



Appendix A to Report number: COU/WS/24/012

**Business Case: July 2024
Bury St Edmunds Leisure Investment**

Contents

- A. Executive Summary**
- B. Strategic Case**
- C. Economic Case**
- D. Commercial Case**
- E. Financial Case**
- F. Management Case**

Appendices

One: Maintenance Items

Two: Refurbishment Plan

Three: EXEMPT Market and Viability Review

A. Executive Summary

- A.1** West Suffolk Council has been clear on its commitment to promoting sport and physical activity. In 2016 its predecessor Councils Forest Heath District Council and St Edmundsbury Borough Council created a £5m Leisure Investment Fund, which delivered improvements to Newmarket, Haverhill and Brandon Leisure centres. 2017 saw the opening of the new Skyliner Sports Centre and in 2021 Mildenhall Hub opened, including a new leisure centre with a range of facilities.
- A.2** The other centre in the Council's leisure portfolio, Bury St Edmunds Leisure Centre, is now 49 years old and in need of significant maintenance. Having previously been identified as being replaced through the Western Way project, it had not benefited from the Leisure Investment Fund or much beyond reactive maintenance. 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. The plan to deliver a new leisure centre as part of the Western Way development was withdrawn last year due to national uncertainty over public and household finances, and the risk this would have placed on the Council's short-term finances. Following that decision, the Council made provision in its budget to address maintenance issues (current and anticipated) at the centre, recognising that given the previous plan to replace the centre there was a maintenance backlog. Further, following an Overview and Scrutiny review in 2023, Cabinet asked officers to explore opportunities to enhance the offer and customer experience at the centre, through an invest to save approach, at the same time as making the most of any financial savings on cost that could be achieved by improving the asset at the same time as maintaining it.
- A.3** The total anticipated cost of the proposed works (refurbishment and maintenance) set out in this business case are **£8.36m**. Provision already exists for £6.2m of maintenance and improvement works in the Council's capital programme. It is proposed that the additional £2.15m can be funded through a mixture of S106 contributions and prudential borrowing, with the borrowing being repaid annually by the return from the improvement in Abbeycroft's performance.

Total costs of works	£8,358,000
Existing Budget provision	-£6,200,000
Maintenance contribution from Abbeycroft and Section 106 funding for sports hall provision	-£670,000
Balance to be borrowed externally	£1,488,000

The estimated net improvement in Bury Leisure Centre's financial performance would be £228,000 per annum as a result of this overall investment which would be returned to the Council from Abbeycroft. This level of annual return can fund up to £1.8 million of borrowing up front, at current PWLB rates over 10 years. This is sufficient to cover the expected £1.5 million borrowing requirement and can provide a net return to council

of £39,000 per annum (gross return of 10.57 percent and net return of 1.81 percent on the additional £2.16 million investment).

This business case provides the estimated opportunity, benefit and cost information for maintenance and improvement works at Bury St Edmunds Leisure Centre. The centre condition has been reviewed and this outline business case sets out a proposed plan for addressing the significant maintenance items and deliver some key improvements at the centre which should improve the centre's financial operation and customer offer.

A.4 West Suffolk's Strategic Plan includes a priority of "Thriving Communities" and seeks to "enable West Suffolk residents to improve their physical and mental health and wellbeing through sport, physical and cultural services". The Council is committed to using its assets to support this as further detailed in the [West Suffolk Physical Activity Framework](#). This business case shows how this development can deliver benefits which will meet the objectives in the Framework including:

- Social and community
- Economic
- Personal experience
- Health and wellbeing

A.5 Whilst this business case focuses on addressing the maintenance issues at the centre, through careful planning it creates an opportunity to improve a number of areas of the centre to improve customer experience and the number of people engaging in physical activity and improving health and wellbeing activity. This proposal seeks to improve the financial performance of the centre creating a revenue benefit against which further investment can be made, based on extending the lifespan of the centre by a minimum of 10 years.

A.6 The full summary of maintenance issues that are planned to be addressed is included at Appendix One, and key items in that plan include:

- Main pool plant
- Boiler upgrades
- Lighting upgrades
- Control upgrades

A.7 The enhancements to the leisure centre that are proposed, subject to overall affordability within the cost envelope, include:

- Remodelling the **main entrance area**, removing the existing reception desk and replace it with a modern concierge type approach.
- A **new café and soft/adventure play** through the conversion of half of the leisure pool space.
- The creation of a **splash pad with some water play features** in half the leisure pool space and **retention of the flumes**.
- The current **village change** will see a light touch refurbishment of the cubicle area with a more intrusive refurbishment of the poolside shower and WC accommodation.

