



Cabinet 14 December 2020

Item

Public

Future Swimming Provision in Shrewsbury

Responsible Officer Mark Barrow, Executive Director of Place
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1. Summary

- 1.1 At its meeting on 12th February 2020, Cabinet considered the findings of a Sport England funded study, attached at Appendix 1, into the facilities mix required to meet the long-term health and wellbeing of the Shrewsbury and wider Shropshire population, what a new facility would need in order to respond to the required outcomes and the likely revenue implications for such a facility.
- 1.2 Strategic Leisure Ltd was appointed by Sport England to provide insight including discussions with key stakeholders, establishing the shared strategic objectives, researching the wider health fitness and wellbeing needs of the people of Shropshire and Shrewsbury and an appraisal of the options.
- 1.3 The study identified the opportunity for a completely different operational mix which helped meet the need for improvements to the health and wellbeing of a greater proportion of the population. It also identified the potential to create a town centre destination for leisure in support of the Big Town Plan. The facilities mix proposed, based on the outcomes of this study, explored not only swimming for fitness and leisure, but also wider health and wellbeing activities, a spa and an improved food offering.
- 1.4 The following recommendations were resolved at the February 2020 Cabinet meeting:
 1. *Acknowledge the outcome of the report on Swimming in Shrewsbury – Strategic Outcomes Planning Guidance Report and the options appraisal for swimming provision in the town, attached at Appendix 1.*

- II. *Approve the recommendation that option 3, which delivers all swimming provision at the Quarry, as well as some additional health and wellbeing facilities and option 4, which delivers swimming provision in Shrewsbury over a split site, with a health, leisure and wellbeing centre on the Quarry site and a competition pool at the Sports Village, should be taken forward to the next stage of full feasibility, due diligence and design.*
- III. *Authorise Council officers to provide a report at a future Cabinet highlighting final recommendations on the preferred option, with outline design and costs, the outcome of any consultation and a recommended procurement route.*
- IV. *Agree that the detailed implementation of all aspects of the recommendations made within this report are delegated to the Executive Director of Place in consultation with the Portfolio Holder for Culture, Leisure, Waste and Communications.*

Progress to Date

- 1.5 Progress on the feasibility work needs to be seen in the context of the Covid 19 pandemic that has impacted on both project timescales and the leisure contractor market and wider economy.
- 1.6 To progress the feasibility, work a Project Manager has recently been recruited and a Design Feasibility Manager has been allocated to work with the project team.
- 1.7 A Royal Institute of British Architects (RIBA) Stage One Feasibility study was commissioned, attached at Appendix 2. This is a key piece of work which provides evidence of the capacities and capabilities of the Quarry Swimming Centre and Sundorne Sports Village sites. Surveys, including Topographical, Arbocultural and services, were also commissioned to inform the Stage One study. The study provides indicative capital cost estimates for the facility mix options being considered.
- 1.8 Running in conjunction with the RIBA study, Strategic Leisure Ltd was commissioned to develop indicative revenue modelling figures for each of the options.
- 1.9 The RIBA study considered in detail the original options 3 and 4 from the Sport England study but It should be noted that as the RIBA Feasibility study has progressed a further two options have been identified which enhance the original dual site option. The options considered by the study are shown in Table 1 below. Option 1 (original Option 3) essentially involves swimming provision solely at the Quarry. Options 2 (original Option 4) involves dual site swimming at both the Quarry and Sundorne Sports Village. Options 3 and 4 are

enhancements on Option 2. Both new options 3 and 4 include a 25-metre x 4 lane training pool with moveable floor which recognises the flexibility of use that the Quarry site currently provides for and comments received in the original public consultation exercise This proposed 25 metre pool can provide for club training, lane swimming and provision of swimming lessons in the town centre. The new option 4 as set out in the Table 1 below, also includes an increased commercial offer such as a health spa and indoor adventure play facility.

