



**Cabinet Wednesday  
10<sup>th</sup> September 2025**

Item

Public



## **Bishop's Castle Arts and Leisure Centre – Approval for decarbonisation and pool renovation projects including the allocation of CIL funds**

<b>Responsible Officers:</b>		Laura Tyler – Service Director Commissioning Tim Collard – Service Director Legal Governance and Planning	
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<b>Cabinet Member :</b>		Cllr James Owen – Portfolio Holder Housing and Leisure Cllr David Walker – Portfolio Holder - Planning	

### **1. Synopsis**

- 1.1 This report sets out a programme of essential repairs and improvements to Bishop's Castle Arts and Leisure Centre (Also known as SpArC). This includes a project to decarbonise the facility and a second project to refurbish the pool, its plant and install easy access steps. The report seeks Cabinet approval for the use of Community Infrastructure funds and approval for the works to be included in the Capital Programme.
- 1.2 The total value of improvements is forecast to be £3.939 million. Of which £680,000 are proposed to come from the Community Infrastructure Levy (CIL); £2.454 million will be grant aid from the Public Sector Decarbonisation Scheme; £250,000 will be donated by the Bishop's Castle Trustees and the remaining £505,000 from the Council's capital repairs

programme. The result will reduce carbon emissions by 70%, reduce running costs and increase expected visitor's numbers and income.

## 2. Executive Summary

- 2.1 The Bishop's Castle Arts and Leisure Centre (also known as Sports and Arts in the Community or SpArC) serves the communities of the many settlements which make up the large rural area in the southwest of the County including the communities within the Bishop's Castle Place Plan area (Bishop's Castle, Clun, Newcastle, Lydham, Lydbury North, the Stiperstones, Chirbury, Edgeton and Worthen) as well as communities in wider settlements. SpArC provides an accessible leisure centre to a significant population due to relative remoteness of this area of Shropshire. Local primary schools use the pool as the national curriculum requires all children should be able to swim before the move onto secondary school.
- 2.2 SpArC shares a site with Bishop's Castle Community College and is centred around a 20 metre 4 lane swimming pool, with later additions including a sports hall, fitness gym, arts studio and gallery space.
- 2.3 The centre is currently heated by an aging oil-fired boiler which is expensive to operate, and a new heating system is a priority which also offers the potential to decarbonise the site. The pool hall roof has been severely damaged by recent storms and needs repairs.
- 2.4 In addition, the pool tank and pool plant need substantial repairs and improvement. The filtration system is end of life and slow to recycle water and the pool tank requires constant repairs and relining before a major failure occurs.
- 2.5 The pool is of a traditional build and the construction of a set of easy access steps could be make significant improvements particularly for the elderly and disabled, if a set of easy access steps could be constructed. The provision of these steps will therefore increase the capacity of the facility to cater for growing populations resulting from new developments.
- 2.6 SpArC has the benefit of being very well supported by its local community; there is an active group of Trustees who raise significant funds to provide enhancements to the SpArC site. In previous years they have already raised and invested over £250,000 including the provision of fitness equipment, a cafe, pocket park and donations towards the theatre and arts. To support the pool refurbishment the Trustees, with help from other community groups and parish councils, have raised a further £250,000 towards a new pool liner and easy access steps. This is a generous and unique contribution by a community towards their local leisure centre and is particularly notable when considering the relatively small population in the area.
- 2.7 Making use of a variety of funding sources, a programme of works is proposed which includes two tightly coupled projects. Firstly: a pool refurbishment project centred on the Trustees' generous donation and secondly: a decarbonisation project centred on funding from the government's Public Sector Decarbonisation Scheme. Both projects are already listed in the published Capital Strategy as priority projects and will be managed by the same project team but with different Principal Contractors and separate accounts.
- 2.8 The pool refurbishment project is estimated to cost £1,150,000 to complete. A feasibility study has already been completed utilising £50,000 of SPOG fund. The Trustees have raised and committed £250,000 and the capital finance team have identified £170,000 from

the capital repairs budget. Once complete, the pool running costs are anticipated to be £12,000 lower per annum and new users could increase by up to 30%.

