and transform the nation’s health”.

C.3.2 There are two long term alternatives to the provision of a new centre, both of which are major refurbishments of the existing centre. It must be noted that whilst these could extend the life of the centre, they will not address the fundamental issues of proximity of car parking and will not provide a flagship community use building for the new Western Way development. Ultimately both would mean that the Council would still need to consider a replacement leisure centre, all be it deferring that for around 20 years.

C.3.3 The table below gives details of these two alternative options.

	1. Refurbishment on existing footprint including plant & machinery renewal	2. Refurbishment + extension including plant & machinery renewal
Estimated cost	£10.40m	£12.33m
Estimated improvement to leisure centre running costs	£67,000 per annum	£340,000 per annum
Overall Scheme financial performance	Council borrowing costs circa £667,000 per annum ¹³ . Therefore, annual deficit after borrowing of circa £600,00 per annum.	Council borrowing costs circa £791,000 per annum ¹³ . Therefore, annual deficit after borrowing of circa £451,000 per annum.

¹¹ Example: <https://www.sportengland.org/media/3691/oford-park-sports-village-2014.pdf>

<p>Advantages</p>	<ul style="list-style-type: none"> - Reduced Capital Cost compared to a new build - Improved revenue position from existing centre - Enhanced alternative provision from existing centre - Creates a family orientated leisure environment - Retains position to oversee the management of the athletics track 	<ul style="list-style-type: none"> - Reduced Capital Cost (in the short term) compared to a new build - Improved revenue position on refurbishment option - Enhanced alternative provision from existing centre - Creates a family orientated leisure environment - Retain position to oversee the management of the athletics track <p>Retains Sports Hall provision & income stream</p>
<p>Disadvantages</p>	<ul style="list-style-type: none"> - Still a long-term requirement to replace the leisure centre. - No improvement in the positioning of the site and entrance within the overall project. - Potential requirement to continue to support the same level of maintenance costs from a structural/plant perspective. - Phasing of the development has the potential to disrupt use and cash flow causing business instability. - No sports hall provision for Education or Community Use. - No improvement to the quality of provision of the competition pool. 	<ul style="list-style-type: none"> - Still a long-term requirement to replace the leisure centre. - No improvement in the positioning of the site and entrance within the overall project. - Potential requirement to continue to support the same level of maintenance costs from a structural/plant perspective. - Phasing of the development has the potential to disrupt use and cash flow causing business instability. Likely to require a close in the centre for 12 months. - No improvement to the quality of provision of the competition pool. - Availability of land for extension

- C.3.3** These are alternative options to refurbish the centre and to extend its useful life, however there will be an impact on existing revenue and membership as sections of the centre will have to be closed during the period of refurbishment. There is a risk that members could transfer to other facilities in the town, and they do not return to the centre when reopened, or they just stop accessing leisure facilities all together. Whilst it is possible to estimate the loss of income through a closure period, the longer-term impact is more difficult to quantify and a high risk for the centre, and the community (for instance, in terms of a loss of wide access to swimming programmes for those unable to travel).
- C.3.4** A full detailed phased plan would need to be created to examine how this could be managed in the most efficient way possible. The worst scenario would be a 12-month closure creating a complete loss of one years' total income.

D. The Commercial Case

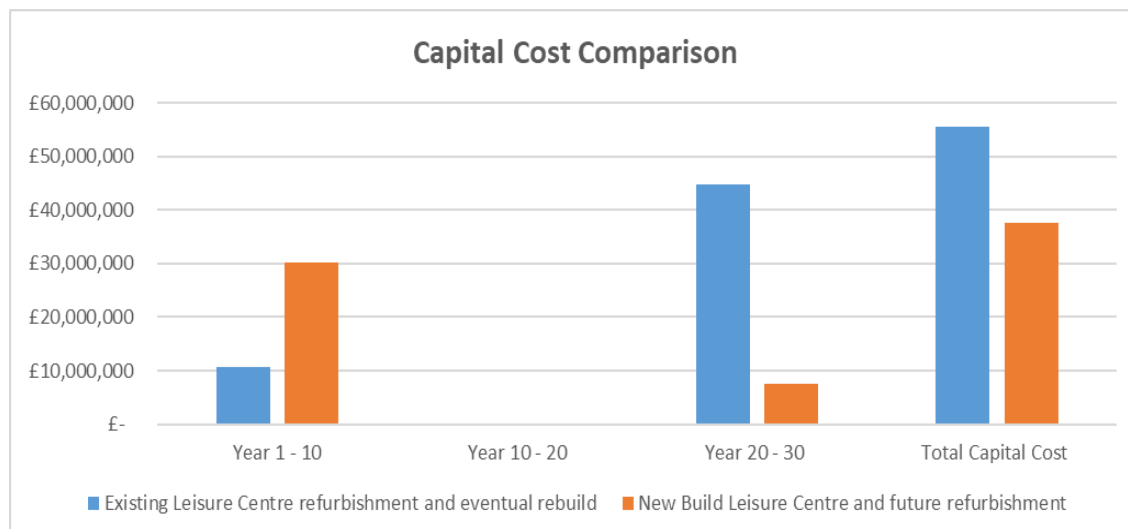
- D.1.1** This case is already covered in Section E of the main Business case and is not repeated here.