- **Pool halls** will be refurbished, replacing the moveable pool floor/boom in the Activity Pool alongside the replacement of the pool edge tiles, replacement of pool balustrades and a deep clean of the area.
- The creation of a **health and wellbeing area** similar to Haverhill with the addition of eight treatment rooms along with the refurbishment of an existing studio
- The **refurbishment of the gym and inclusion of E-gym** and the creation of a **dedicated spin studio** and retention of the college gym space
- The **refurbishment and enhancement of the health suite** area
- Refurbishment of **the sports hall** including a new sprung timber floor and painting of high-level areas

A.8 The proposal for the leisure centre has been developed to an available budget on the basis of providing the optimum capacity and potential for a facility mix, having regard to the leisure market and catchment area and 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 outline plans are included in Appendix Two.

A.9 The Council's commitment to its leisure provision did not falter during the pandemic and has extended to providing additional financial support to its partner and leisure operator, Abbeycroft Leisure, in response to the energy crisis. The Council will continue to work with Abbeycroft Leisure, to ensure that the centre works to deliver the Council's priority through enabling West Suffolk residents to improve their physical and mental health and wellbeing through sport, physical and cultural services" at the same time as improving the financial performance, to meet the day-to-day running costs of the facility and to deliver a wider return to support borrowing necessary to deliver these full range of enhancements.

A10 The project has a relatively high-risk profile at this stage given the substantial maintenance backlog, the current modest contingency and additional borrowing funded through an anticipated revenue benefit from the proposed centre improvements. These will continue to be managed through leveraging appropriate external support and expertise. Member approval to proceed will enable the project to embark on a stage of work to secure greater cost certainty. The cost for this work stage will be **£290,000** which will be funded, at risk of the project ultimately not proceeding if the cost returns higher, from the approved £6.2 million Bury Leisure Centre capital budget, underwritten from the Bury Leisure Centre Asset Management Plan.

A.11 No options in this report address the long-term position of the centre.

B. The Strategic Case

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

- B.1** The need for a strong accessible leisure offer is ever more important. In 2021. Sport England stated '*Our leisure centres are fundamental to the nation's health and economic recovery, and to the long-term health of our communities, including addressing widening health inequalities*' and the LGA have advised that *"Council sport and leisure services provide a unique offer, supporting affordable, universal and targeted services, and activities, that are simply not provided for elsewhere at such scale."* (LGA Dec 2022 Parliamentary debate: Government support for leisure centres).
- B.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 stated its key objective for 2024/5 under the Be Well domain is physical activity, specifically seeking to establish a universal offer and secure good and equitable uptake and to increase the impact of exercise referral programmes.
- B.3** Suffolk's [More more to feel better report, 2024](#) states that Physical inactivity is associated with 1 in 6 deaths in the United Kingdom, and Suffolk continues to report high levels of inactivity amongst its residents. The Active Lives Survey data for 2022-23 for Suffolk informs that 25% (159,500) of adults are classed as inactive, whilst 30% (27,600) of children are classed as less active. The latest data for West Suffolk shows that 27.5% of our population are classed as inactive.
- B.4** 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. 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.5** The Council is committed to "Promoting Physical Activity" and its framework sets out its objectives and intent.¹ The proposal for the improvements to the centre and its operation meets the principles of the Council's Promoting Physical Activity Framework as set out below and the

1

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

Council's partnering agreement with Abbeycroft requires them to deliver against all aspects of the framework:

Social and community

- It creates an improved environment that provides the opportunity for physical activity for all by extending the range of activity and improving its offer and accessibility for users with additional needs.
- 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 the inclusion of health treatment rooms, participation in social prescribing initiatives as well as the range of activities and facilities, the centre will improve the quality of life and the health and wellbeing of all our communities.

Economic

- The centre will deliver an improved financial performance through increased attendance as a result of the improved offer.
- 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 centre has been improved 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 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

- the inclusion of health treatment rooms and flexible studio space will continue to ensure the delivery of initiatives that will support the Suffolk Health and Wellbeing Strategy and to ensure that active people remain active and that more people become active

Leisure Centre Layout, Condition and Challenges

B.6 Bury Leisure 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. Given the previous plan to replace the facility, there remains a significant maintenance backlog however as an asset the building has no real structural concerns.

