



Committee and Date

Council meeting  
22<sup>nd</sup> September 2022

Item

Public

## **Whitchurch Swimming and Fitness Centre**

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### **1. Synopsis**

**1.1 Following the outcome of the consultation exercise, and Cabinet agreement on 7<sup>th</sup> Sept 2022, this report recommends to Council that the business case for the rebuilding of Whitchurch Swimming and Fitness Centre is approved and the project is added to the capital strategy.**

### **2. Executive Summary**

2.1 At its meeting on 27<sup>th</sup> April 2022 Cabinet agreed the following recommendations:

- Note and acknowledge progress and actions undertaken to meet the recommendations of the Cabinet report in June 2021
- Agree that the proposed plans be the subject of a formal public consultation exercise and that a further report be brought to Cabinet following completion of the consultation.
- Agree that subject to the outcome of the public consultation exercise and Cabinet's consideration of that report, the business case for the project, as set out in this paper, be presented to Council with a recommendation that the development of the Whitchurch Swimming and Fitness Centre be included in the capital programme.

2.2 The public consultation has now been completed and added to subsequent engagement with key stakeholders, it demonstrated overwhelming support for a proposed new Swimming and Fitness Centre at Whitchurch. There were 286 respondents to the public consultation, with 89% agreeing with the location, and 73% agreeing that the proposed facility mix was adequate. 44% of respondents had previously used the swimming pool weekly, with 77% arriving by car, 59% by foot and 30% by cycle. A concern was raised about the potential loss of water vole habitat, which will be investigated. The full consultation and

engagement report is available at Appendix 1 and an updated Equalities, Social Inclusion and Health Impact Assessment is attached at Appendix 2.

- 2.3 The total cost of the facility is now estimated at £13.100m. The Feasibility Study for the new Centre is attached at Appendix 3. The report asks for Cabinet to make certain recommendations to Council to enable the rebuild to proceed as quickly as possible, bearing in mind inflationary pressures. If there are major issues or the capital budget is exceeded and there is a need for increased capital spend, a further paper will be taken to Council for consideration.
- 2.4 Providing development to the next stages goes as planned, building should start in 2024, with the new Centre completed in 2025.
- 2.5 On 7<sup>th</sup> Sept 2022, Cabinet agreed the following recommendations:
- Agree the business case for the project, as set out in this paper, be presented to Council with a recommendation that the development of the Whitchurch Swimming and Fitness Centre be included in the capital programme with an initial budget of £13.100m, funded from Public Works Loan Board (PWLB).
  - Acknowledge the significant average annual revenue pressure of £0.509mm arising from approval of this scheme, reaching a maximum of £0.530m in 2028-29, and recommend that Council delegate resolution of this pressure to the Executive Director of Place, in consultation with the Portfolio Holder for Communities, Culture, Leisure & Tourism.
  - Recommend that Council delegates authority to the Executive Director of Place, in consultation with the Portfolio Holder for Communities, Culture, Leisure & Tourism, to procure, negotiate and agree the terms of any agreements/contracts necessary for the delivery of the project including, but not limited to:
    - Agreeing the procurement strategy
    - Design Team procurement and appointment
    - Site Surveys and Investigations and relevant reports
    - Planning permissions
    - Tendering activities
    - Main contractor procurement and contract sign-off
    - Construction
    - Hand over

### **3. Recommendations**

#### **That Council:**

- Agree the business case for the project, as set out in this paper, with a recommendation that the development of the Whitchurch

Swimming and Fitness Centre be included in the capital programme with an initial budget of £13.100m and funding source assumed to be prudential borrowing from Public Works Loan Board (PWLB).

- Acknowledge the significant average annual revenue pressure of £0.509mm arising from approval of this scheme, reaching a maximum of £0.530m in 2028-29, and recommend that Council delegate resolution of this pressure to the Executive Director of Place, in consultation with the Portfolio Holder for Communities, Culture, Leisure & Tourism.
- Recommend that Council delegates authority to the Executive Director of Place, in consultation with the Portfolio Holder for Communities, Culture, Leisure & Tourism, to procure, negotiate and agree the terms of any agreements/contracts necessary for the delivery of the project including, but not limited to:
  - Agreeing the procurement strategy
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  - Planning permissions
  - Tendering activities
  - Main contractor procurement and contract sign-off
  - Construction
  - Hand over

