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Time: 10.30 am
Venue: Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND
Contact: Ashley Kendrick, Democratic Services Officer
Tel: 01743 250893
Email: ashley.kendrick@shropshire.gov.uk

CABINET

UPDATED REPORT

11 Sports Village Transformation (Pages 1 - 12)

Lead Member – Councillor Robert Macey - Portfolio Holder for Culture and Digital

Report of Claire Featherstone, Head of Culture, Leisure & Tourism

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Cabinet – 17th
January 2024

Item

Public



Shrewsbury Sports Village Transformation – Proposals for new fitness and pool facilities at Sundorne

Responsible Officer:	Clare Featherstone		
email:	clare.featherstone@shropshire.gov.uk	Tel:	01743 255067
Cabinet Member (Portfolio Holder):	Rob Macey		

1. Synopsis

This report is seeking Cabinet approval to undertake an 8-week public consultation on development proposals including a new swimming and fitness centre based at the Shrewsbury Sports Village (SSV) on Sundorne Road, Shrewsbury.

2. Executive Summary

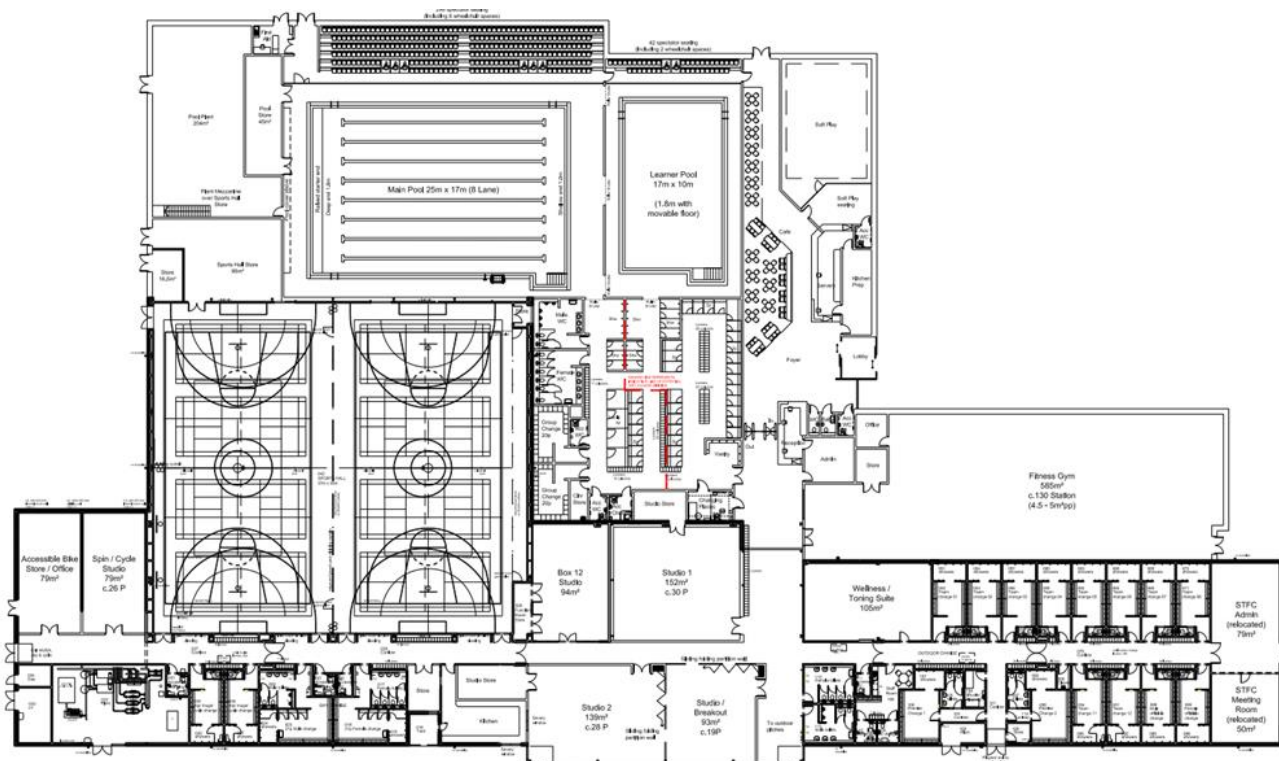
2.1. There are currently two leisure facilities in Shrewsbury owned by Shropshire Council and managed by Shropshire Community Leisure Trust: The Shrewsbury Sports Village (SSV) and Quarry Swimming & Fitness Centre. The two centres, operating as they are, do not provide a long-term viable solution for Shropshire and Shrewsbury's swimming and fitness needs due to the following reasons:

- The sites are currently not financially viable,
- Absence of a competition standard pool in the County,
- Poor utilisation of the Shrewsbury Sports Village,
- The need to meet carbon reduction targets,

- The need to have leisure facilities that meet accessibility standards,
 - The need to refresh and broaden the Council's health and fitness provision.
- 2.2. Neither the current Quarry site nor the SSV generate enough revenue to cover their operating costs. As a result, the Council is subsidising the operation of both sites.
- 2.3. In addition, the poor condition and age of the Quarry site has resulted in increasing repairs and maintenance costs. Recent failures have necessitated closing the main pool and repair costs over the past 12 months of £422,800, on top of which the Council has had to make provision to compensate the operator for loss of revenue while the facility was closed. The risk of further building and plant failure continues to grow, and a new, modern energy efficient and supportable facility is an ever-clearer necessity.
- 2.4. In 2020 the Cabinet proposed that the Council investigate developing a new Competition Pool at the Sports Village and once this was open look to develop a new leisure centre at the Quarry. However, the results of the feasibility study showed that this dual site approach would require over £68m investment at 2024 prices, which is unaffordable given the current financial challenges.
- 2.5. In April 2022 the Council agreed to proceed with the new pool and fitness centre at Whitchurch as a priority. At the same time, it was announced in the press that the plans for Shrewsbury would be put on hold whilst the Council explored other options including exploring partnerships and the possibility of pursuing opportunities at SSV.
- 2.6. In November 2022, the Council commissioned a new feasibility study, to examine the costs and benefits of a simple single storey extension to the SSV which would address the challenges facing sports and leisure provision in Shrewsbury and offer opportunities to the County.
- 2.7. The proposed approach would be to maintain the current facilities at the SSV but add new facilities to create a multi-feature centre which is more appealing to a wider demographic, is more accessible, will attract greater revenue and are in an energy efficient modern building. Such a proposal would include:
- 25 metre x 8 lane pool – suitable for County competitions, galas, and general swimming
 - 17 x 10 metre studio teaching pool with moveable floor for learners and other water sports including a children's water party module.
 - Seating in pool hall for 300 spectators and space for 200 competitors
 - Changing village plus Changing Places facility.
 - New reception area and lobby with Café overlooking the pool.
 - New children's soft play area adjacent to cafe
 - New 130 station fitness-suite.
 - Multi-purpose studio with access to existing kitchen - divisible into 2 areas for group activities and events
 - New Dance Studio
 - New 30 station cycle spin studio
 - Refurbish the existing dry changing facilities.

- Maintain all other internal and external facilities on the SSV site including: the main sports hall with 8 badminton courts, Box 12 studio, 16 football pitches and football changing, Football Academy offices, bowls hall, cycle track and 8 Netball courts.

2.8. Following engagement with stakeholders including the Portfolio Holder for Culture and Digital and the Shropshire Amateur Swimming Association a preferred layout has been identified. This will provide a new range of facilities at the SSV site to attract new visitors and make the site financially viable, in addition to creating a new pool hall which may be divided to allow separate activities to occur simultaneously. The feasibility study has produced initial designs for the new facility and the design, construction and fit-out costs are estimated to be in the order of £28 million.



Feasibility Study – Outline Design Layout

- 2.9. Should the proposal be approved, it would take 3 years to complete the detailed design, build and be opened to the public.
- 2.10. In financial terms, the new facility is expected to recover sufficient new income to generate a budget saving, based on the assumption that the Council were to borrow up to 80% of the Capital and fund the 20% from other sources such as Community Infrastructure Levy, grants, and/ or capital receipts.
- 2.11. The new facility would be more energy efficient than the current Sports Village, being better insulated and all-electric. This will contribute towards the Council's target of being net Carbon neutral by 2030. The new facility would be designed and built to sustainable building principles, including striving to achieve the BREEAM excellent standard and make use of photovoltaic cells and air source heat pumps amongst other environmental initiatives.

