

# Bury St Edmunds Leisure Centre Maintenance and Refurbishment Project: Business Case

<b>Report number:</b>	<b>COU/WS/24/012</b>	
<b>Report to and date:</b>	<b>Council</b>	16 July 2024
<b>Cabinet member:</b>	Councillor Ian Shipp Portfolio Holder for Leisure Email: <a href="mailto:ian.shipp@westsuffolk.gov.uk">ian.shipp@westsuffolk.gov.uk</a>	
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**Decisions Plan:** This item has been published on the Decisions Plan; however, subject to the decision taken by Cabinet on 9 July 2024, as set out in Report number: [CAB/WS/24/028](#), this item has been referred to Council for decision without debate by Cabinet and, will therefore, not be subject to call-in.

**Wards impacted:** All wards

**Recommendations:** It is recommended that Council approves:

1. the Business Case attached at Appendix A to Report number: COU/WS/24/012 for the maintenance and refurbishment of the Bury St Edmunds Leisure Centre, to include:
  - a. provision of up to £2.16 million, financed by borrowing on an invest to earn/save basis, funded from financial returns from the uplift in centre performance. This is further to the

**£6.2 million capital budget approved as part of the 2024 to 2025 Budget and Council Tax setting report [CAB/WS/24/010](#) (paragraph 6.3);**

- b. support the cost certainty work set out in paragraph 2.2, to be funded by the capital project budget as detailed in paragraph 2.3;**
  - c. the findings of the cost certainty work is reported to and is approved by Cabinet before any procurement contract for the refurbishment works on the centre are entered into.**
- 2. The Council's Section 151 Officer make the necessary changes to the Council's prudential indicators to reflect the direct cost to the Council of funding the project budgets set out in (1) above.**

## 1. Context to this report

- 1.1 Bury St Edmunds Leisure Centre is one of six council owned leisure centres within West Suffolk Council's portfolio, and serves a population of over 86,000 residents within a 20 minute drive offering swimming, a five court sports hall and health and fitness facilities.
- 1.2 The centre is now 49 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. Plans had been produced to rebuild the centre as part of the Western Way project, but in 2023 that project was withdrawn, Council report [CAB/WS/23/041](#) refers and provision subsequently made in the Council's budget to address a maintenance legacy at the existing site.
- 1.3 The maintenance requirements have been reviewed and a proposal developed to address maintenance and at the same time enhance some of the facilities at the centre to enhance the customer offer and provide greater opportunities for residents to improve their physical and mental health and wellbeing through sport and physical activity, an ambition set out in the Council's Strategic Priorities.
- 1.4 In 2023, the Council's Overview and Scrutiny Committee set up a task force that reviewed leisure and the Council's collaboration with Abbeycroft Leisure. The Cabinet accepted the recommendations of that report including that Cabinet ask officers to explore further capital investment in the leisure offer and facility mix across the leisure centres sites through business cases where appropriate to provide outcomes and financial benefits through invest to save/earn initiatives with Abbeycroft. The report made specific reference for need to look at Bury St Edmunds Leisure Centre.

## 2. Proposals within this report

- 2.1 The attached Business Case (BC) at Appendix A sets out:
  - a. the strategic case for the project
  - b. the preferred option to address essential maintenance issues and deliver a centre refurbishment
  - c. the economic, commercial and financial case for the project
  - d. the associated risks and implications and assumptions (the management case)