## REPORT

### 4. Risk Assessment and Opportunities Appraisal

#### 4.1 Opportunities Appraisal - the need for a new facility in Whitchurch

- 4.2 According to a [recent report by Swim England](#), weekly swimming saves the NHS and social care system more than £357m each year.
- 4.3 They comment that *"It is vital there are appropriate facilities in the right locations to ensure that everyone has the opportunity to enjoy the benefits of swimming and every child has the opportunity to learn an essential life skill."*
- 4.4 At the current rate of pool replacement nationally, it is estimated that there could be 40% fewer pools by the end of the decade.
- 4.5 This investment in a new swimming centre in Whitchurch, will help ensure high-quality, cost-effective facilities for the growing population in the area.
- 4.6 Built in 1972, Whitchurch Swimming Centre comprised a 25m x 5 lane pool and changing facilities. The centre has been closed since March 2020, initially due to the Covid-19 pandemic national lockdown. Structural problems were then identified whilst investigating the cause

of a leak from the pool tank which include underpinning issues and deterioration in the fabric of the building, and the Centre was not considered cost effective to repair.

4.7 The aim of this project is to improve health and well-being at all stages of life and that physical activity is an integral part of this.

4.8 This will be achieved through the creation of a new Swimming and Fitness Centre in Whitchurch, which will replace the existing facility.

4.9 Key aspects include:

- Support for the creation of a high quality and sustainable indoor leisure facility mix, which provides accessible and inclusive activities for all Shropshire residents leading to increased participation and active lifestyles, thereby meeting community need
- Recognising the importance of leisure facilities as relevant community spaces, accessible to all and offering opportunities for the delivery of a wide range of activities, services, support and entertainment to local communities and people
- A commitment to work with a wide range of partner organisations and individuals as co-creators and co-deliverers of leisure facilities so that they best reflect the differing needs of local communities.
- There is a collective priority (Shropshire Council, Health and Wellbeing Board, Energize (Active Partnership) to improve community health and well-being at all stages of life, and that physical activities are integral to this, with a focus on older and young people and families

#### **4.10 County demographics**

4.11 It is important to consider the demographic profile of Shropshire and how this shapes demand for access to leisure and wellness facilities. Energize Active Partnership identify the following key statistics in their Strategy – Actively Improving Lives 2022:

- 1/3 of the Shropshire population will be 65+ by 2033
- 42% of those aged 55+ are active
- 4 out of 5 young people aged 5-15 are not active enough; more than 1/3 are leading sedentary lives by the age of 15
- 1 in 3 children are overweight or obese by the time they leave primary school; more than 1 in 5 children are overweight or obese by school reception year
- Families within lower socio-economic families are more likely to be inactive

4.12 These demographic groups can especially benefit from swimming provision, which is an activity that can be enjoyed by all. There is a

need to ensure that provision (services, activities and facilities) is relevant and sustainable for all groups.

#### 4.13 Sport England Facility Planning Model (FPM)

4.14 The Sport England Facility Planning Model (FPM) for pools in Shropshire was produced in July 2019.

- All three of Shropshire's main market towns – Ludlow, Oswestry and Shrewsbury provide a main swimming pool, or the equivalent of this (minimum 25m x 6 lane) and a learner pool or a learner function. All communities in Shropshire are within 30 minutes of one of these facilities, except for the communities in the north.
- Swimming pools in Market Drayton and, prior to its closure Whitchurch, addressed this gap in accessibility.
- Swimming pools offer more scope than any other indoor sports facility type, to contribute to an active and healthy lifestyle by residents. They are the only facility type which provides for participation by all age groups and from cradle to grave. Also, swimming is one of the few indoor activities where female participation is higher than male participation and it is also a family-based activity.
- The real issue in Shropshire is not the level of provision, but the age and quality of swimming facilities, particularly those providing for community access such as Whitchurch.
- Whitchurch Swimming Centre had an estimated used capacity of 82% in the weekly peak period, this was over the 70% 'comfort level' recommended by Sport England. This demonstrates that when open, Whitchurch Swimming Centre had a very high level of use. Accessibility to other facilities is a challenge in the area if one does not have access to a private car; bus services are limited and do not always enable sufficient time to access the next nearest pool.

4.15 According to the census, in 1971, 11,410 people were resident in Whitchurch Place Plan Area, compared to an estimated 15,728 residents from the 2020 mid-year population estimates. The census data from 2021 is not yet available but it is expected that the population has continued to increase.

4.16 When open, Whitchurch Swimming Centre had an estimated used capacity of 82% in the weekly peak period, this was over the 70% 'comfort level' recommended by Sport England. This demonstrates that when open, the Centre had high level of use. With a growing population, the demand is expected to increase.