- 2.12. The site will be accessible to people with mobility issues through disabled parking facilities, easy embarkation, and disembarkation from buses, being a single storey site, with disabled changing and a Changing Places facility for people with severe mobility issues, easy access pool steps and pool access pods.
- 2.13. Regarding public transport: the site is accessible via the Arriva 24 bus route. Arriva have been notified of this proposal and if approval is given to proceed, discussions will be held regarding possible public transport enhancements.
- 2.14. The site is accessible by several cycle paths and the Council's draft walking and cycling strategy is proposing new cycle paths approaching the SSV site.
- 2.15. This proposal is looking to make a significant investment in health, wellbeing and fitness provision for Shrewsbury and the surrounding area, likely operating for the next 30-40 years.
- 2.16. This is also an opportunity for the Council to confirm that no decision regarding the future of the Quarry facility has been made. The Council will look at future options for the Quarry site once the SSV project is sufficiently advanced, which would be subject to a separate consultation in due course.

3. Recommendations

Cabinet is requested to:

- 3.1. Confirm that the previous decision made in December 2020 to develop a dual split site proposal, with new pools being developed at both the Quarry and SSV, is currently unaffordable and development of SSV needs to be prioritised, with a full assessment being undertaken in due course on the future options for the Quarry site.
- 3.2. Authorise an 8-week public consultation on the development proposals for SSV, including a competition standard pool and studio pool and improvements to the fitness centre.
- 3.3. Agree that once the public consultation is completed, the results are to be reported back to Cabinet and then Full Council for a decision on whether to amend the proposals and/ or to proceed with the capital funding for the design and construction of the SSV facilities.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. There are currently two leisure facilities in Shrewsbury owned by Shropshire Council and managed by Shropshire Community Leisure Trust: The Shrewsbury Sports Village (SSV) and Quarry Swimming & Fitness Centre. The two centres as they are, are not a long-term viable solution for Shrewsbury's swimming and fitness needs, in particular because of:

- **Poor financial viability of both sites** – neither site has the optimal mix of facilities, which limits the revenue they generate. As a result, the Council must make a significant annual subsidy to the operator.
- **Development of a competition standard pool for the County** – There is currently no pool available in Shropshire which can host major swimming competitions. Currently the County Championships are held at Wolverhampton, with parents and swimmers having to travel out of County to participate. A modern 25 metre pool with sufficient seating and space for spectators and participants, along with easy access and parking is currently not available.
- **Poor utilisation of the Shrewsbury Sports Village** – SSV is focussed on traditional sports particularly football, but it is currently under-utilised for large periods of time. Diversifying and enhancing the range of facilities would make the site more appealing to a wider demographic, provide better social value to the Shrewsbury community and generate greater revenues.
- **The need to meet carbon reduction targets** – The Council has committed to ensuring all new buildings meet sustainable building standards and to reduce its carbon footprint. Leisure facilities are one of the Council’s largest users of power and producers of CO₂. Developing new energy efficient and electric facilities and would be a significant step towards meeting the Council’s carbon targets.
- **The need to meet accessibility standards** – with new standards for accessibility at leisure centres and public buildings and an aging population, there is a need for new leisure facilities which met these standards and adopt new access features.
- **The need to refresh and broaden the Council’s health and fitness provision** – Health and wellbeing of the whole community are a key objective of the Shropshire Plan. Current facilities at the SSV are limited in scope, which reduces levels of participation by large proportions of the population. More modern and more diverse offerings are needed to improve health and fitness participation levels.

4.2. One approach to addressing these challenges would be to maintain the current facilities at the SSV but add additional new facilities to create a multi-feature centre which is appealing to a wider demographic, will attract greater revenue and delivered in a modern, energy efficient building.

4.3. The proposal would meet many of the goals set out in the Shropshire plan, most noticeably around Healthy People:

Shropshire Plan Goals	Strategic Fit
<p>The Shropshire Plan - Healthy people: Support Shropshire residents to take responsibility for their own health and wellbeing, choosing healthy lifestyles and preventing ill-health, reducing the need for long-term or hospital care.</p>	<p>The proposal will provide new and extended fitness facilities. The scope includes specific facilities to aid wellbeing for all generations – particularly the young through a learner pool, competition opportunities and active play and the</p>