E. The Financial Case

1. Capital Implications of a new leisure centre

- E.1.1** The costs of the new leisure centre integrated as part of the overall Western Way Development, have increased since the Full Business Case in 2019 from £27.9 million to £30.1 million. This is due to a number of factors:
- The move of the main sports hall and café into the frame
 - Addition of further 2 court hall and additional studios/treatment room
 - Increase in total leisure centre size now from 6,195 square metres to 6,695 square metres
 - Additional capital investment in renewals (part supported by Public Sector Decarbonisation Fund).
- E.1.2** As has previously been mentioned, the existing leisure centre will have significant capital requirements in the medium term that are currently unfunded. These are detailed below:
- Over the next five years an amount of around £450,000 required – this would be funded from the Council’s Building Maintenance Reserve
 - Refurbishment of the existing facilities, including the renewal of the plant and machinery will be required in the next 10 years to continue, possibly sooner to provide an attractive facility and maintain market share. This will have an estimated cost of £10.5 million - £11.5 million as outlined above and is also currently unfunded.
- E.1.3** Therefore, over the next 10 years, the Council would need to spend between £10.4 million to £12.33 million on the current facility in order to increase its useful life by an estimated 20 years, at which point a full rebuild will be required, either on the current site or at another location. At this point, the cost of providing a new leisure will have increased significantly and the opportunity for integration with the Western Way Development would be lost which would ultimately impact on the revenue performance of the centre.
- E.1.4** The graph below provides a simple comparison between the capital costs of building a new leisure centre now with a modest refurbishment in 20 to 30 years, and retaining the existing leisure centre with maintenance investment, refurbishment now and a new build in another 20 to 30 years. It assumes a 2 percent per annum increase in new build costs, meaning in

20 years' time an equivalent new centre would cost at least £44.8 million, ignoring increases in costs of delivering a standalone centre, and potentially having to acquire a site to build it on (to avoid multiple years of loss in service).



E.1.5 This shows that whilst in the short term the capital cost of providing a new leisure centre is higher in the longer term there is actually likely to be a lower (circa £18 million), overall capital requirement even if a refurbishment of this new facility is accounted for in 20 years. The breakeven proposition is that a new build now will cost no more than refurbishment of the current centre with a rebuild deferred for 20 years.

2. Revenue Implications of new leisure centre

E.2.1 The original business case was based on a facility mix that has clearly changed and it is fair to assume that there will be further changes until an opening in 2024 so accurate revenue modelling at this stage is a challenge. However, it is clear from improvements at other centres and experience to date that a business case based on prudent usage assumptions (irrespective of what that usage is) is a reliable methodology as for smaller spaces and court space the charge is based on the space being used. Therefore, an objective assessment of demand has been made based on trends, patterns and enquires received prior to the pandemic. It should be noted that there is a heavy reliance upon the co-located stakeholders utilising some the spaces as part of their core work and dialogue will continue to ensure that the space meets their demands as well as create opportunities to create new demand.

E.2.2 In addition, the 2019 business case was predicated on a significant uplift in corporate membership, based on being co-located on a site with high levels of daytime occupation with flexible working opportunities available. Industry standards are that 5.1% of the population will join a local authority leisure centre (Source: The Leisure Database Company) and the business case has been developed on reaching 6.1 percent membership as Bury St Edmunds has traditionally performed well. Nevertheless, with that assumption, the reduction in corporate membership is anticipated to have an impact on the business case.

E.2.3 However, at the same time developing integrated leisure and health pathways, creates opportunities to improve this position. This updated business case assumes the following revenue opportunities from the new design:

- The creation of additional studios/treatment rooms to allow further sharing with the NHS and more clubs to hire the space
- The additional investment in renewals will reduce running costs
- Greater focus on health and wellbeing and tackling health inequalities creates more opportunities to market the leisure centre activities and integrate the offer into health pathways
- The addition 2 court hall that can be linked with the main 4 court hall creates a competition venue that could deliver wider revenue benefit as well as potentially a home venue for local clubs.