#### **4.17 Impact of not proceeding with the new Centre**

4.18 The impacts of not progressing the project have been considered and are summarised below:

- The swimming centre remains closed which reduces the opportunities for the Whitchurch community to be physically active which impacts on long term health and social issues.
- To access pay as you play swimming facilities Whitchurch residents will have to travel some distance, this can have a negative impact on the Council's climate change agenda and carbon reduction targets. Residents without access to a car are disadvantaged as public transport routes to other facilities mean lengthy travel times.
- Visits by Whitchurch residents to other facilities adds pressure to already busy centres.
- There is a negative impact from young children not being able to learn to swim which is an important life skill.
- Primary schools have a statutory duty to provide swimming lessons for children up to Key Stage 2 Level which they will struggle to fulfil.
- Does not provide any opportunity to deliver the goals of the Shropshire Plan.
- This option is contrary to recommendations in the Council's adopted Indoor Leisure Facility Strategy 2020 – 2038.

#### 4.19 Providing a new facility will:

- Encourage increased participation in physical activity, delivering increased health benefits (physical and mental) to more people as a result of taking part in physical activity
- Contribute positively to the Healthy People and Healthy Environment priorities in the Shropshire Plan
- Fully fulfil a recommendation in the Council's adopted Leisure Indoor Facilities Strategy 2020 – 38
- Contribute to a more active environment at local level, as people do not have to travel so far for facilities
- Be more cost-effective and efficient to operate than the existing facility as a stand-alone pool requires a high level of subsidy. The financial impact of developing a new facility is detailed in section 5 of this report
- Provide the opportunity for young people to be able to learn to swim and help fulfil the statutory duty of primary schools to provide swimming lessons for children up to Key Stage 2
  - Require significant capital investment but secure the provision of a valuable community facility for the long term

4.20 A feasibility study has been completed, which illustrates an initial design for consideration regarding the future provision of this important community facility (Appendix 3).

#### 4.21 The feasibility study proposes the following facility mix:

- 25 metre x 6 lane pool with moveable floor to half of the pool.
- 35 station fitness suite.
- Large multi-purpose room - divisible into 2 studio areas for dance, fitness, and youth sessions.

- Changing village plus dry side changing and Changing Places facility
- Reception/servery
- Café/vending area
- Outdoor activity area for informal sport, physical activity, and play.

#### 4.22 The rationale for the facility mix is:

- Increased participation and revenue impact from a larger pool; the previous operator has identified significant potential for increasing swimming lessons in the area based on demand. The old facility delivered 600 swimming lessons per month Equally, there is potential to increase the number of swim memberships.
- A facility offering both fitness and swimming is likely to appeal to a wider range of participants; this provides the opportunity to offer a new swim and gym membership and provide opportunities for revenue generation.
- Increased water space also facilitates an increased capacity for casual i.e., pay and play, swimming.
- The multi-purpose room can be programmed to cater for a range of dance, fitness and young people activities which increases throughput and income generation opportunities.

#### 4.23 Risk Assessment

4.24 Full consideration of the risks have been undertaken. Key risks and mitigations are summarised in Table 1 below.

#### 4.25 Table 1- Summary of significant risks

<b>Risk</b>	<b>Mitigation actions</b>
Inflationary pressures, material cost increases and availability is leading to greater contractor insolvency rates.	Procurement Strategy to consider mitigations and background checks.
Costs of the overall project are unaffordable in the current financial climate.	The capital and revenue costs will be reviewed to firm up cost certainty and explore where improvements can be achieved. If project not to proceed there could be abortive costs.
Car Park is leased to Tesco and access/ changes to car parking will need to be negotiated with them.	Early engagement with Tesco will be undertaken.
The consultation identified that there may be water voles in the brook on the site. Water voles are fully protected under the Wildlife and Countryside Act 1981. They are also a material	Further investigation around the issue of water voles will be undertaken. Proposals do not remove the habitat, but it will need protecting.

consideration in the planning process.	
Timeframe for developing a new facility expands leading to significantly higher development costs through build cost inflation and fluctuations in interest rates.	Ensure realistic project programme, with key decision milestones identified and a project team suitably resourced in place to undertake the work.
Reputational damage as Whitchurch Swimming Centre is the focus of considerable public interest and announcements have been made on commitment to building a new facility.	Project team established to manage the new project. Clear communications plan developed to keep stakeholders informed.