Table 1: RIBA Feasibility Study Options

PROVISION	QUARRY				SUNDORNE			
	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 1	OPTION 2	OPTION 3	OPTION 4
25m x 8 lane competition pool	x					x	x	x
15 x 8 m teaching pool with moveable floor	x							
17m x 10m Learner Pool						x	x	x
Leisure water – compact flume and small water space, splash pad	x							
Leisure water – large water space, fun pool, toddler area, beach area, splash pad/geysers, compact flume		x	x	x				
Temporary Pool During Construction					x			
20m x10m Community Pool		x						
25m x 4m Lane Training Pool with moveable floor for lessons			x	x				
Function room (100 people)	x	x	x	x				
Bistro (50 covers), Café (50 covers)	x	x	x	x				
Children's Soft Play	x	x	x	x				
Fitness Stations (80)	x	x	x	x				
2 x Studios	x	x	x	x				
Fitness Offer Improved						x	x	x
Increased Commercial Offer: Spa, Adventure Play				x				

1.10 A Cross-Party Member Working Group has been established and has met to consider the findings of the RIBA Stage One Feasibility Study and revenue modelling exercise.

1.11 A review of the positives and negatives for each option to meet the guiding principles and critical success factors for the project, attached at Appendix 3, was considered by the Cross-Party Member Working Group. Based on the ability of each option to meet the project objectives set out in section 7.2 of this report Members recommended that Option 4, as set out in the Table above, is the preferred option at this stage given the information available. We are now seeking Cabinet's approval that officers should explore Option 4 in more detail.

1.12 The Cross-Party Member Working Group's input into shaping the project will continue to be incorporated as it progresses beyond the initial recommendation of a preferred scheme.

1.13 Alongside the above work a Management Options appraisal is being undertaken to identify the preferred option for management of all

leisure facilities in Shropshire for which Shropshire Council has responsibility or a contractual obligation. The results of the appraisal are likely to impact on the options in the Swimming in Shrewsbury feasibility study work and will consider the impact of COVID on future tender processes too.

- 1.14 With the Covid 19 pandemic impacting on the timescales to complete the feasibility work officers need to undertake further steps to be able to recommend a fully costed and budgeted preferred option to Council with a deliverable programme. Recognising that Option 4 is recommended here as providing the optimal outcomes for leisure in Shropshire, additional time will therefore now be required to carry out the work related to due diligence shown at 2.3 in the recommendations below.

2. Recommendations

Cabinet is asked to:

1. Note and acknowledge progress and actions undertaken to meet the recommendations of the Cabinet report in February 2020.
2. Agree that the new Option 4, as recommended by the Member Working Group, is the emerging preferred option for the reasons set out within this report.
3. Delegate to the Executive Director of Place, in consultation with the Leader and the Portfolio Holder for Culture, Leisure, Waste and Communications, the ability to progress due diligence on the emerging preferred option, to include:
 - I. Design development to RIBA stage 2
 - II. Soft market testing and economic impact assessment
 - III. Whole-life financial appraisal: capital and revenue modelling
 - IV. Management Option(s)
 - V. Development of a delivery and procurement strategy
 - VI. Development of programme and risk management plans
4. Agree that following the due diligence exercise, officers will report back to Cabinet for a decision on a final preferred option in June 2021 which will then be subject to a public and stakeholder consultation before a final recommendation is made by Cabinet to Council.

REPORT

3. Opportunities Appraisal and Risk Assessment

- 3.1 Several issues related to the successful implementation of the long-standing project to develop improved swimming provision in Shrewsbury have been previously identified and reported. The recommendation proposed is an opportunity to provide both a leisure and wellbeing focused destination facility in the heart of the town centre as well as a competition pool for Shropshire at the Sports Village.
- 3.2 Through the strategic objectives work that has been completed, it has become clear that there is an overarching collective priority for Shropshire Council and a number of partners to improve health and well-being at all stages of life, and that physical activity is an integral part of this.
- 3.3 The draft Leisure Facilities Strategy 2020 – 2038, recommends the following in relation to this project:

Swimming Pools	Replacement of swimming facilities in Shrewsbury (the Quarry and possibly Sports Village)
Fitness Facilities	Development of a new fitness offer as part of new provision at the Quarry
	Remodelled fitness provision at the Sports Village

- 3.4 The RIBA Stage One Feasibility study evidences that there is an opportunity to diversify the function of any new facilities on the existing Quarry Swimming & Fitness Centre site to incorporate complimentary uses and help to deliver the vision for the ‘West End’ as promoted by the Shrewsbury Big Town Plan, creating a new destination whilst also taking the opportunity to enhance the leisure and fitness offer at the Sundorne Sports Village. The guiding principles for the RIBA Stage 1 study were:
- The need to develop a high-quality leisure destination offer, including swimming and fitness, that is cost effective, meets the needs of residents, is in line with the Leisure Facilities Strategy 2020 -2038 and the Shrewsbury ‘Big Town Plan’
 - Subject to the findings of the RIBA Stage 1 Study reference site capacity and capabilities, explore whether the leisure facility can facilitate the development of complimentary uses, partnerships and/or commercial opportunities in line with the ‘Big Town Plan’, whilst recognising that the project is not dependant on this, that

maximise the potential of the site and reflect its unique setting in the town

- Provide additional income generation opportunities from any associated facilities with the leisure offer and the wider public/park visitors to become a destination location e.g. bistro, café
- Include leisure/fun water in any re-development to create a destination leisure venue for residents and visitors and confirm that this is important to engage people in leisure activities and physical activity who may not traditionally engage in a more formal swimming offer
- Provide facilities for fitness and well-being complementary to the pool use and focused on Shropshire needs

3.5 The RIBA study identifies a new competition pool at the Sundorne Sports Village will attract new users to the facility whose needs are currently not provided for. The existing edge of town leisure centre provides a number of 'dry' sports facilities (indoor and outdoor) and the addition of a pool will provide a modern fit for purpose facility that provides for competitive, casual pay as you play swimming and lessons and is accessible to a larger population of Shropshire. The Council currently subsidises the Sundorne Sports Village and increasing the attractiveness and mix of uses here will help to make this a more sustainable facility in the future.

3.6 The revenue modelling exercise undertaken by Strategic Leisure Ltd, demonstrates that a new facility mix can potentially achieve significant cost savings as a result of:

- Revenue from increased usage of modern leisure and well-being facilities
- Revenue generating activities including income from complimentary commercial opportunities
- Energy efficiency by virtue of huge improvements in sustainable building design and materials since the 1960s.
- Opportunity to further reduce energy use by incorporating innovative technologies.

The requirement for further due diligence work on the financial appraisal, of the preferred option, is set out in the recommendations and the details will be included in a future report to Cabinet.

3.7 The impacts of not progressing the project with any of the options have been considered and are summarised below:

- The existing facility at the Quarry will become increasingly expensive to operate as building elements continue to be retained beyond their effective lifespan; replacement parts and

materials are more difficult to source, and fixes are 'workarounds' rather than satisfactory solutions.

- Increasing energy costs and pressure to reduce the carbon footprint will become unsustainable within the current building fabric.
- Continuity of service becomes increasingly difficult to maintain as crucial elements fail and are not cost effective to replace; e.g. diving boards, spa pool.
- Deterioration of core elements of the facility at the Quarry affecting health and safety results in facility closure and the loss of any public swimming provision in Shrewsbury.
- The recent Covid 19 pandemic has demonstrated that due to the design of the building and the capacity of heating and ventilation plant it has not been possible to fully re-open the facility to meet covid secure requirements.
- Reduction and loss of users to alternative facilities and decreasing footfall to the Quarry and wider town centre as a result of the above risks.
- Reduction in Shropshire population's physical activity as a result of not having a facility in the county town.
- Challenges relating to the sustainable operation of the Sports Village to reduce the financial subsidy from the Council are not resolved and become more difficult to find a solution to as the remainder of the facility ages.