- 2.2 Working with specialist leisure consultants the plans have been developed and costed that address the high and medium risk maintenance issues at the centre that will ensure that it has at least another 10 years of use once the works are completed. Further, it proposes a range of refurbishments at the centre which, if this total £8.36 million investment is approved, will be further tested with users and the public before the final plans are agreed by Cabinet. This paper is initially seeking approval to spend up to £290,000 on surveys and design work to enable a fully costed project with “cost certainty” to be approved by Cabinet before entering into the works contract. This cost certainty approach follows that taken on previous leisure centre improvements projects (2.4 below refers) and this £290,000 will be funded from the Bury Leisure Centre capital project budget. If any cost certainty works can’t be capitalised for whatever reason (evolution of design of the final scheme for example) then this financial risk will be underwritten from the council’s capital financing reserve.
- 2.3 In order that this is seen in the context of the project, this paper also recommends that provision is agreed of a maximum budget facility of £8.36 million for the delivery of the maintenance and refurbishment project. That’s an additional £2.16 million, financed by borrowing on an invest to earn/save basis, funded from financial returns from the uplift in centre performance. This is further to the £6.2 million capital budget approved as part of the 2024 to 2025 Budget and Council Tax setting report [CAB/WS/24/010](#) (paragraph 6.3).
- 2.4 This project needs to be understood in the context of the Council’s leisure estate. In November 2016, the former Forest Heath and St Edmundsbury councils approved the creation of a £5 million Leisure Investment Fund with the aim to provide capital, to invest on an invest to earn/save basis in leisure facilities delivering significant improvements at Brandon, Haverhill and Newmarket Leisure Centres. Skyliner Sports Centre opened in February 2017, and Mildenhall Hub in 2021. Bury St Edmunds is the only centre not to have received significant investment over the last 15 years.

### **3. Alternative options that have been considered**

- 3.1 The most basic option for the leisure centre would be a scheme which addresses maintenance but provides no other upgrades to the centre. Whilst this would be the cheapest option in terms of capital cost it would not provide any enhancements to improve customer experience and wellbeing opportunities and would also risk that the centre’s performance would deteriorate further, particularly having regard to competition in the area.
- 3.2 Alternatively, a simpler project was explored that would deliver some basic upgrades, within the approved capital budget envelope of £6.2

million. This would mean that the opportunity to upgrade the offer for families through inclusion of soft/adventure play and upgrade of the remaining leisure water and the inclusion of treatment rooms to further integrate health and physical activity pathways would be lost. It would also mean replacing the moveable floor in the Activity Pool with a fixed floor. This would not only impact on the centre's financial performance but would also reduce the potential positive impact on health and wellbeing, a strategic priority for the Council. However, if having completed the cost certainty exercise the project did not meet the budget threshold set out in recommendation 1, then the project could be reworked to remove some key elements and reconsidered at the next review stage, anticipated in October 2024.

#### **4. Consultation and engagement undertaken**

4.1 The proposals reflect the findings from the November 2023 Overview and Scrutiny Review Report of the Council's Strategic Partnership with Abbeycroft Leisure. The views of centre users were captured in an engagement exercise for Western Way and users will again be consulted if this BC is approved to get secure feedback for the final design and proposals.

4.2 An independent leisure management consultancy has reviewed a range of options for the centre and provided an independent evaluation of the market, demands and potential revenue performance. Also, the BC reflects the findings of the 2022 Sports Facilities Assessment study which was produced following engagement with local sports clubs.

#### **5. Risks associated with the proposals**

5.1 Please see risk assessment included in Section F of attached BC. The significant risks relate to cost overrun which is managed through the procurement process, failure to address maintenance needs which will be managed through the design specification and risk of the centre not meeting its forecast performance which will be managed through marketing and engagement and delivery of a high quality product that meets customer and health partners' needs.

#### **6. Implications arising from the proposals**

6.1 Financial, governance, environmental and partner implications are explained in the BC and its appendices.

## 7. **Appendices referenced in this report**

- 7.1 Main document:  
**Appendix A:** Business Case: Bury St Edmunds Leisure Centre Maintenance and Refurbishment Project - July 2024  
**Appendices to the business case**  
Appendix 1: Maintenance Item  
Appendix 2: Refurbishment Plan  
EXEMPT Appendix 3: Market and Viability Review (see agenda item 17.)

## 8. **Background documents associated with this report**

- 8.1 [West Suffolk Leisure Investment Fund](#): reports detailing investment into Brandon, Haverhill and Newmarket Leisure Centres  
[West Suffolk sports facilities assessment](#)