#### **4.26 Consultation and engagement feedback**

4.27 The full consultation report is shown in Appendix 1. It brings together feedback from:

- Emails and letters provided as part of the public consultation exercise.
- Survey responses gathered between 6th June and 31st July 2022.
- Feedback from 7 engagement workshops and meetings (including Whitchurch Town Council, local businesses, schools and local sports and leisure groups).

4.28 The summary of findings is shown below:



## Summary

The responses consultation were very helpful and despite some concerns, very described and communicated, most comments were positive and optimistic about the prospect of swimming facilities returning to Whitchurch.



**Engagement:** Feedback was provided from 274 survey respondents, 12 written consultation responses and 7 stakeholder meetings and workshops.



**Location:** 89% of survey respondents agree with the proposed location covering the existing site and closed Enterprise North-East Youth Centre. The stakeholder meetings and workshops included some suggestions for a larger out of town site.



**Ecology:** 7 of the 12 written responses and 9 of the 274 survey respondents highlighted significant concerns over the impact the build could have on water voles living in the brook on the site. These concerns were reflected in conversations with stakeholders.



**Travel:** Survey respondents' preferred method of travel to the location is the car (48%) followed by walking at 37%. Cycle use was the third top preferred method of travel (9%). Active Travel was commented on throughout the engagement with stakeholders highlighting opportunities to improve cycling facilities on site and throughout the local area. Parking facilities were also commonly mentioned.



**Facility mix:** Feedback calls for a learner/child pool, large pool, private changing, family changing and child/youth facilities as priorities. There are mixed views on the gym and café.



**Health:** The main barrier to physical activity highlighted by 52% of all the survey respondents was a lack of easy access to facilities and inconvenience. 38% of survey respondents cited cost, followed by insufficient time (24%). The feedback included a wide range of suggestions for facilities and activities to address health and wellbeing.



**Community:** There was strong support for new opportunities to encourage wider community use of the new centre. Exercise on prescription, social prescribing community groups, sessions designed for older people and consideration of use by schools and young people were all highlighted within the suggestions from the survey and at stakeholder workshops.



**Accessibility:** 70 survey respondents and more workshop/meeting attendees highlighted the importance of accessibility. Comments covered wheelchair access, pool and changing access, non-slip surfaces, lifts, hoists moveable floors etc. Other comments covered noise issues including design for people with hearing impairment and quiet sessions design for sensory needs and Autistic Spectrum Disorder.



**Environment:** 80 survey respondents and more workshop/meeting attendees highlighted the importance of sustainability and minimising climate impact. Suggestions covered energy efficiency, solar power, heat pumps, green walls, recycling, natural planning and low impact methods to clean the water and centre, and healthy/local food provision.



**Overall views:** 82% of survey respondents were satisfied with the proposals and additional support was voiced by stakeholders. The feedback overall was very positive.

4.29 The feedback from the consultation and engagement was overwhelmingly positive and supports the redevelopment of the site.

#### 4.30 **Equality, Social inclusion and Health Impact Assessment**

4.31 An Equality, Social inclusion and Health Impact Assessment has been carried out (Appendix 2).

4.32 The findings from the initial and second screening were that:

- The equality and health and well-being impacts across Protected Characteristic groupings in Shropshire, and within Whitchurch are anticipated to be positive. This is in line with the policy approach of the service area and the Council, and with consideration for Shropshire as a large and sparsely populated rural county in which market towns provide a sense of place and belonging as well as an access point for facilities and services, including leisure facilities. There are also positive impacts anticipated in relation to our tenth grouping in Shropshire, around social inclusion, provided that efforts are made to consider the needs of people in low-income households with regard to pricing structures.
- There is further potential for additional benefits for grouping such as those undergoing gender reassignment, and those for whom single sex swimming opportunities are necessary in order to ensure compatibility with and respect for the requirements of their faith. This may be maximised through attention to changing room configurations, and swim time opportunities.
- Proceeding with the development of a new facility, will mitigate the current negative impacts of the swimming centre being closed, and promote social inclusion as well as physical and mental health and well-being. It will be necessary to work closely with the SC elected councillors for the area, as community leaders, as well as with all relevant stakeholders

4.33 The results from the consultation and engagement report are positive and help demonstrate the positive equality, social inclusion and health impacts and have been included in the ESHIA second screening. In response to the consultation and engagement, the following will be incorporated into the development going forward:

- Opportunities to improve active travel options will be considered
- Environmental and carbon impacts will be addressed as an integral part of design and construction, as discussed in Section 6 of this report. This will include protection of water vole habitat. A preliminary ecological appraisal of the site was undertaken in December 2021 as part of the initial feasibility study. Shropshire Council officers will continue to take appropriate expert advice and ensure more detailed surveys are undertaken during subsequent stages of the project, with the aim of proceeding sensitively to take

full consideration of the need to safeguard the water voles inhabiting the brook.