B.7 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:

- Décor/Style of the building
- Standard of Sports & Leisure Facilities
- Facility Mix

B.8 The [West Suffolk Council Sports Facilities Assessment March 2022](#) reviewed provision and made the following observations in regard to Bury St Edmunds. (Note that at the time of the review the consultants were made aware of the plans for Western Way and the comments below reflect that position at that time).

- **Sports Halls:** Generally, there is a good supply of Sports Halls to meet both existing and future demand, and the sports hall was due to be re-provided as part of the proposed Western Way development.
- **Swimming:** Sport England's Facilities Planning Model does not recognise the difference between main swimming pool and leisure water as part of the calculation. The current Bury Leisure Centre facility provides 140sq.m of leisure water which provides minimal value in supporting the strategic objective of increasing the number of people able to swim. The Western Way project provided an opportunity to reconfigure water space.
- **Health and Fitness Facilities:** Providing health and fitness facilities with the equivalent of 110 equipment stations and three studios will be important to meet current and future needs.

B.9 In addition to the above the council should also consider the age of the current leisure centre provision and the centres lifespan, but notwithstanding that there is a need to refresh the facility mix and modernise aspects to stay ahead of consumer trends.

B.10 This investment proposal will assist with the issues highlighted above in the following way:

- **Sports Hall** will be upgraded, protecting the existing 5 court facility.
- **Swimming** will be reconfigured removing some of the leisure water, but additional provision is being delivered at the new David Lloyd facility at Marham Park. After taking into account the closure of Moreton Hall it is anticipated that the net water loss will be approximately 88m².
- The site will offer 100 equipment stations and four studios. (Equipment station shortfall met by other new facilities in the town).

B.11 Overall, this proposal seeks to broaden the leisure offer whilst continuing to meet need for traditional sporting activity. It also continues to provide facilities required by West Suffolk College.

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

Benefits overview

- C.1** The benefits of investing in our leisure assets have always been twofold: to improve health and physical activity and to improve the financial performance of the leisure centre. The wider economic benefits that are achieved through health improvements have been the subject of a number of studies. In 2020 Sport England reported that every £1 spent on community sport and physical activity generates nearly £4 for the English economy² and the study's findings also reveal that community sport and physical activity brings an annual contribution of £85.5 billion to the country (in 2018 prices) through social and economic benefits.
- C.2** Its social value – including physical and mental health, wellbeing, individual and community development – is more than £72 billion, provided via routes such as a healthier population, consumer expenditure, greater work productivity, improved education attainment, reduced crime and stronger communities.

Quality and range of offer

- C.3** 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. 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.4** 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 investment approach is required to maintain provision of key public facilities at a time of reducing public sector funding.
- C.5** The improvement of this key asset facility is independently assessed to produce an improvement in performance or at a minimum protect its

² [Why investing in physical activity is great for our health – and our nation | Sport England](#)

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.6** In 2019 a survey was conducted to get feedback for the facility mix of a new centre and the findings remain valid for a refurbishment of the existing facility. 754 responses were received, the 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%) used the pool for family/fun swimming; 202 (34.41%) – used the gym (excluding exercise classes and personal training); 183 (31.18%) used the pool for lane swimming
 - When questioned about the importance of features in a new facility, 395 (52.7%) rated a dedicated car park area for leisure and health users as '5' on importance to them. With a further 207 (27.7%) rating it '3' or '4'; 321 (43.0%) rated a fun splash water area for the family and leisure use a '5', with a further 231 (31.0%) rating it a 3 or a 4.; 299 (39.8%) rated the fitness suite as a '5' on importance to them in the new leisure centre, with a further 277 (37.1%) rating it a '3' or a '4'.

- C.7** A market and viability review has been carried out by Max Associates, an independent sports and physical activity management consultancy who have supported previous leisure centre projects, and is included as EXEMPT Appendix Three. It is confidential due to the business sensitivity of information it contains. It assesses the market and predicted benefit to the centre's financial performance across a range of potential improvements. That information has been used to inform the final facility mix in this proposal and the resultant financial modelling for the project.

Appendix 3 includes plans for the new layout of the facility, showing both where areas will be upgraded and in dark green where the centre will be remodelled. All works will be internal so no planning permissions will be required.