- 2.9 This leaves a shortfall of £680,000. It is therefore proposed that £300,000 be allocated from the Bishop's Castle local CIL fund and the remaining £380,000 from the Strategic County CIL fund. This allocation of CIL funding across the two different funding streams reflects the role this facility plays to both the local community within the Bishop's Castle Place Plan area, and to wider communities in the south of the County. Both allocations have been reviewed and passed by the Infrastructure Investment Group (IIG). Shropshire Council policy requires that CIL allocations in-excess of £500,00, such as this, require Cabinet approval.
- 2.10 For the Decarbonisation project, the Council has been awarded a £2,454,000 grant from the Government's Public Sector Decarbonisation scheme to insulate the whole Leisure Centre and replace the existing oil-fired heating with an all-electric solution. This grant is dependent on the Council providing 12% or £334,695 in match funding which will come from the Capital repairs budget spread over 3 years. Once complete the centre will have reduced carbon emissions by 70% and is forecast to reduce running costs by 5%.
- 2.11 In summary the total cost of both projects is £3,939,095, with 15% coming from the Council's capital repair budget and the remainder from grants, community support and CIL funding. This represents excellent value for money, is forecast to result in increased visitors and revenue, and lower running costs helping to safeguard the future of SpArC. The report therefore seeks approval for both projects to be included in the Capital Programme and progress to full implementation.

### 3. Recommendations

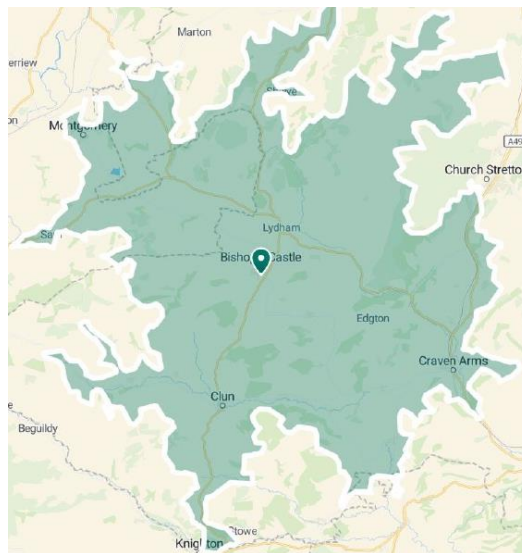
Cabinet is requested to:

- 3.1 Agree the allocation of £680,000 of CIL funds to the Bishop's Castle Pool Refurbishment project, including £300,000 from the Bishop's Castle local CIL fund and £380,000 from the Strategic County wide CIL Fund.
- 3.2 Recommend that Council approve the Bishop's Castle Pool Refurbishment Project for inclusion in the Capital Programme.
- 3.3 Recommend that Council approve the Bishop's Castle Decarbonisation Project for inclusion in the Capital Programme.
- 3.4 Recommend that Council delegates authority to the Service Director for Commissioning, in consultation with the Portfolio Holder for Housing and Leisure to procure, negotiate and agree the terms of any agreements and contracts necessary and to proceed with the delivery of both projects.

# Report

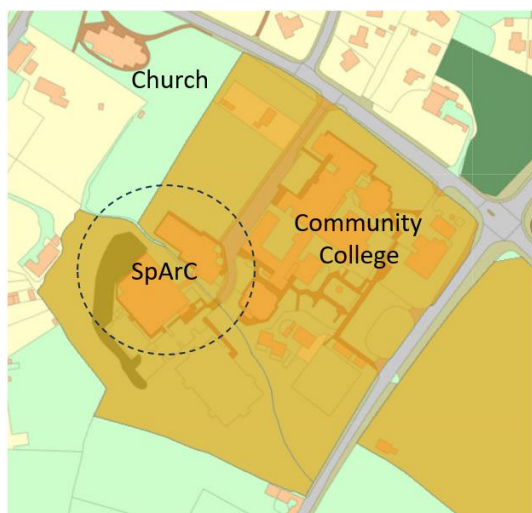
## 4 Risk Assessment and Proposal

- 4.1 Bishop's Castle Arts and Leisure Centre (also known as Sports and Arts in the Community or SpArC) serves a large rural area in the southwest of the County including the communities within the Bishop's Castle Place Plan area (Bishop's Castle, Clun, Newcastle, Lydham, Lydbury North, the Stiperstones, Chirbury, and Worthen) and wider settlements outside the Place Plan area. SpArC provides an accessible leisure centre to a significant population due to the relative remoteness of this area of Shropshire.