4.34 Health impacts will be positive. It has been highlighted that, as reflected in the consultation and engagement feedback:

- There is further potential for additional benefits for grouping such as those undergoing gender reassignment, and those for whom single sex swimming opportunities are necessary to ensure compatibility with and respect for the requirements of their faith. This may be maximised through attention to changing room configurations, and swim time opportunities.
- Once the facility is completed, sessions that encourage health and wellbeing can be encouraged, including support for older people, school use and activities for young people
- The design will consider those people with mobility issues and other impairments, enabling key improvements compared to the existing facility

4.35 It will be necessary to continue to work closely with the SC elected councillors for the area, as community leaders, as well as with all relevant stakeholders. This should include engagement with adults with special needs, and young people, as part of the broader public.

## 5. Financial Implications

5.1 This report is written in the context of the Council's medium term financial strategy and on the assumption that the Council wishes to support the continuing availability of public swimming in Whitchurch for the benefit of the community, but that given financial constraints, it must be provided and operated as efficiently and effectively as possible.

5.2 Various options for the facility mix of the proposed new development have already been considered and were presented to Cabinet in June 2021, with the recommended favoured option (Option 6 – summarised in point 4.17) now advanced to this point. Initial estimates had presented the option with a capital cost of £6.300m, however detailed feasibility studies as well as the changing economic environment mean that the same project is now estimated to cost £13.100m.

5.3 The breakdown of the £13.100m as included in the feasibility study report and required to deliver the facility is as below:

	£
• Construction costs (includes moveable floor, green technology & general fixed equipment)	7,490,308
• External works	1,551,583
• Professional fees	855,983

• BREEAM Excellent	169,838
• Contingency	849,190
• Inflation	1,210,733
• Additional inflation to the inflation included within the feasibility to take total inflation up to 20% to safeguard and mitigate this project risk)	972,647 in addition
• Total	13,100,282

#### 5.4 **Non controllable Costs**

5.5 Construction cost inflation (from feasibility date to tender return and mid-point of construction) as determined at January 2022 was estimated to be 11.05% based on the proposed construction programme included in the feasibility study. This equated to an estimated cost of £1,210,733. In the current climate, inflation is a significant project risk but difficult to forecast, alongside significant supply chain pressures and material availability. In order to acknowledge the significant inflationary pressures in the market currently, construction cost inflation has been increased to 20% by adding an additional £972,647 to the amount included in the feasibility study.

5.6 The feasibility study shows that to accommodate the scale of facility proposed the entire site area will be required. Preliminary geo-technical studies show that significant works will be required regarding piling and dealing with the sloping site. Estimated costs for this element are £0.400m.

5.7 The feasibility study also includes the provision of additional car parking which may or may not be a condition of planning. Estimated cost £0.624m.

#### 5.8 **Controllable Costs**

5.9 Contained within the agreed facility mix there have been some additional controllable costs included, the provision of a second lift at £0.060m and the replacement of multi-use games area with active landscaped area and associated works at £0.211m. Whilst not strictly required as part of the previously agreed facility mix, the provision of these will make the facility more accessible, upgrade infrastructure to ensure current uses can continue, and will encourage future use.

5.10 Detailed revenue modelling has taken place, using operational income and expenditure forecasts provided by Strategic Leisure Ltd, taking advantage of their knowledge and experience of the market.

5.11 The feasibility study shows that the proposed facility mix, including the moveable pool floor, can deliver an estimated average annual operational surplus over its first ten years of £0.150m. However, when considering the financing of the project currently assumed to be 100%

Public Works Loan Board (PWLB) over a 40-year term, annual borrowing repayments of £0.662m must also be included in the model.

5.12 In the initial financial modelling contained within the April 2022 Cabinet report, the costs of borrowing were modelled at an interest rate of 2.5% and so were calculated at £0.486m per year. The current PWLB interest rate is assumed at 4%. This significant rise is a direct result of the national economic situation and in the longer term it is anticipated to rise further still.