3.8 Several risks associated with the successful delivery of this stage of the project have been identified and these are summarised below together with mitigating actions, the most significant of those are summarised below:

Risk	Mitigation actions
Significant constraints are identified rendering the costs of the overall project unaffordable and resulting in abortive costs.	Commissioning of the RIBA Stage 1 Study to review site capacities, capabilities, capital and revenue costs to inform the recommendation of the emerging preferred option.
Timeframe expands so that many of the risks identified in 3.7 above begin to impact unduly on service continuity.	Establish realistic project programme, with key decision milestones identified and project and governance team suitably resourced to undertake the feasibility work.

<p>Reputational damage as Quarry Swimming & Fitness Centre and swimming provision in Shrewsbury are the focus of considerable public interest and a number of commitments and announcements have been made.</p>	<p>Project team established to manage the RIBA Stage 1 Study in order to be able to prepare the emerging preferred option report for recommendation to Cabinet.</p> <p>Develop a communications plan.</p>
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- 3.9 An Equalities and Social Inclusion Impact Assessment (ESIIA) will be completed as part of the next stage to ensure that the impact of any change is understood and mitigated where appropriate.

4. Financial implications

- 4.1 This report is written in the context of the draft Indoor Leisure Facilities Strategy 2018-2023 and on the assumption that the Council wishes to support the continuing availability of public swimming in Shrewsbury for the benefit of the community, but that given financial constraints, it must be provided and operated as efficiently and effectively as possible.
- 4.2 The design and construction of a replacement facility will require significant capital investment by the Council. The RIBA Stage One Feasibility study provides indicative capital costings for the options. A full assessment of the costs, proposed funding and procurement options forms part of the recommendations in this report and if agreed will form part of a further report to Cabinet before consideration by Council.
- 4.3 A revenue modelling exercise has been undertaken via Strategic Leisure Ltd.
- 4.4 The financial modelling demonstrates that:
- I. Option 1 has the lowest capital investment requirement, the second highest net operating surplus and the lowest subsidy level when capital repayment and lifecycle costings are taken into account
 - II. Option 2 has the second lowest capital investment requirement, the highest net operating surplus and the second lowest subsidy level when capital repayment and lifecycle costings are taken into account

- III. Option 3 has a slightly higher capital investment requirement than option 2 but includes for a 25metre x 4 lane training pool at the Quarry site. Option 3 has the third highest net operating surplus and the second highest subsidy level requirement when capital repayment and lifecycle costings are taken into account.
- IV. Option 4 requires the highest capital investment and currently requires the highest subsidy level of all the options when capital repayment costs and lifecycle costings are taken in to account.

- 4.5 It should be noted that selecting any option incurs additional annual revenue costs to the Council's budget and this will require savings on other revenue budgets. Option 4, the emerging preferred option, will add an estimated additional annual revenue cost of £1.54m. The further due diligence work on the financial appraisal, of the preferred option, referenced in the recommendations is aimed at mitigating the current estimated costs and to improve the overall affordability of the project. Following this work, a full financial appraisal on the affordability of the emerging preferred option, will be included in a future report to Cabinet.
- 4.6 The outcome of the recommended additional work will establish and identify the following for the preferred option 4:
- Deliverability
 - Affordability and sustainability
 - Most beneficial procurement routes
- 4.7 As part of the due diligence work the procurement of a RIBA Stage 2 study is required. It is estimated that this will cost £450,000. In order to progress this, £300,000 remains from the original £500,000 revenue budget feasibility fund and this will be supplemented by an additional £150,000 revenue funding to be vired from within the Place Directorate.

5. Climate Change Appraisal

- 5.1 Energy and fuel consumption. This project will have a positive impact on energy and fuel consumption. The town centre location increases the opportunities for journeys to the Quarry be made by public transport and signposting to cycling and walking routes to the Sports Village and other locations will be emphasised. In addition, the new facility will be significantly more energy efficient than the current pool, which is nearing the end of its useful life. Any new facility developments will be designed and constructed to be operationally sustainable in the long term and positively contribute to Shropshire Council's environmental sustainability, carbon neutral targets. This will have a positive effect.