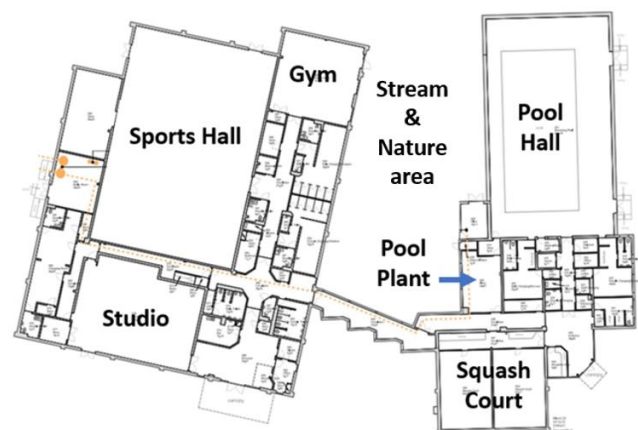


*SpArC Catchment Area – Population with 20-minute drive of leisure centre*

- 4.2 Six local primary schools use the pool as the national curriculum requires all children should be able to swim 25 metres before the move onto secondary school. They include: Bishop's Castle, Clunbury, Newcastle, Chirbury, Norbury and St Geroge's.
- 4.3 SpArC has a very wide catchment area covering approximately 434 km<sup>2</sup> or 12% of the County but only contains a population of 13,357 or 4% of the County. Covering such a large catchment area the centre is therefore strategically significant to the southwest of the County. As such maintaining Infrastructure in the community poses a challenge for the Council when facilities have a minimum overhead which needs funding regardless of population size.
- 4.4 SpArC is owned by the Council, operated by the Shropshire Community Leisure Trust and shares a site with the Bishop's Castle Community College. It is centred around a 20 metre 4 lane swimming pool build in the early 1970's, with later additions including a sports hall, fitness gym, arts studio and gallery space.