	elderly or those with special needs, through accessible swimming and a toning studio.
The Shropshire Plan - Healthy Economy: Develop a vibrant destination that attracts people to live in, work in, learn in and visit.	The new swimming and fitness facilities are an essential attraction for attracting investment and new residents.
Deliver excellent connectivity and infrastructure, and increasing access to social contact, employment, education, services, and leisure opportunities	The facility will provide major new leisure opportunities for Shrewsbury and the surrounding communities.
The Shropshire Plan - Healthy Environment: reduce our carbon footprint, including the adoption of low-carbon energy for our assets and for communities	The new facility will be energy efficient and all electric with photovoltaic cells and air source heat pumps which will contribute to meeting the carbon reduction targets
The Shropshire Plan - Healthy Organisation: We will communicate clearly and transparently about what Shropshire Council delivers, signposting to the right places for services and support, and listen to what communities say about their place and what they need.	The proposals will be subject to a public consultation and have been designed to provide fitness and wellbeing facilities that meet the needs of all sections of the population.
We will put our resources in the right place using accurate data, insights, and evidence to support the delivery of the organisation's priorities and balance the books.	The facility will be more efficient to run and attract sufficient new income to become as near self-financing as possible and therefore will offer better value for money.

4.4. The development of new health, fitness and swimming provision at SSV is a significant investment and so should be subject to a full public consultation before any decision is made by the Council. The Consultation will be accompanied by a communications plan. The key aims of the consultation will be to:

- Gauge public response on development proposals,
- Assess the demand for new health and fitness offerings including a competition standard pool and studio learner pool, across different age groups,
- Obtain views on the proposed facilities mix,
- Allow opportunity to present any alternative suggestions for the Shrewsbury Sports Village.

4.5. Whilst the consultation will be run in-house and hosted on the Council website, external support will be commissioned to provide outreach activities to increase the participation levels. It is proposed that external support will be commissioned to undertake an assessment of the Social Value of the new facilities mix. The cost of the consultation support and social value assessment will be sought from the Council's project feasibility budget.

4.6. A copy of the proposed consultation questionnaire and the content of a proposed information brochure are included in Appendix 3.

4.7. The following key risks have been identified that relate to the proposal:

Ref	Item	Description	Mitigation
1	Inflation	Issue – UK Inflation high and has driven up build costs and materials threatening the financial affordability of the Project and making accurate forecasting difficult.	UK Interest rates (CPI) have fallen between Feb 2023 (9.2%) and November 2023 (4.3%). The cost model includes allowance for inflation and estimates from subject matter experts and lessons learned from the Whitchurch Project.
2	Interest Rates	Issue – UK Interest rates have been rising and this affects the cost of borrowing to the Council on Capital Projects and can make projects unaffordable.	The Council can borrow from the Government via the Public Works Loan Board (PWLB), albeit the current rate is 4.5% and may rise in the coming months. Seeking capital funds from other sources can reduce the borrowing costs e.g.: from Capital Receipts and the Community Infrastructure Levy (CIL)
3	Scope Creep	Risk – Adding new features or conditions to the project will inevitably increase both the time and cost of the project – threatening the Project viability	The project should agree a fixed scope through the Council approval process. Strong change control and project governance is required to avoid scope creep and should not vary without the appropriate approvals
4	Public response	Risk – This proposal will be viewed purely in terms of swimming and the Quarry – and not seen as creating a range of new viable health and fitness facilities at the SSV as well as a new pool offering.	This is an opportunity for the Council to confirm that no decision regarding the future of the Quarry facility has been made. The Council will look at future options for the Quarry site once the SSV project is sufficiently advanced, which would be subject to a separate consultation in due course.
5	Availability of Capital funds	Issue – The Council's Capital Programme includes reference to a Swimming in Shrewsbury initiative and the project is recognised as a priority need- however, there are no capital funds yet secured to enable implementation.	Subject to the results of the Consultation, the proposal will need to return to Cabinet and Full Council for a decision to be made on whether to proceed with Capital funding and approve the inclusion of the project in the Capital Programme. The Council should explore all means of Capital funding not least: Public Works Loan Board, Capital Receipts and Community Infrastructure Levy (CIL), grants and any others which may be available.