5.13 Table 2 below summarises the projected income and expenditure position for the proposed development for the first 10 years following its proposed completion in 2025 and this highlights an average forecast revenue pressure of £0.509m each year, reaching a maximum of £0.530m in 2028-29, Further due diligence will also be undertaken on all figures contained within the model including regular updates at project board level, as areas such as energy costs remain extremely volatile. At the current moment there are no existing budgets that could plug the annual funding gap, nor are there options of significantly reducing the borrowing liability. Consequently, approval of this scheme will result in a significant annual budget pressure which will need to be addressed in future financial strategies.

5.14 Table 2- Projected income and expenditure

Whitchurch Swimming & Fitness Centre (£m)	Year 0 2025/26	Year 1 2026/27	Year 2 2027/28	Year 3 2028/29	Year 4 2029/30	Year 5 2030/31	Year 6 2031/32	Year 7 2032/33	Year 8 2033/34	Year 9 2034/35	Year 10 2035/36
<b>EXPENDITURE</b>		<b>1.840</b>	<b>1.893</b>	<b>1.935</b>	<b>1.966</b>	<b>1.999</b>	<b>2.032</b>	<b>2.065</b>	<b>2.098</b>	<b>2.131</b>	<b>2.163</b>
Borrowing Repayments	-	0.662	0.662	0.662	0.662	0.662	0.662	0.662	0.662	0.662	0.662
Operational Costs	1.017	1.178	1.231	1.273	1.304	1.337	1.370	1.403	1.436	1.469	1.501
<b>INCOME/SAVINGS</b>	<b>1.138</b>	<b>1.325</b>	<b>1.365</b>	<b>1.404</b>	<b>1.444</b>	<b>1.483</b>	<b>1.523</b>	<b>1.562</b>	<b>1.602</b>	<b>1.641</b>	<b>1.681</b>
New Income	1.138	1.325	1.365	1.404	1.444	1.483	1.523	1.562	1.602	1.641	1.681
<b>NET COST TO THE COUNCIL</b>	<b>- 0.121</b>	<b>0.515</b>	<b>0.528</b>	<b>0.531</b>	<b>0.522</b>	<b>0.516</b>	<b>0.509</b>	<b>0.503</b>	<b>0.496</b>	<b>0.490</b>	<b>0.482</b>

5.15 The existing revenue budget for the Whitchurch Swimming Pool contract is £0.135m, this budget is currently surplus and has been used to offset immediate pressures in the Leisure service area and wider Place directorate. For this reason the saving has not been factored into the above figures.

5.16 Work has been carried out to explore potential funding sources that could contribute to the project in order to reduce the borrowing liability. These have included:

- Community Infrastructure Levy - there will be further consideration of CIL funding as the design process progresses.
- Grant aid from sources such as Sport England, the Levelling Up Fund and UK Prosperity Fund - these are not being pursued. Sport England is unlikely to fund the single facility, and the design requirements to secure this funding are not likely to be affordable.

Other priorities were agreed for the Round 2 Levelling Up funding and the UK Shared Prosperity Fund has a total of £12m for all priorities, with 80% revenue funding, so is not suitable for large capital projects. Applications will be submitted if suitable funding is made available within the timescales of the development.

- A review of the leisure operator market and potential input into financing the new facilities - Both Sport England and Strategic Leisure Ltd have commented that operators will often contribute to the fit out of facilities, e.g., fitness equipment and catering areas but in their experience contributions into the actual capital build costs are rare.

## **5.17 Leisure Market**

5.18 Strategic Leisure Ltd has carried out a review of the current position of the operator market. In summary the review states:

- *"Although the UK leisure operator market was significantly impacted by Covid 19 in Lockdowns, there has generally been good recovery across the sector; on average operators are now achieving circa 72% of pre- Covid income levels.*
- *Interest in new procurement opportunities, which obviously reduced during the pandemic period, is now on the rise again. Experience across consultants managing and delivering leisure management tender processes is that the forward market seems positive and buoyant with prices better in most cases than current business case estimates.*
- *Contracts which comprise at least some newer, or brand new, facilities are of considerably more interest to operators. This is because there is far less risk in the operational management of a new facility with the latest energy and other technologies, that has been designed as a fit for purpose building. Operators are willing to take responsibility for lifecycle maintenance on a new building, but not on older assets.*

5.19 The proposed timing of the development does not coincide with the Council's incumbent operator being able to contribute as the current management contract has been agreed for a further five years, which would not provide sufficient time for the operator to make a rate of return on any financial contribution.