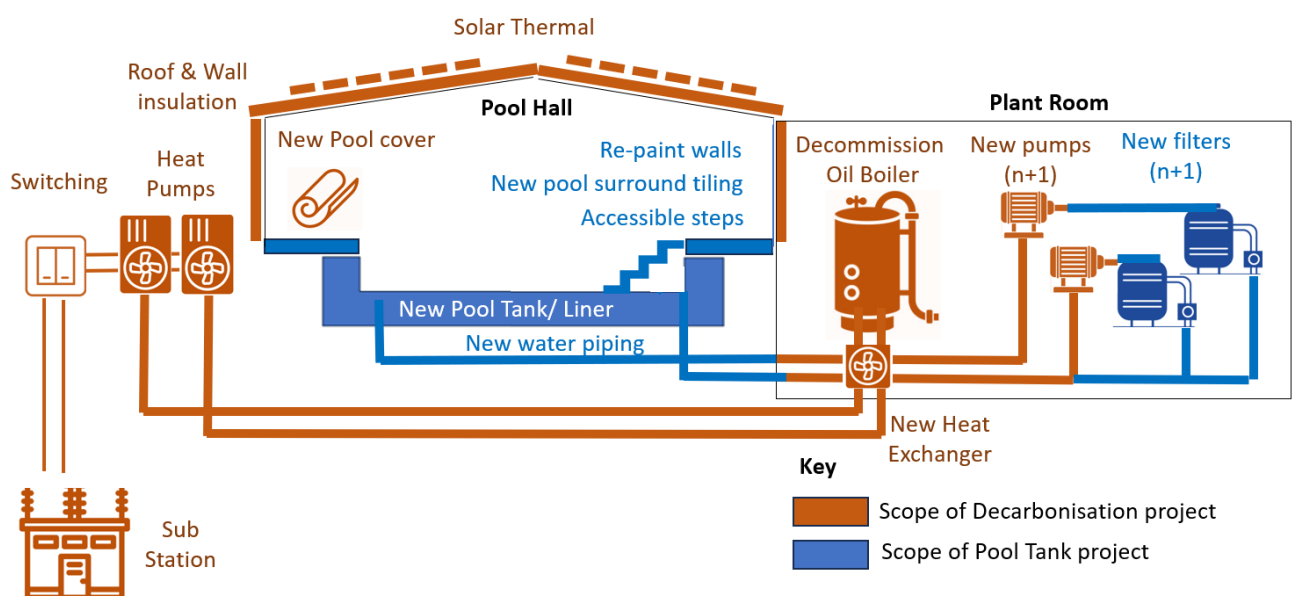
*Council land ownership*



*SpArC layout*

- 4.5 SpArC faces a number of building challenges. The pool hall roof has been severely damaged by recent storms and needs urgent repairs. The centre is heated by an aging oil-fired boiler which is end of life and expensive to maintain and operate. If the boiler can be replaced by an all-electric solution and the building fabric insulated it provides an opportunity to decarbonise the centre.
- 4.6 The pool tank and pool plant need substantial repairs and improvement. The filtration system is end of life and slow to recycle water and the pool tank needs constant repair and needs relining before a major failure occurs. The pool is of a traditional build with access via ladders. This could be made significantly more accessible to the local community and increase usage, particularly for the elderly and disabled if a set of easy access steps could be constructed.
- 4.7 Despite limited capital funding being available and limited borrowing opportunities for such a small site, two significant funding opportunities have come available: Grant aid from the government's Public Sector Decarbonisation Scheme (PSDS) and funding raising by the local community in Bishop's Castle. It is therefore proposed to implement two tightly coupled projects. Firstly, a project to decarbonise the SpArC site and secondly: a project to renovate the pool and pool plant.
- 4.8 For the decarbonisation project the council has been awarded £2,454,000 grant from the Government's Public Sector Decarbonisation Scheme (PSDS). This grant is dependent on the Council providing 12% or £334,695 in match funding which will come from the capital repairs budget spread over 3 years. Once complete the project will reduce carbon emissions by 70% and is forecast to reduce running costs by 5%. The scope of the project includes: fully insulating the walls and roofs to contain heat, install of a solar thermal heating system on the pool hall roof, install of a heat retaining pool cover, replacement of the oil boiler with a heat exchanger and air source heat pumps and install of a new higher powered electricity sub-station.

- 4.9 For the Pool Refurbishment Project, SpArC has the benefit of being very well supported by its local community; there is an active group of Trustees who raise significant funds to provide enhancements to the SpArC site. In recent years they have raised and invested over £250,000 including the provision of a fitness gym, cafe, pocket park and donations to the theatre and arts. To support the pool refurbishment the Trustees have raised a further £250,000 towards a new pool liner and easy access steps. This is a generous and unique contribution by a community towards their local leisure centre. In addition to the pool liner and new steps, this project will also replace essential piping and the filtration system as well as re-tile the pool surrounds.
- 4.10 The Pool Refurbishment project will have a significant improvement in accessibility of the pool to the public, particularly to children, older people and the disabled.
- 4.11 The close coupling of these two projects is illustrated below:



*Scope of the two tightly coupled projects.*

- 4.12 Feasibility studies, high-level designs and costings have already been prepared for both projects. One of the risks with refurbishment of old facilities in highly rural areas is finding suitably experienced local contractors to undertake the work. By making use of the Denbighshire Council UK Leisure Framework the projects have identified suitable teams to complete the detailed design, and construction works necessary for both projects.
- 4.13 If approved, it is estimated that the Pool Refurbishment Project will be completed by spring 2026. The Decarbonisation Scheme (dependent on potential long delivery times of the new electricity sub-station) will be completed by the end of 2026 in advance of the new leisure centre operating contract.

4.14 The following key risks and issues have been identified that relate to the proposals:

Ref	Item	Description	Mitigation
1	Issue - Inflation	UK Inflation high and has driven up build costs and materials threatening the financial affordability of the Project and making accurate forecasting difficult.	UK Inflation has been high during the project planning stage. This has resulted in the project costs increasing substantially in the past two years. The cost model has been uplifted for inflation and includes a contingency – but if work is delayed this will increase costs and potentially threaten the affordability of the project.
2	Risk - Availability of suitable contractors	Many contractors are wary about taking on refurbishment projects of old leisure centres, particularly in remote locations.	Using Denbighshire Council's UK leisure framework, the council has identified two teams to undertake each project.
3	Risk - Lead time for Sub-stations	The implementation of new electricity Sub-stations and the supply of increased electricity is undertaken by the local District Network Operator (DNO) and lead times can be long leading to project delays	The PSDS Decarbonisation Project is dependent on a new Sub-station, and a long lead time has been built into the project timetable.
4	Risk – Additional Plant Failures	With an old facility, there is a risk that additional problems will arise with Plant and equipment which incur additional costs.	Feasibility studies have been undertaken to assess the likely costs and both projects include the replacement of key plant and machinery. Both projects have a £50,000 contingency.
5	Issue - Availability of Capital funds	The Council has limited availability of Capital funds and whilst Bishop's Castle has a large catchment area the population is low and limits the income which could be generated to support significant borrowing.	The projects have been seeking alternative sources of funds rather than borrowing – this includes the PSDC grants, Community fund raising from the Trustees, CIL funding and the Capital Repairs and Maintenance budgets.

