

Whitchurch Swimming Centre

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1.0 Summary

- 1.1 Built in 1972, Whitchurch Swimming Centre comprises a 25m x 5 lane pool and changing facilities. The facility is currently operated by Shropshire Community Leisure Trust.
- 1.2 This report provides an update on the condition of the centre and options for consideration regarding the future provision of this important community facility. The centre has been closed since March 2020, initially due to the national lockdown as a result of the Covid-19 pandemic, and further to that as a result of the structural problems identified whilst investigating the cause of a leak from the pool tank which include underpinning issues and deterioration in the fabric of the building.
- 1.3 Property Services Group has commissioned investigation work to identify the immediate, medium and, longer term maintenance requirements and costs associated with these to be able to re-open the existing facility and maintain it to an acceptable standard. The maintenance requirements report is attached at Appendix 1. Further structural investigation work has also taken place which has resulted in the structural engineer stating:
- “We caution that the swimming pool is likely to continue to settle due to the inadequate foundations to the swimming pool and structure. Further cracking and lifting of tiles to the pool and pool surround will continue to occur. Whilst further remedial works can be undertaken to address issues at movement joints, lifting tiles, etc we advise that this is not considered cost effective due to the inadequate foundations and the age of the structure Consideration should be given to the whole life cost of a replacement building and pool over the ongoing running and maintenance costs of the existing facility”.*
- 1.4 Alongside the maintenance investigation works an outline feasibility study was commissioned, through Strategic Leisure Ltd, to review the business case for investment in a new facility to be able to compare this option with carrying out the necessary repairs on the existing facility. The study is attached at Appendix 2. (Please note that Strategic Leisure used a capital borrowing rate of 4%. Table 2 in this report contains the cost of borrowing calculation via the Public Works Loan Board at 2.5%).
- 1.5 The following options have been considered and are reviewed in more detail in this report:
1. Option 1 - Do nothing
 2. Option 2 - Instigate the required repair and maintenance works
 3. Option 3 - New traditional build – 6 lane x 25m with moveable floor, Café 15 covers
 4. Option 4 - New traditional build - 6 lane x 25m with moveable floor, 35 station fitness suite, Café 20 covers
 5. Option 5 - New traditional build – 6 lane x 25m with moveable floor, 35 station fitness suite, dance studio, Café 20 covers

6. Option 6 - New alternative build - 6 lane x 25m with moveable floor, 35 station fitness suite, dance studio, Café 20 covers
- 1.6 The development of a new leisure facility on the current site has the potential to co-locate the town's library within the development and it is recommended that this be considered in more detail as part of any additional feasibility study agreed for the site. It should be noted that if co-locating the library emerges as part of the preferred option a specific public consultation on this will be required.
- 1.7 Based on their ability to meet the strategic outcomes, option 6 looks to meet the greatest range, but officers need to test the deliverability and affordability of the new build options to further understand the potential to meet the outcomes, costs and ability to generate increased participation and income.

2.0 Recommendations

2.1 Cabinet is therefore asked to:

- I. Approve that option 6 is the emerging preferred option and should be taken forward to the next stage of feasibility and due diligence.
- II. Delegate to the Executive Director of Place, in consultation with the Leader and the Portfolio Holder for Communities, Place, Tourism and Transport, the ability to progress the feasibility and due diligence on the emerging new build option, including:
 - Project requirements prepared.
 - Accommodation Schedule.
 - Further review of the business case.
 - Undertake site appraisals to develop opportunities and constraints diagrams to identify opportunities and initial key project risks.
 - Strategic appraisal of planning considerations.
 - Prepare project brief including outcomes.
 - Commissioning relevant surveys.
 - Development of block plans.
 - Quantity Surveyor costings.
 - Programming.
 - Prepare initial block massing 3D views and sections to explain relationship with the existing building and scale of proposal/s.
 - Prepare precedent image and concept images for the proposal.
 - Developing Project Strategies
 - Pre-application Planning Advice.
 - Implementation of a public/stakeholder engagement/consultation exercise.
- III. Approve that the additional feasibility work includes a needs assessment for a new library facility in Whitchurch and, also explores the potential for and, cost/benefits of co-locating the library in any new leisure facility development on the site. Noting that if co-locating the library emerges as part of the preferred option a specific public consultation on this will be required.
- IV. Agree that the findings of the additional feasibility work be reported back to a future cabinet meeting.