E.2.4 As has been mentioned above, there will be significant revenue costs associated with retaining the current leisure centre over the next 10 years. The annual costs associated with these costs could range from £451,000 to £600,000 depending on what level of refurbishment was undertaken (options set out in 3.2 above) – not taking into account any loss associated with closing the centre during any refurbishment. These figures are not currently within the council’s budget, so provision will need to be made for them regardless of any decision associated with Western Way.

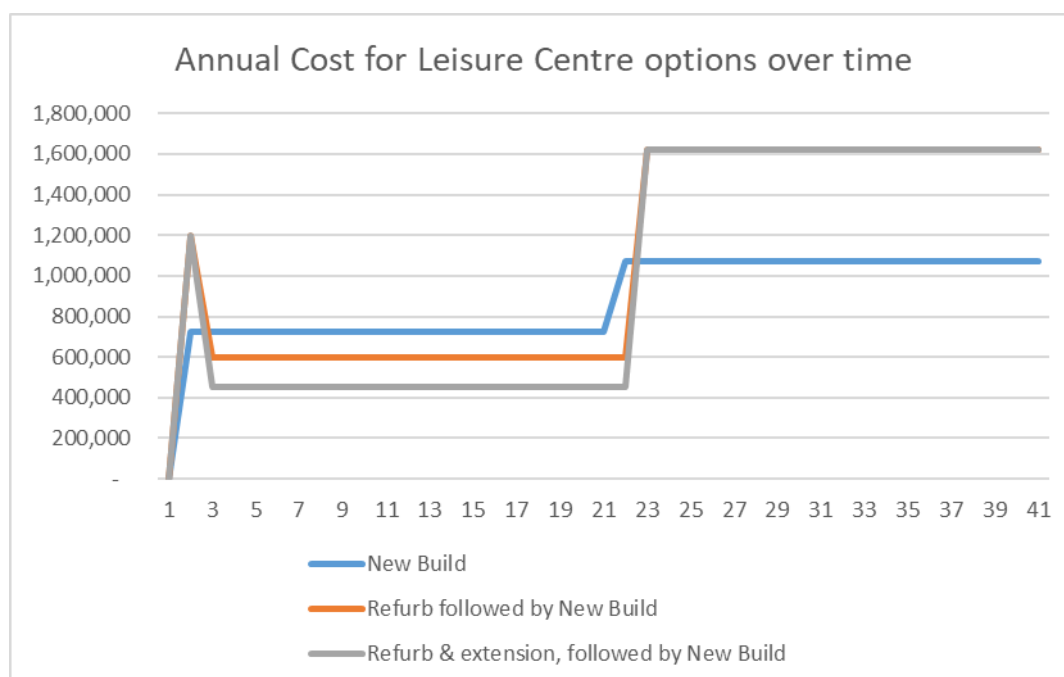
E.2.5 Taking all of this into account, it is estimated that the new leisure centre with the updated facility mix would deliver an improved annual return (before borrowing costs) of approximately £476,500 on average over the next 10 years, against that of the current leisure centre. This has improved from £430,000 in the full business case reflecting the increased space and review of lifecycle costs. This is based on an assumption that the performance of the current leisure centre stays the same over that time period. This benefit would then come back to the council via either a direct payment from Abbeycroft, or through Abbeycroft taking on more of the maintenance responsibilities of the leisure facilities they run – whichever was the most advantageous for both parties. The final business case figures have been developed based on the facility mix outlined at paragraph A.1.10.

E.2.6 The table below details the annual revenue implications of building a new leisure centre, including the improvements to the skate park and provision of a new athletics pavilion. It shows how the council would need to fund a deficit of £724,000 after it has received the £476,000 benefit. By adding the two together gets you what level of borrowing can be supported (£1,200,500) for this element of the project.

Annual Revenue Implications of New Leisure Centre	£
Annual Benefit from New Leisure Centre	476,500
Annual Borrowing Costs	(1,200,500)
Annual Surplus / (Deficit) after Borrowing Costs	(724,000)

E.2.7 As can be seen, there is an annual cost of £724,000 for the proposed new leisure centre. In the short term, this is higher than the cost of refurbishing on the current site, which as detailed at 2.1 above would have an annual cost to the council of between £451,000 and £600,000, depending on what sort of refurbishment was undertaken. However, once a full rebuild after 20

years is taken into account, the annual costs in the longer term are higher than the £724,000 associated with rebuilding the leisure centre as part of the Western Way Development – even when including the cost of a modest refurb of the new leisure centre in 20 years’ time. The graph below shows how the revenue position will change over the next 40 years.