## 5 Background Information – The Community Infrastructure Levy (CIL)

5.1 The Community Infrastructure Levy (CIL) is a planning charge that came into force in Shropshire in 2012 following the introduction of the Community Infrastructure Levy Regulations in 2010 (now amended by the Community Infrastructure Levy (Amendment) Regulations 2011). The current CIL Charging Schedule for Shropshire requires developers of new open market housing development (subject to some exemptions) to make a payment to the Local Planning Authority.

5.2 Guidance on the use of CIL states:

*“Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed.  
The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.”*

5.3 CIL is most often used to develop road infrastructure, health facilities, additional school capacity and leisure facilities. For this reason, the pool refurbishment project is seeking to draw upon the CIL funds which are available.

5.4 Shropshire Council policy on the management of CIL is that all moneys collected in a locality are divided into three CIL funds. The CIL regulations require that the first 15% (capped).

collected is allocated to parish or town councils if they do not have an adopted neighbourhood plan. If they do have an adopted neighbourhood plan, the figure is 25% (uncapped). 5% of CIL funds are used by the Council to support its administration. ;Of the remaining 80 (or 70% in a Neighbourhood Plan area)%: 90% of this is ringfenced to fund Infrastructure projects in the Place Plan area where the development occurred (referred to as the CIL Local) and the remaining 10% is allocated to a strategic fund to contribute to projects across the County (referred to as CIL Strategic). The strategic infrastructure monies are expected to be used to fund infrastructure that is essential to the delivery of Shropshire's overall development strategy across Shropshire or outside its boundaries if addresses Shropshire's strategic infrastructure needs.

- 5.5 Whilst the catchment area for Bishop's Castle Leisure Centre covers a large area, the population of the Place Plan area is comparatively low, with more moderate levels of new development occurring over the 13-year lifetime which CIL has been operating. So, whilst the Bishop's Castle CIL Local fund can support a £300,000 contribution, the remaining £380,000 is being sought from the Strategic County wide CIL fund. It is considered this is appropriate given there is evidence the facility is used by residents outside of the Place Plan area, therefore indicating both a local and strategic function of this facility. The Council's Internal Infrastructure Group (IIG) has considered these two requests separately, and in each case have recommended approval for the requested use of CIL funds.
- 5.6 Council delegations specify that allocations of CIL which exceed £500,000 need to be decided by Cabinet. Because the Pool Refurbishment Project is seeking a total of £680,000 of CIL funding this request is presented here for Cabinet approval.
- 5.7 Council policies require that for capital projects to progress they first need to be included on the Capital Strategy. This includes a list of priority projects which the Council would like to see progress in the medium to long term subject to funding being made available. Developing initial plans and feasibility studies for new Capital projects is generally funded through grant aid or seed funding administered by the Senior Project Officer Group (SPOG). Once a feasibility study has been developed, the estimated costs to complete, the project benefits are known, and sources of funding have been identified then the project can be presented for approval to proceed.
- 5.8 Once a project is approved it is moved from the Capital Strategy onto the Capital Programme and a capital budget is established to allow the work to commence.
- 5.9 Projects of less than £500,000 require Leadership Board approval; Projects over £500,000 require Cabinet approval and projects in excess of £1 million require full Council approval before they can proceed. Both the Pool Tank Refurbishment and Decarbonisation projects are in excess of £1 million and therefore subject to Cabinet approval will require Full Council approval as well. approval; Projects over £500,000 require Cabinet approval and projects in excess of £1 million require full Council approval before they can proceed. Both the Pool Tank Refurbishment and Decarbonisation projects are in excess of £1 million and therefore subject to Cabinet approval will require Full Council approval as well.
- 5.10 The Pool Refurbishment project will include two changes which will have a significant improvement in accessibility of the pool to the public, particularly to children, older people and the disabled.

- 5.11 Firstly, reprofiling the pool to be no more than 1.2 metres in the deep end will mean that the entire water area can be safely accessed by children. In traditional pools with a very deep end children and families are mostly confined to the shallow end.
- 5.12 Secondly, the install of easy access steps to replace traditional pool ladders will make the pool accessible to the elderly, parents with young children and people with moderate mobility issues so they can independently enter and exit the water. This will increase the diversity of people who can use the pool for the first time and increase user numbers. The area has a high older person's demographic and poor public transport links to other facilities; therefore, increasing accessibility will support older people to improve physical activity levels.