5. Financial Implications

- 5.1. Neither the current Quarry site nor the SSV generate enough revenue to cover their operating costs. As a result, the Council is subsidising the operation of both sites. The poor condition and age of the Quarry site has resulted in increasing repairs and maintenance costs. Recent failures have necessitated closing the main pool and repair costs over the past 12 months of £422,800. In addition, the Council has had to make provision to compensate the operator for loss of revenue in the last financial year. The risk of further building and plant failure continues to grow, and a new, modern energy efficient and supportable facility is a growing necessity.
- 5.2. The SSV Feasibility study included a detailed cost estimate of the design, construction and fit out of the new facility. The total costs are estimated at £28 million at March 2023 prices. The costs were benchmarked against other similar projects to ensure that are representative of current market conditions and are summarised as follows:

Cost Summary	£
New build	£10,652,450
Refurbishment	£2,599,080
Other construction cost and fit out	£7,046,685
Project costs	£3,263,241
Operator Fixtures and Fittings	£825,000
Contingency & Inflation	£3,616,718
Total Costs	£28,003,175

- 5.3. Officers have consulted Sport England and there is currently no grant funding available for new capital works, but they will continue to liaise with Sports England should this situation change. Grant aid will also be sought from other sources such as green energy initiatives.
- 5.4. If the Council were able to fund 20% of the project and borrow 80% from the Public Works Loan Board (PWLB) - the additional revenue from new facilities would be sufficient to cover the operating costs, repay the annual capital repayment and generate a saving on current subsidies of over £0.25 m per annum. Other sources of Capital might include capital receipts and the Community Infrastructure levy. A summary of the outline business case is as follows:

£m	Year 1 2026/27	Year 6 2031/32	Year 11 2036/37	Year 16 2041/42	Year 21 2046/47
EXPENDITURE	(1.576)	(4.304)	(4.602)	(4.902)	(5.196)
Borrowing Repayments		(1.306)	(1.306)	(1.306)	(1.306)
Operation Costs	(1.576)	(2.998)	(3.296)	(3.596)	(3.890)
INCOME / SAVINGS	2.512	4.471	4.835	5.200	5.564
NET INCOME / EXPENDITURE	0.936	0.167	0.233	0.298	0.368

Summary Cost Model – Assuming 80% Borrowing and 20% other Sources of Capital

6. Climate Change Appraisal

- 6.1. Swimming pools and leisure centres are large users of energy. However, the development of a new energy efficient facility at SSV with an all-electric heating solution, making use of solar panels and air source heat pumps offers the potential for the facility to operate at a carbon net zero position.
- 6.2. The new facility would be designed and built to sustainable building principles, including striving to achieve the BREEAM Excellent standard. This will include quantifying and reporting the carbon performance of this project using a 'lifecycle carbon assessment' approach.
- 6.3. The project will consider using features which have the potential to capture and store carbon (e.g., landscaping, or low carbon building materials) and ensure the design addresses the challenge of extreme weather associated with climate change (high winds, extreme rainfall, very high or low temperatures etc.).
- 6.4. Transport and travel are currently a major source of carbon emissions in Shropshire – the SSV site is accessible by Public Transport and cycle paths and if approved the project will seek enhancements to both transport modes. The site will also install electric vehicle charging points.

7. Background

- 7.1. The last formal member decisions regarding swimming and fitness in Shrewsbury was at Cabinet December 2020 when it was agreed to develop designs and costings for a 'split site' proposal (looking at redevelopment of the Quarry Site and a new pool proposal at SSV) with an intention to return to Cabinet with more detail in future.
- 7.2. The results of the feasibility studies on a split site indicated the costs of redeveloping both the Quarry and SSV sites were £58m in 2022 (Appendix 4). This has subsequently been reviewed to reflect increased inflation and other costs, and a realistic estimate for the redevelopment of both sites as described in the report, is around £68 million at 2024 prices. This is considered unaffordable in the current financial situation.
- 7.3. It was announced in the press by the Council in April 2022 that for this reason the plans for Shrewsbury would be put on hold whilst the Council explored other options including exploring partnerships and the possibility of pursuing opportunities at SSV.
- 7.4. In November 2022, the Council commissioned a new feasibility study, to examine the costs and benefits of a simple single storey extension to SSV, which would address several challenges facing sports and leisure provision in Shrewsbury. The objectives of the initiative would be to provide:
 - New leisure facilities for Shrewsbury and the surrounding area which will be cost effective to operate,
 - Improved financial viability of the SSV site through an improved revenue stream,

- A carbon efficient facility,
- A wider range of fitness and leisure facilities at SSV which will appeal to a more diverse section of the community, in particular: children, women and girls and the elderly,
- Easier access to sports and fitness facilities for people with disabilities and the elderly,
- New, high quality pool facilities for: swimming lessons, general swimming, water-based activities, swimming club use and County based competitions and galas.