Maintenance Issues

- C.8** As previously identified the centre is carrying a significant backlog of maintenance, as repairs had been put on hold pending a new centre, which at that time made economic sense at the time. In 2022 independent surveyors carried out an inspection of the centre and provided a report of all possible maintenance work the centre would require over the next 10 years with a total estimated cost of £8.9 million. Through further review of the centre condition, and removal of items that are no longer required in the centre and taking a view on the delivery of all elements during the 10 year period that cost decreased to an estimated total of £4.99 million. (Appendix One).

C.9

Within that £4.99 million, £413,000 of works have been identified as having a low likelihood of being required in the next 10 years. Work has already started on some urgent items that would not be affected by refurbishment works, and the refurbishment plans would address £2.678m of the £4.99 million maintenance works. That leaves a balance of £2.312 million of maintenance works still to be delivered which can be broken down as follows:

Definitely Required within 10 years	£1,475,500
Likely to be required within 10 years	£423,840
Low possibility that this will be required in the next 10 years.	£413,000
TOTAL of all works	£2,312,340
TOTAL of works less £413,000 low possibility works	£1,899,340

C.10

This business case is based on delivering the refurbishment and all maintenance works except for those low possibility works. That is a risk that is noted in section F. Both Council surveyors and Abbeycroft Building Managers agree that this is still a relatively prudent way forward.

The impact of the approach above is fully explained in the finance case at section E below.

Sustainability

C.11

Energy costs for Bury Leisure Centre are forecast to be £636,640 in 2024 to 2025, having doubled since 2019 to 2020 due to wholesale energy prices increase. The Council has 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 5 years. In parallel to this business case a separate energy assessment has been carried out on Bury Leisure Centre and we are awaiting its findings. As this project is developed over the next 4 months, the recommendations of the energy study will be understood in terms of the revenue cost implications, be reviewed and as appropriate incorporated into the final proposals. The Council's Net Zero Fund includes an allocation for the Council's leisure facilities, so any provision through this fund will be committed in line with the fund's parameters including a 2 % net return across the fund.

C.12

Note the recent Government's Swimming Pool fund only awarded £35,000 to Bury Leisure Centre to deliver filtration improvements.

Alternative Options

C.13

The challenges of the condition of the existing leisure centre means that there is no do-nothing option - it needs 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.14** A full detailed phased plan will be created to show how this can be managed in the most efficient way possible. Learning from other centre refurbishments has shown it is possible to keep parts of the centre open while others are upgraded. This will minimise the short term loss of income to the centre whilst work is undertaken,
- C.15** Note In all cases, the long term position of the centre is not addressed (reference Western Way Project report [CAB/WS/23/041](#) para 3.14).

D. The Commercial Case

- D.1** Council leisure facilities provide accessible, inclusive opportunities for all sections of society and are a key Council asset. The Council has a collaboration agreement with Abbeycroft Leisure to manage its leisure centres and deliver strategic sports and leisure support and wider community activity and large scale sporting events. It is a collaboration that is anchored in the Council's strategic priorities and performance is judged on both financial and social and health outcomes.
- D.2** Maintaining the position of Bury Leisure Centre in the market is important. As set out in the Max Associates Report (Exempt Appendix 2) the investment in the centre will turn the centre from a loss making venture to be in profit and create the headroom for Abbeycroft to pay back the £500k loan to West Suffolk Council it took when impacted by Covid and energy prices. It will also deliver a number of wider benefits including:
- Improving access to facilities by a wider range of groups
 - Providing an opportunity to upskill the workforce and create additional training opportunities
 - Improve the financial sustainability of the centre
 - Provide a venue that the community can be proud of, promoting both the Abbeycroft and West Suffolk Council brand.
- Failure to address the condition and offer at the Centre could damage the Council's reputation.
- D.3** Officers have been working with Alliance Leisure to work up these initial proposals. Alliance Leisure have significant experience in developing and refurbishing leisure facilities throughout the UK and delivered the upgrades at Haverhill, Brandon and Newmarket.
- D.4** Alliance Leisure are also the development partner appointed by Denbighshire County Council for its UK Leisure Framework. Procured in accordance with EU Procurement Regulations by Denbighshire County Council, the Framework was renewed in 2022 and the Board comprises of Officers from Denbighshire County Council and representatives from Alliance Leisure. The Leisure Framework has a potential value of £750 million and the maximum value of any project awarded under the Framework is £20 million.
- D.5** Alliance Leisure has selected a number of contractors, architects, specialist leisure advisors and equipment suppliers, to provide framework services across a number of categories including; feasibility studies and business planning, design management and services, construction, sourcing and provision of private funding, marketing, branding and sales development and equipment provision.
- D.6** It is anticipated that the council will appoint Alliance Leisure to project manage and deliver the development at Bury Leisure Centre under the UK Leisure Framework. Once the cost of the development has been confirmed through detailed surveys, and once appointed, Alliance Leisure will guarantee the delivery of their element of the project for the agreed sum and the risk of that part of the project transfers as contracts are signed.