- 5.2 Renewable Energy Generation. There will be opportunities for renewable energy generation as part of the new building including exploring how the inclusion of solar photo voltaic and battery storage could help to meet a proportion of the energy needs of the facilities. This will have a positive effect.
- 5.3 Carbon offsetting or mitigation. This will include exploring opportunities to include e.g. tree planting and landscaping both on site and through investing in local carbon credit schemes to help mitigate carbon emissions from construction and operation of the facilities.
- 5.4 Climate Change Adaption. The new facilities will be designed to be resilient to more extremes of temperature and rainfall which are likely to result from climate change.

6. The need for improved swimming provision in Shrewsbury

- 6.1 Following discussions with Sport England, they agreed to fund a strategic objectives and feasibility report following their prescriptive guidance for projects. This ensures that projects follow a clear path to delivery which begins with identifying clear shared outcomes based on insight, evidence and local priorities. Strategic Leisure Limited were appointed through Sport England's framework and have worked with the Council to produce the Strategic Outcomes Planning Guidance report. Attached at Appendix 1
- 6.2 The report took a holistic look at health and wellness statistics and expectations in Shrewsbury and Shropshire and the evidence to support them, as well as the positive impact that leisure and swimming can have on outcomes.
- 6.3 It also looked at the wider Shropshire Council strategic drivers, and those of our key stakeholders, around not only health and fitness, but leisure generally and put this into the context of our aspirations for the town centre and its economic growth.
- 6.4 It is important to consider the specific demographic of Shrewsbury 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
- 6.5 Shropshire and Shrewsbury Health priorities identified in the JSNA (Health and Well Being Board Shropshire Sustainability and Transformation Plan 2016-2021) include mental health, including dementia, rising obesity, child poverty and the aging population.
- 6.6 The Shropshire Council emerging priorities for sport and physical activity, as set out in the new Leisure Strategy, are identified as follows:

Sport and Physical Activity Strategy Priorities		Links to Corporate Plan Priorities
Strategic Priority 1	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 young and older people.	Yes - all
Strategic Priority 2	To support the resilience of local communities and the development of Place by strengthening local communities through sport and physical activity.	Yes - all
Strategic Priority 3	To support economic growth by developing opportunities for people to reach their full potential by providing employment, volunteering and tourism opportunities.	Yes - all
Strategic Priority 4	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.	Yes - all
Strategic Priority 5	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.	Yes - all

- 6.7 There is a collective priority (Shropshire Council, Health and Wellbeing Board, Energize (Active Partnership) and agenda to improve community health and well-being at all stages of life, and that increasing participation in physical activity is integral to this.
- 6.8 There is also a need to ensure that provision (services, activities and facilities) is relevant and sustainable.
- 6.9 Cabinet considered the findings of the ‘Swimming in Shrewsbury Strategic Outcomes Planning Guidance January 2020’ report at the meeting held on February 12th, 2020 and the following recommendations were approved:
- I. *Acknowledge the outcome of the report on Swimming in Shrewsbury – Strategic Outcomes Planning Guidance Report and the options appraisal for swimming provision in the town, attached at Appendix 1*
 - II. *Approve the recommendation that option 3, which delivers all swimming provision at the Quarry, as well as some additional health and wellbeing facilities and option 4, which delivers swimming provision in Shrewsbury over a split site, with a health, leisure and wellbeing centre on the Quarry site and a competition pool at the Sports Village, should be taken forward to the next stage of full feasibility, due diligence and design.*
 - III. *Authorise Council officers to provide a report at a future Cabinet highlighting final recommendations on the preferred option, with outline design and costs, the outcome of any consultation and a recommended procurement route.*
 - IV. *Agree that the detailed implementation of all aspects of the recommendations made within this report are delegated to the Executive Director of Place in consultation with the Portfolio*

Holder for Culture, Leisure, Waste and Communications.