## **6. Climate Change Appraisal**

6.1 A sustainability strategy for the project was developed with the Council's Climate Change Team. The sustainability requirements for the project are set out below:

### **6.2 Carbon Offsetting or Mitigation and Climate Change Adaptation**

6.3 Shropshire Council declared a climate emergency in 2019 and in 2020 adopted its Strategy for achieving net zero on carbon emissions by 2030. In line with this, this project will explore the potential for passive design principles and ensure that the Council can track the lifetime carbon performance of the building. This will include the provision of an audit trail, including quantitative performance measures, including Sport England Sustainability Target Metrics, that provide documentary evidence on a design stage by stage approach to minimising the carbon footprint of the facilities and climate change impact. The lifetime carbon performance study will be used to demonstrate how the design and materials used have taken account of the carbon reduction and climate change agenda and that the performance of the building is operating within the design Parameters. The design will incorporate Sport England design guidance on sustainable facilities. This will have a positive effect.

#### **6.4 Energy and Fuel Consumption**

6.5 Building to achieve a BREEAM Excellent rating and a DEC A rating. Design to provide for a passive standard of operation at the facilities, the aim being to achieve as low a carbon footprint as possible at a reasonable cost over the life cycle of the project. This will include the provision of a report to compare the sustainability performance of the existing facility with the new development with the aim that this demonstrates a net improvement. This will have a positive effect, with early investment in the structure of the building consistent with Passivhaus principles helping to significantly reduce energy revenue costs over the lifetime of the building.

#### **6.6 Renewable Energy Generation**

6.7 The Design will take account of the opportunity to be serviced by air or ground water source heat pumps and on-site renewable energy generation such as Photo Voltaic Cells. This will have a positive effect.

6.8 The feasibility study contains initial information on how the above aspects will be developed as the design progresses. See sustainability section pages 26 – 27, carbon reduction section pages 35 – 36 and building efficiency section pages 38 - 39.

#### **6.9 Carbon offsetting or mitigation**

6.10 Opportunities to capture carbon as part of the landscaping for the redevelopment will be considered as the design progresses. This could include tree planting and other measures.

#### **6.11 Climate change adaptation**

6.12 The new development means that measures can be taken within the design process that will help ensure the building is adapted for more

extreme weather and improve resilience to increased risks to the health and wellbeing of Shropshire's residents.

## **7. Background**

7.1 There are several Leisure Centres and facilities owned or managed by Shropshire Council across the county. These include:

7.2 Sites operated by Shropshire Community Leisure Trust, with Serco Leisure Ltd as their managing agent:

- Oswestry Leisure Centre - opened September 2011
- Shrewsbury Sports Village - opened 2005
- Quarry Swimming & Fitness Centre - opened 1864 – extensive modernisation in 1968/69 - refurbishment 1994
- Market Drayton Swimming Centre - opened 1995 – fitness suite extension built 2013

7.3 Sites operated by Teme Leisure:

- Ludlow Leisure Centre – opened 1995 – swimming pool built 1997
- Cleobury Mortimer Sports Centre – sports hall opened 1985 – additional facilities 2001 & 2007

7.4 Sites operated by Shropshire Council:

- SpArC (Bishop's Castle) - swimming pool opened 1972 – additional facilities 2006
- Church Stretton Sports Centre - managed on behalf of South Shropshire Academy Trust and St Lawrence CE Primary School - swimming pool opened 1980 – sports centre 2010
- Much Wenlock Leisure Centre - managed on behalf of William Brookes School - opened 2010
- Meole Brace Golf Course - management agreement with golf professional – opened 1976

7.5 Sites operated by Halo Leisure- these are not owned by Shropshire Council:

- Severn Centre, Highley – opened 2004
- Bridgnorth Endowed Leisure Centre – opened 1975

7.6 Whitchurch Swimming Centre, which was opened in 1972, closed in March 2020 initially as a result of the national Covid 19 lockdown. The closure continued after a major leak to the pool was found and further structural problems identified whilst investigating the cause of the leak. The structural investigation work identified that it was not viable to undertake remedial repair works due to the age of the facility and inadequate foundations.



- 7.7 This means that redevelopment of the Centre at Whitchurch has been prioritised to ensure the much-needed facilities are available to residents.
- 7.8 The recommendations in this report are made based on the evidence contained in the feasibility study, the consultation and engagement report and relevant strategies.

## **8. Additional Information**

### **8.1 Shropshire Plan**

8.2 The new Whitchurch Swimming and Fitness Centre will help achieve the priorities set out in the Shropshire Plan 2022-25. These include:

#### 8.3 Healthy people

- We'll tackle inequalities, including rural inequalities, and poverty in all its forms, providing early support and interventions that reduce risk and enable children, young people, adults and families to achieve their full potential and enjoy life.
- We'll 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.