Moving to cost certainty

- D.7** The next step for the project is to complete the cost certainty phase of the project. This brings the benefit of not only confirming the final cost of the works but also identifies any issues that would mean the project could not be delivered. The cost of this phase of the project is **£290,000**. This cost is included within the total capital cost indicated within an earlier section of this report.
- D.8** In effect, this resource is at risk if the project did not move forward, however if Alliance Leisure or its approved contractors identify an issue that would prevent the project moving forward the work would cease immediately and no further costs would be incurred.

E. The Financial Case

Capital Requirements

- E.1** The costs of the refurbishment and all high and medium risk maintenance items is a total of **£8.36m** made up of:

Refurbishment works including refurbishment	£6,458,660
Additional maintenance definitely required within 10 years (high risk)	£1,475,500
Maintenance likely to be required within 10 years (medium risk)	£423,840
Total costs of works	£8,358,000
Funded from:	
Existing Budget provision	-£6,200,000
Maintenance contribution from Abbeycroft and Sn106 funding secured for sports hall provision	-£670,000
Additional Balance to be borrowed externally	£1,488,000

The estimated net improvement in Bury Leisure Centre's financial performance would be £228,000 per annum (by year three post improvement) as a result of this overall investment which would be returned to the Council. This level of return can fund up to £1.8 million of borrowing at current PWLB rates over 10 years. This is sufficient to cover the expected £1.5 million additional borrowing requirement and can provide a net return to the council of £39,000 per annum (gross return of 10.57 percent and net return of 1.81 percent on the additional £2.16 million investment).

This will deliver a centre that provides an enhanced customer experience through the improvements listed at paragraph A7, particularly including the new **soft/adventure play** and **refurbished leisure pool**, and the

creation of a **health and wellbeing area** and **refurbishment of the gym and inclusion of E-gym** and the creation of a **dedicated spin studio**.

E.2 As has previously been mentioned, the key maintenance issues will be addressed as set out in appendix one.

E.3 The council had already provided a budget for this work and the table at E1 sets out how this project cost of £8.36m would be met.

Revenue Implications of new leisure centre

E.4 The cost model above is based on the centre delivering a financial return on performance. The basis of that return is supported by the Max Associates report (Appendix 3) and is summarised below.

	Cost / Return per annum	Notes
Abbeycroft Net Revenue Benefit	£370,238	Independently assessed
0.50% profit retention by Abbeycroft (whole portfolio)	(£44,418)	As agreed in terms of existing loan agreement
Abbeycroft Loan repayment to Council	(£98,136)	To repay existing loan over 6 years (estimate–subject to interest rate changes)
Balance returned to Council	£227,684	

E.5 £227,684 will fund borrowing of £1,800,000 at current PWLB rates over 10 years. The model also shows how Abbeycroft will fund loan repayments averaging £98,136 over 6 years to repay its loan to the Council.

It should be noted that accurate revenue modelling at this stage is a challenge and therefore a risk. 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 and independent advice.

E.6

External Funding

E.7 The business case has been put together assuming there will be no external funding from Sport England or other bodies but officers will continue to look for opportunities particularly in regard to decarbonisation initiatives. The developers' contributions noted above have already been secured through a Sn106 agreement.