7.5. Officers commissioned the study using the UK Leisure Framework, which is a procurement route organised by Denbighshire Council and is used extensively by local authorities for leisure projects. Through the framework the Council appointed Alliance Leisure Ltd and Roberts Limbrick Architects. The team completed a feasibility study which included a RIBA Stage 1 design for the new facility and a benchmarked cost estimate for completing the design, construction and fit out. A summary feasibility report is contained within Appendix 1.

7.6. The RIBA Stage 1 designs and a summary report of the features which could be delivered are contained in the Appendices. The study demonstrated that a new facility could be delivered on the site including:

- 25 metre x 8 lane pool – suitable for county competitions, galas, and general swimming,
- 17 x 10 metre studio and teaching pool with moveable floor for learners and other water sports including a children's water party module.
- Seating and space in pool hall for up to 500 spectators and competitors
- Changing village plus Changing Places facility.
- New reception area and lobby with Café overlooking the pool.
- New children's soft play area adjacent to cafe
- New 130 station fitness-suite.
- Multi-purpose studio with access to existing kitchen - divisible into 2 areas for group activities and events
- New Dance Studio
- New 30 station cycle spin studio
- Refurbish the dry changing facilities.
- Keeping all other internal and external facilities on site including the main sports hall with 8 badminton courts, Box 12 studio, 16 football pitches and football changing, Football Academy offices, bowls hall, cycle track and 8 Netball courts.

8. Additional Information

8.1. Competition pool proposals – There is no swimming pool available in Shropshire which meets the Swim England standards necessary to host major short course (25 metre) swimming competitions and galas (See Appendix 3). As a result, major competitions such as the Shropshire County Championship are held in other regional pools, most often at Wolverhampton. Major short course pools are also available in Birmingham and Coventry and Sandwell Council operates the long pool (50 metres) created for the 2020 Commonwealth games.

8.2. The proposal would create a pool capable of hosting a major short course competitions and galas and would be available for clubs in Shropshire. The

proposal pool would be constructed to competition standards and be 25 metres length with 8 lanes. There would be 300 permanent spectator seats with room in the pool hall to accommodate an additional 200 competitors on temporary seating. The SSV site offers good accessibility and parking which is essential for County competitions. In this proposal, the pool hall is elongated and can be segregated to allow different activities to be held simultaneously in both pools – see additional design in Appendix 2.

- 8.3. Election Counts - The main hall at SSV is used for counting elections. General elections, Police and Crime Commissioner elections and Local Government elections are held 4 yearly. The main hall would be unaltered by the proposals and would be unaffected during construction. In any event, the next elections are not likely to coincide with any construction programme.

9. Conclusions

- 9.1. The new feasibility study has demonstrated that it would be possible to create a new swimming and fitness centre based at the Shrewsbury Sports Village. Such a facility would:
- Be more cost effective to operate and turn a significant financial deficit into a financial surplus.
 - Provide a carbon efficient fitness and swimming facility,
 - Offer a wider and larger range of fitness and leisure facilities than is currently available in Shrewsbury,
 - Appeal to a more diverse section of the community, in particular: children, women and girls and the elderly,
 - Provide easier access to sports and fitness facilities for people with disabilities and the elderly,
 - Provide a new, high quality pool facility for: swimming lessons, general swimming, water-based activities, swimming club use and County based competitions and galas,
 - Improved financial viability of the Shrewsbury Sports Village site through an improved revenue stream.
- 9.2. The study has produced initial designs for the new facility and the design, construction and fit-out costs are estimated to be £28 million, and should it be approved, would take 3 years to complete the design, build and open to the public.
- 9.3. This proposal should be subject to a full 8-week public consultation before any decision is made by the Council.
- 9.4. This is also an opportunity for the Council to confirm that no decision regarding the future of the Quarry facility has been made. The Council will look at future options for the Quarry site once the SSV project is sufficiently advanced, which would be subject to a separate consultation in due course.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member: Councillor Kevin Pardy – Sundorne
Councillor Nat Green – Quarry and Coton Hill

Appendices:

Appendix 1 – Summary Feasibility Report and Brochure

Appendix 2 – Draft public consultation questionnaire

Appendix 3 – Swim England standards for competition pools

Appendix 4 – Swimming in Shrewsbury Executive Summary