#### 8.4 Healthy Economy

- We'll develop Shropshire as a vibrant destination that attracts people to live in, work in, learn in and visit.
- We'll deliver excellent connectivity and infrastructure, and increasing access to social contact, employment, education, services and leisure opportunities.

#### 8.5 Healthy Environment

- We'll deliver the council's Corporate Climate Change Strategy and Action Plan, promoting the means to tackle climate change and reduce our carbon footprint, including the adoption of low-carbon energy for our assets and for communities.

#### 8.6 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.
- We'll 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.

## **8.7 Vibrant Shropshire Cultural Strategy 2021-31**

8.8 The Centre will also help deliver the aspirations of the Cultural Strategy for Shropshire. These include:

8.9 Enjoy - Using culture to support people to be active, happy, healthy and connected

- Help deliver health and wellbeing programmes, including the Integrated Care System, social prescribing, exercise on referral, physical activity and mental health initiatives, working in partnership with the NHS and other health and care providers
- Transform leisure provision in Shropshire, so that there's a more joined-up, commercial approach that works with local communities for the benefit of all

8.10 Live - Harnessing 'ownership' and pride in local places for the benefit of all

- Increase accessibility to cultural attractions and activities
- Ensure existing venues are energy efficient and accessible

## **8.11 Indoor Leisure Facilities Strategy**

8.12 The Shropshire Council priorities for sport and physical activity, as set out in the Indoor Leisure Facilities Strategy, are identified as follows :

- To work with partners to support the people of Shropshire to live longer, healthier and quality lives through sport and physical activity, with a focus on younger and older people
- To support the resilience of local communities and the development of Place by strengthening local communities through sport and physical activity
- To support economic growth by developing opportunities for people to reach their full potential by providing employment, volunteering and tourism opportunities
- To take a cross county place-based approach to the delivery of high-quality leisure facilities through targeted investment, partnership opportunities, community empowerment and commercial acumen in order to reduce levels of subsidy
- To aim to reduce our carbon footprint in line with the commitment of Shropshire Council to the declaration of Climate emergency to become carbon neutral by 2030.

8.13 Through the strategic objectives work that has been completed, it has become clear that there is an overarching collective priority, for Shropshire Council and partner organisations, to improve health and well-being at all stages of life, and that physical activity is an integral part of this. Culture, leisure, and creative sectors make a significant

contribution to physical, mental and community health and well-being through providing access to affordable activities and experiences. They can contribute to tackling health inequalities through delivering educational opportunity, promoting community cohesion and generating economic growth.

## 9. Conclusions

- 9.1 The Feasibility Study (Appendix 3) provides detailed evidence and insight on the opportunities and risks of developing a new swimming and fitness centre in Whitchurch. It shows that a new development can be accommodated on the site and that the proposed facility mix improves the business case compared to the old facility.
- 9.2 The consultation and engagement report demonstrate public and political support for the Centre to be rebuilt, and Appendix 1 confirms the need for a new Centre.
- 9.3 The second screening ESHIA show positive impact for equalities, social inclusion and health (Appendix 2).
- 9.4 The new Centre would help deliver Shropshire priorities, as set out in the Shropshire Plan, Cultural Strategy and the Leisure Indoor Facilities Strategy.
- 9.5 As Whitchurch has been without the provision of a swimming pool for a lengthy period it is recommended that the development be given high priority. Due to the current and projected increases in costs, delegated authority is recommended to enable the project to proceed at pace.

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

Shropshire Council – A Vibrant Shropshire Cultural Strategy 2021 -2031

Indoor Leisure Facilities Strategy 2020 – 2038

JSNA (Health and Well Being Board Shropshire Sustainability and Transformation Plan 2016-2021)

Energize Shropshire Telford and Wrekin - Actively Improving Lives 2022

[Cabinet Report- Whitchurch Swimming Centre Feasibility Study, 27<sup>th</sup> April 2022](#)

[Cabinet Report- Whitchurch Swimming and Fitness Centre, 7<sup>th</sup> September 2022](#)

**Cabinet Member (Portfolio Holder)**

Cllr Cecilia Motley - Communities, Culture, Leisure & Tourism

**Local Member**

Cllrs Gerald Dakin, Peggy Mullock, and Tom Biggins

**Appendices**

Appendix 1 Stakeholder engagement and consultation report

Appendix 2 Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Appendix 3 Feasibility Study