REPORT

3.0 Opportunities Appraisal and Risk Assessment

3.1 Headline Assessment of Need

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 several 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 Shropshire Council priorities for sport and physical activity, as set out in the new Leisure Facilities Strategy 2020 - 38 are identified as follows:

3.4 Our Vision is that:

Shropshire will be a county where healthier, active lifestyles are encouraged, supported and facilitated for everyone

Three core principles underpin the delivery of our vision:

- 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; and
- 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.

3.5 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 physical activities are integral to this, with a focus on older and young people and families.

3.6 There is also a need to ensure that provision (services, activities and facilities) is relevant and sustainable.

3.7 Sport England Facility Planning Model (FPM)

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

3.9 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.

3.10 Currently, swimming pools in Market Drayton and Whitchurch address this gap in accessibility. The Market Drayton facility also provides a learner pool.

3.11 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.

3.12 There are 29 individual pools located at 22 swimming pool sites across Shropshire county (2019). The total supply of water space available for community use in the weekly peak period is 4,121 sq.

metres of water. (Note: for context a 25m x 4 lane pool is between 210 and 250 sq. metres of water, depending on lane width).

- 3.13 There is weekly demand in the peak period for 3,111 sq. m of water space; given there is an existing 4,121 sq. m, there is a theoretical over-supply of 1,010 sq. m of water space in the county.
- 3.14 Of the 89% of overall demand for swimming from Shropshire residents, 85% of this demand is met by swimming pools in Shropshire; therefore for 8 out of 10 visits to a pool, there is swimming pool provision in the county.
- 3.15 Future need for swimming pools (based on the Sports Facilities Calculator (SFC) equates to 234.34 sq. m to meet the needs of the 23,600-population growth in the county, much of which will be in and around Shrewsbury. Existing community accessible provision equates to 4,121 sqm. 3.16 Therefore, even considering future demand by 2037, there would remain an over-supply of water space of 775.66 sqm (4,121 – (3,111 + 234.34 sqm)). This is roughly equivalent to 3 x 25m x 4 lane pools (225 sqm).
- 3.16 This means there is the opportunity to look at the future scale of any swimming provision, given the theoretical over-supply across the county. It is not unusual for there to be at least a slight over supply in a rural area with a dispersed population, where people travel further, and longer to access a range of services. It is also important to highlight that Shropshire has a growing population, particularly in and around Shrewsbury, and this will increase demand for all community services, including access to swimming pools.
- 3.17 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.**
- 3.18 Whitchurch Swimming Centre has an estimated used capacity of 82% in the weekly peak period, this is 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 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 nearest pool which would be in Market Drayton.
- 3.19 Leisure Facilities Strategy, Evidence of Need for Swimming Pools 2020:**

Whitchurch Swimming Centre	35% out of 100% Facility Quality Score due to pool tank failing	Poor	Significant investment now needed in the pool tank which is leaking badly. The facility is at the end of its useful life.
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- 3.20 There has been an on-going issue for several years with the pool circulation system losing water on a regular basis. Efforts have been made to address the situation but the lockdown that commenced in March 2020 exacerbated the situation when the circulation system was turned off. Regardless of the problems caused by the leak the centre remains closed as it does not comply with social distancing criteria to provide a Covid safe environment.
- 3.21 As a consequence of the deterioration in the building and the inability to operate it as a functional facility there is a need to consider the options for its replacement moving forward. The swimming pool no longer provides an appropriate quality of provision, and an environment conducive to increasing participation in physical activity for health benefits.
- 3.22 If the Whitchurch Swimming Centre is to be refurbished or replaced, a further consideration is the current cost of the facility and how this might be improved by the provision of a new facility. The existing facility requires a minimum £145,000 subsidy per annum; this consists of a management fee paid to the operator and basic repair and maintenance costs which are the responsibility of the Council.
- 3.23 The demise of the pool coincides with the transformation plans for library services. The land adjacent to the current pool footprint accommodates the former youth centre which is not currently used. This is currently owned by Shropshire Council and it is proposed that the additional

feasibility work explore the potential to utilise this area to provide an extended footprint and additional facilities, including the option to relocate the current library service and co-locate this with any new leisure facility development. Further discussions with the Town Council on this option will be included as part of the feasibility stage.