- 6.10 The Cabinet report of 12th February 2020 can be viewed on the Council's website at <https://shropshire.gov.uk/committee-services/documents/s24126/Cabinet%20Report%20-%20Future%20Swimming%20Provision%20in%20Shrewsbury%20Final%20202.pdf>

7. Review of Options and Next Steps

- 7.1 The decision on whether to go ahead with improved swimming provision in Shrewsbury will be taken in the light of Shropshire Council's financial strategy and Indoor Leisure Facilities Strategy.
- 7.2 The following guiding principles and critical success factors for the project were identified through discussions with stakeholders and the opportunities identified, the objectives for swimming in Shrewsbury are:
- I. Through the strategic objectives work that has been completed, it has become clear that there is an overarching collective priority for Shropshire Council and its partners to improve health and well-being at all stages of life, and that increasing participation in physical activity across the community is an integral part of this.
 - II. There is a need to invest in a high-quality leisure destination offer in the town centre that retains the opportunity to swim, whilst recognising that the county does not currently have a modern competition swimming pool which the Sports Village location has the potential to accommodate, providing a Shropshire-wide swimming facility. The development needs to be cost effective, meet the needs of residents and be in line with the Leisure Facilities Strategy 2020 - 2038.
 - III. Explore whether the proposed redevelopment at the Quarry site can facilitate the development of complementary uses, partnerships and/or commercial opportunities in line with the 'Big Town Plan', so that whilst the project is not dependant on this, we maximise the potential of the site and reflect its unique setting in the town. This should explore opportunities for additional income generation from any associated facilities within the destination leisure offer e.g. bistro, café, etc., and how the facility can link with the wider Quarry open space and assets such as the river which can provide for complementary activities that take place e.g. canoeing and open water swimming.
 - IV. To include leisure/fun water in any re-development to create a destination leisure venue for residents and visitors and confirm that this is important to engage people in leisure activities and physical activity who may not traditionally engage in a more

formal swimming offer.

- V. To ensure that the new facility developments are operationally sustainable in the long term and positively contribute to Shropshire Council's environmental sustainability, carbon neutral targets and encourage users to adopt active travel, such as cycling and walking, to access them.
 - VI. To ensure the continued availability of swimming provision in Shrewsbury throughout any redevelopment plans.
 - VII. Provide facilities for fitness and well-being complementary to the pool use and focused on Shropshire needs.
- 7.3 A review of the positives and negatives for each option to meet the guiding principles and critical success factors above, attached at Appendix 3, was considered by the Cross-Party Member Working Group. Based on the ability of each option to meet the objectives set out in 7.2 above Members agreed that option 4 should be recommended as the preferred.

8. Next steps

- 8.1 The Covid 19 pandemic has impacted on both project timescales and the leisure contractor market and wider economy. Officers therefore propose to undertake further steps to be able to recommend a fully costed and budgeted preferred option to Members with a deliverable programme. Recognising that Option 4 is recommended here as providing the optimal outcomes for leisure in Shropshire, additional time will therefore now be required to carry out the work
- 8.2 Subject to Cabinet approval of the recommendations in this report, work on the detailed feasibility into the deliverability and affordability of option 4 will progress. This will involve:
- I. Design development to RIBA stage 2
 - II. Soft market testing and economic impact assessment
 - III. Whole-life financial appraisal: capital and revenue modelling
 - IV. A review of management Option(s)
 - V. Development of a delivery and procurement strategy
 - VI. Development of programme and risk management plans
- 8.3 Indicative Timescales
- I. Complete above due diligence – May 2021
 - II. Report to Cabinet – June 2021
 - III. Public consultation – Summer/Autumn 2021

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

Cabinet Report – Swimming Provision in Shrewsbury 12 February 2020

Cabinet Member:

Cllr Lezley Picton, Portfolio Holder for Culture, Leisure, Waste and Communications

Local Members:

Councillor Nat Green, Quarry and Coton Hill

Councillor Kevin Pardy, Sundorne

Appendices:

Appendix 1: Swimming in Shrewsbury Strategic Outcomes Planning Guidance January 2020

Appendix 2: RIBA Stage One Feasibility Study October 2020

Appendix 3: Assessment of the positives and negatives for each option