F The Management Case

- F.1** The centre will continue to be part of the Portfolio of leisure centres managed for the Council by Abbeycroft Leisure. The project will be delivered by Alliance Leisure as detailed in the Commercial Case above and the approval of this business case will be in 2 stages. This first stage will be the release of £240,000 to deliver surveys, studies and design work to get to a "cost certainty proposal". This will be reviewed by Cabinet and a decision made to proceed to implementation based on the proposal meeting the parameters of the business case in regard to cost and facilities. Alongside this the balance of the maintenance works will be overseen by the Council's property team as part of usual business, ensuring it works together with the Alliance plan.
- F.2** The project will be managed following the Council's project management protocols and progress will report to Leadership Team on a 2 monthly basis, with exceptions escalated as needed outside of that formal reporting process.
- F.3** A detailed communications and engagement plan has been produced and subject to the approval of this business case, engagement will be undertaken with service users to test the initial designs as part of the next phase of work.
- F.4** Cost Certain plans should be completed for Cabinet's consideration in October 2024.
- F.5** Refurbishment will commence in 2025 and scheduled to minimise disruption to users, with a target completion of January 2026. Some maintenance works may take place after that date.
- F.6** Following this a joint Asset Management Plan will be produced and agreed with Abbeycroft Leisure to reflect the requirements of the new asset.

Key Risks and Dependencies

- F.** The key risks and dependencies specifically related to the refurbishment of the leisure centre are detailed in the table below and these will be reviewed and managed by the project board in line with the Council's Risk Management approach.

	Risk Description	Inherent Risk	Impact	Mitigation	Residual Risk
	FINANCIAL				
R1	The project fails to deliver the predicted uplift in attendance and financial performance	Medium	Cost impact to Council revenue position	Figures have been independently produced. Marketing and communications plan. Next stage will create greater certainty Continued dialogue with Abbeycroft through the next stage of the project to achieve greater certainty around predicted increases in income associated with this project and more holistically in terms of other potential impacts	Medium
R2	Other Emerging leisure activities impact the ability to achieve the predicted uplift in attendance and financial performance	Medium	Cost impact to Council revenue position	Continued dialogue with Abbeycroft through the next stage of the project to achieve greater certainty around predicted increases in income associated with this project and more holistically in terms of other potential impacts	Low
R3	Maintenance costs are higher than anticipated or additional items identified	Medium	Cost impact to capital requirement	Asset inspection and review after detailed survey work that will be carried out for greater cost-certainty	Low
R4	Contingency provided at this stage only 5%	Medium	Cost impact to capital requirement	Review during next stage as we work towards greater cost certainty	Low

R5	The project cannot be delivered within budget	Medium	Cost impact to capital requirement	The cost certainty phase will examine the opportunity to value engineer the project in an effort to achieve the budget Alternative funding streams will also be examined in an effort to meet any potential shortfall.	Low
R6	Phasing of the development in such a way that enables Abbeycroft Leisure to minimise financial impact.	Medium	Short term impact on revenue position	Abbeycroft Leisure are developing a financial plan linked to the phasing of the development that seeks to minimise disruption to users and the impact on key income streams.	Medium
	SCHEME				
R7	The proposal does not address car parking issues and this needs to be taken account of separately, particularly with the potential increase in footfall.	Low	Discourages users meaning impact on revenue case	Separate parking upgrade proposal to be developed which will be funded from car parking income. Note: currently only £100K allocated for resurfacing, lines and signs.	Low
R8	Negative feedback from users; concern that some areas of the centre have not been developed	Medium	Discourages users meaning impact on revenue case	Users will be engaged through the next stage of design and a detailed communications plan produced.	Low
R9	Loss of leisure water space	Medium	Criticism by Sport England or Swim England	Early engagement with Swim England ; marketing of wider family offer	Low

R10	The current proposal removes Abbeycroft office space	Medium	Negative impact on staff and centre management arrangements	Identify alternative provision and costs (not currently included and may require additional cost to provide)	Low
R11	Whilst there may be some benefit from the reduction of pool water linked to water and a renewal of some plant there is no fundamental environmental improvements included at this stage, although there is some LED lighting upgrade.	Medium	Missed opportunity to reduce carbon and utilities costs	Review cost benefit from further environmental improvements particularly in regard to pool plant and evaluate business case. Seek external funding as additional decarb funding schemes open.	Low

Ref	Dependency	Level of Dependency	Give/ Get	Impact	Impact date
D1	Agreement by Abbeycroft Trustees to commit to return to Council	High	Get	Unable to guarantee income to secure borrowing	Ongoing
D2	Continuation of Partnering Agreement with Abbeycroft Leisure	High	Get	Potentially no leisure operator for the new facility/ new operator requires different contract	ongoing