E.2.8

The revenue implication set out in the above graph does account for the benefit of being able to maintain a continual leisure offer i.e., the existing leisure centre would remain open whilst the new one was being built. If a significant refurbishment were to take place on the existing leisure centre, there would be a significant disruption in the leisure offer able to be provided and a potential loss of income to Abbeycroft. The table below shows the total costs of the three options over the next 40 years from the above graph. Note a number of further assumptions have been made in arriving at this figure a 3.5 percent borrowing rate assumption in 20 years (if higher would make the refurb and build options revenue costs more expensive). It should also be noted that a rebuild in the future would likely be more costly than the new build option we have based the projected spend on as it will not benefit from co-location opportunities the new build proposal as part of WWD offers.

Option	Revenue Cost over 40 years £
New Build	35,920,000
Refurb followed by New Build	43,989,500
Refurb & extension, followed by New Build	41,009,500

E.2.9

The financial case set out above demonstrates that on a whole life costing basis the new build option as part of the WWD offers better value for money in capital and revenue terms (allowing for a marginal difference) for the taxpayers of West Suffolk.

E.2.10 The assumptions used, and mitigation measures described in the main business case equally apply to the leisure centre, and therefore will not be repeated here.

E.2.11 Whilst not included in the financial modelling above, the centre will deliver wider social value. A Latent Demand and Social Value Report produced by 4 Global in 2018 estimated that the annual social value contribution of the new centre would be over £1.8m, having regard to its impact on improved health, well-being, educational attainment and reduced crime.

3. External Funding

E.3.1 The business case has been put together assuming there will be no external funding from Sport England. They provided a high-level technical review of the scheme in November 2019 and have now confirmed they are not in a position to solicit an application for further funding from West Suffolk Council due to the level of investment they have already committed to the Mildenhall Hub project. However, the opportunity to use developers' contributions to support the increase in facilities will continue to be explored.

F. The Management Case

The main outline business case for the Western Way Development provides the main management case for this scheme at this stage, as it is part of the wider project. However, below are elements specifically relevant to the leisure centre.

1. Key Risks and Dependencies

F.1.1 The key risks and dependencies specifically related to the provision of a new build leisure centre as part of the Western Way Development are detailed in the table below. Covid.19 has made significant changes to the nature of leisure operations, and in 2024 the world will again look different. Nevertheless, the threat and impact of another pandemic is a new risk to the business case, all be it that we know that Government has taken steps to mitigate the financial impact for this pandemic.

	Risk Description	Inherent Risk	Impact	Mitigation	Residual Risk
R1	Financial viability of development	High	Development delayed/ unviable	Explore value engineering opportunities without losing vision for centre and wider site. Looking at facility mix to drive income (nearer build date). Reviewing alternative funding options and delivery methods, including seeking external funding.	Medium
R2	Global Pandemic	Medium	Closure of centres/ continuation of social distancing impacting on revenue position	Lobby for Government support. Use National Leisure Recovery Fund monitoring process to track impacts	Medium
R3	New/improved competition in the leisure sector particularly health and fitness	Medium	Reduction in use of centre meaning that business case targets for increased membership/ revenue not met	Design facility in flexible way so space can meet changing leisure trends; continue to monitor market and other alternative leisure provision being developed within a radius that	Medium

				could impact on the proposed facility mix	
R4	Change in consumer trends mean that the proposed development mix is no longer relevant	Medium	Reduction in use of centre meaning that business case targets for increased membership/ revenue not met	Design space flexibly so that the fit out can be changed; monitor the marketplace during the development to ensure that the facility mix is correct.	Low
R5	The scheme does not deliver a new energy solution for the campus	Medium	Increased energy costs for the Leisure Centre impacting on viability of wider scheme	Retain focus on energy solution as part of WWD; work with partners and explore externally funded projects	Low

Ref	Dependency	Level of Dependency	Give / Get	Impact	Impact date	Mitigation (if required)
D1	Agreement to wider Western Way Business case	High	Get	The business case for building a new leisure centre as part of the development fails	2021	Refurbishment of existing centre/ new business case for new leisure centre
D2	Continuation of Partnering Agreement with Abbeycroft Leisure	High	Get	Potentially no leisure operator for the new facility/ new operator requires different contract	ongoing	Continued monitoring and support for partnership; (expiry date 2032)
D3	Negotiation with Suffolk County Council re leisure centre land	High	Get	No change of use/ additional costs driven into project	2021	

2. Assumptions

Accessibility

- F.2.1** There have been a number of versions of the masterplan for the whole development. It should be noted that the optimum position for the entrance to the leisure centre would be to link directly with the main Hub/Car Park to provide better line of site and access to capture consumer interest, and also have high visibility from Western Way. This is a specific reason for the target model design in the main business case.