## 6. Financial Implications

- 6.1 Shropshire Council continues to manage unprecedented financial demands as budgeted for within the Medium Term Financial Strategy approved by Council on 27 February 2025 and subsequent updates. It is also addressed in our monitoring position presented to Cabinet on a monthly basis. Significant management action has and continues to be undertaken to ensure the Council's financial survival. While all reports provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. Where non-essential spend is identified within the Council, this will be reduced. This may involve:
1. scaling down initiatives,
  2. changing the scope,
  3. delaying implementation, or
  4. extending delivery timescales.”
- 6.2 Both projects are included in the Capital Strategy, and both have received funding to complete feasibility studies with high level designs and costings.
- 6.3 The forecast costs to complete the Pool Refurbishment Project are £1,150,000 and a breakdown of costings is as follows:

<b>Pool Refurbishment Project - Cost Summary</b>	
Council Costs	£53,955
Design Costs	£117,242.73
Project Management	£86,844.00
Construction Costs	£841,958.27
Contingency	£50,000.00
<b>PROJECT TOTAL COST ESTIMATE</b>	<b>£1,150,000.00</b>

6.4 It is proposed that the Pool Refurbishment Project is funding from the following Sources:

<b>Funding Source</b>	<b>Type</b>	<b>Budget</b>	<b>%</b>
SpArC Trustees	Donations	£250,000	22%
Shropshire Council	Feasibility fund (SPOG)	£50,000	4%
Shropshire Council	Capital (Building Repairs)	£170,000	15%
Shropshire Council	CIL (Bishops Castle Fund)	£300,000	26%
Shropshire Council	CIL (Strategic Fund)	£380,000	33%
	<b>TOTAL BUDGET</b>	<b>£1,150,000</b>	

6.5 Once completed it is anticipated that the refurbished pool plant will reduce operational costs by £12,000 per annum. In addition, a refurbished pool with easier accessibility will attract additional users and income to the facility; this could increase by as much as an additional 30%.

6.6 It should be noted that assigning £300,000 from the Bishop's Castle CIL fund will limit the amount of remaining funds for other local infrastructure projects.

6.7 Officers have consulted Sport England and unfortunately there is currently no grant funding available in Shropshire, as grant aid is only being assigned to specific areas of the country as part of their Places strategy.

6.8 The Decarbonisation Project is forecast to cost £2,789,095 and the breakdown of costs is as follows:

<b>Decarbonisation Project - Cost Forecast</b>	
Council Costs	£38,254
Design Costs	£207,658
Project Management	£155,571
Construction Costs	£2,337,612
Contingency	£50,000
<b>Total Project Costs</b>	<b>£2,789,095</b>

6.9 The Decarbonisation Project is proposed to be funded from the following sources:

<b>Decarbonisation Project Funding</b>			
<b>Source</b>	<b>Type</b>	<b>Budget</b>	<b>%</b>
Government	PSDS Grant	£2,454,400	88%
Shropshire Council	Capital (Building Repairs)	£334,695	12%
	<b>TOTAL BUDGET</b>	<b>£2,789,095</b>	

6.10 The feasibility study forecasts the Decarbonisation Project will result in a 5% reduction in operating costs.

## 7. Climate Change Appraisal

- 7.1 Currently SpArC is heated by an oil-fired boiler – as a result it is one of the largest producers of CO<sub>2</sub> in the Council asset portfolio. The feasibility assessment estimates that the project will reduce the CO<sub>2</sub> emissions by 274 tonnes per annum, representing a 70% reduction in emissions for the facility.
- 7.2 In addition, the Pool Refurbishment Project will replace much of the plant and install a new filtration system and reduce the volume of water in the pool. This will also have a significant reduction in the energy required to filter and heat the pool and reduce operating costs.
- 7.3 Together both projects will make a significant contribution to the Council's net zero policy.

## 8. Conclusions

- 8.1 The report sets out a programme of essential repairs and improvements to Bishop's Castle Arts and Leisure Centre (Also known as SpArC). This includes a project to decarbonise the facility and a second project to refurbish the pool, its plant and install easy access steps. The report seeks Cabinet approval for the use of Community Infrastructure funds and also seeks approval for the works to be included in the Capital Programme.
- 8.2 The total cost of both projects is £3,939,095, with 15% coming from the Council's capital repair budget and the remainder from Grants, Gifts and CIL funding. This represents excellent value for money and is forecast to result in increased visitors and revenue and lower running costs, helping to safeguard the future of SpArC. The report therefore seeks approval for both projects to be included in the Capital Programme and the use of CIL funds to complete the Pool Refurbishment budget.

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

**Local Member:** Councillor Ruth Houghton – Bishop's Castle