3.24 Organisation Principles

3.25 The development of the Whitchurch Swimming Centre project could support the following Organisation Principles:

Table 1 Organisation Principles:

Organisation Principle	How supported
 <p data-bbox="363 555 496 611">Shropshire Council</p> <p data-bbox="252 674 475 775">Put Shropshire back into the Community</p>	<p data-bbox="715 512 1476 568">The development of a new facility could present significant opportunities to implement Social Value initiatives.</p>
 <p data-bbox="363 857 496 913">Shropshire Council</p> <p data-bbox="252 965 475 1088">Consider the impact of our activities on the climate</p>	<p data-bbox="715 815 1066 848">See section 7 of this report</p>
 <p data-bbox="363 1171 496 1227">Shropshire Council</p> <p data-bbox="252 1279 475 1379">Focus on outcomes for customers</p>	<p data-bbox="715 1128 1476 1397">Through the strategic objectives work that has been completed on the provision of a new improved leisure facility offer 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. New facilities will provide greater opportunities for participation which supports living a healthy lifestyle.</p>
 <p data-bbox="363 1485 496 1541">Shropshire Council</p> <p data-bbox="236 1570 491 1715">Make decisions based on current data and intelligence</p>	<p data-bbox="715 1442 1449 1599">The Leisure Facilities Strategy 2020 – 2038, Whitchurch Swimming Centre Outline Feasibility Study and Building Condition Report have provided insight and evidence on options for repairing the existing facility or options for developing a new one.</p>
 <p data-bbox="363 1798 496 1854">Shropshire Council</p> <p data-bbox="252 1906 475 1984">Provide Value for Money</p>	<p data-bbox="715 1756 1476 1935">Business modelling has been carried out on the new build options to compare the lifecycle costings of developing a new facility against the costs of the current facility. New facilities provide opportunities for generating significant operational surplus compared to the current subsidy levels required.</p>

3.26 Opportunities Appraisal

A summary of the options considered regarding swimming provision in Whitchurch is shown in Table 2 below:

Table 2; Summary of Options:

Option	Impact
Do nothing	<ul style="list-style-type: none"> • 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. • This option does not provide any opportunity to impact positively on the Council's Organisational Principles. • This option is contrary to recommendations in the Council's adopted Leisure Facility Strategy 2020 – 2038. • Compensation payments will be payable to the operator, this would require payment of 6 months Management Fee and loss of 12 months profit which can be absorbed within current revenue budgets. It is likely that additional costs will be incurred for mothballing and securing the building prior to any demolition. In addition, it should be noted that costs of approx. £26,000 per annum are likely to be incurred to keep the CNE building on the same site safe and secure pending a decision on that building's future.
Instigate the required repair and maintenance works	<ul style="list-style-type: none"> • Completing the R&M works will allow the facility to re-open (subject to the lifting of social distancing requirements). The works will only prolong the facilities serviceable life in the short to medium term with the risk that additional items will require attention and further expenditure. The structural engineer's report states that: <i>"We caution that the swimming pool is likely to continue to settle due to the inadequate foundations to the swimming pool and structure. Further cracking and lifting of tiles to the pool and pool surround will continue to occur. Whilst further remedial works can be undertaken to address issues at movement joints, lifting tiles, etc we advise that this is not considered cost effective due to the inadequate foundations and the age of the structure Consideration should be given to the whole life cost of a replacement building and pool over the ongoing running and maintenance costs of the existing facility"</i>. • The R&M works will not provide the facilities expected of a modern-day leisure centre. • The management fee to the operator, will continue to be paid whilst the facility remains closed for the repairs. • The operational subsidy will remain high. • There will be minimal positive impact on the Council's Organisational Principles. • Requires significant expenditure of at least £1.25m to complete the works which may only extend the serviceable life of the facility in the short to medium term. • Partly fulfils the recommendation in the Council's adopted Leisure Facilities Strategy 2020 – 38. The risk is it only secures the facility for the short to medium term
Develop a new facility	<ul style="list-style-type: none"> • 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 to a more active environment at local level • 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 each option is detailed in section 6.3 of this report. • Contributes positively to several of the Council's Organisational Principles.

	<ul style="list-style-type: none"> • Requires significant capital investment but secures the provision of a valuable community facility for the long term. • Compensation payments will be payable to the operator for loss of 12 months profit due to having to close the facility after giving 6 months' notice and can be absorbed within current revenue budgets. This period can be built into the development programme. • Fully fulfils the recommendation in the Council's adopted Leisure Facilities Strategy 2020 – 38.
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3.27 Repair and Maintenance Investigations and Costs

3.28 Whilst the condition survey comments that the building is in fair condition for its age, this notably excludes the current water loss issue, which as described elsewhere in this report is a significant and costly issue to address and one that currently compromises the overall viability of the facility. If the structural issues are addressed, other works as detailed in the condition report will also need to be progressed funded from the corporate repair and maintenance budget. Note that the survey does not provide a COVID review in terms of ventilation or compliance; resolving any issues identified in this regard will incur additional cost.

3.29 The condition report also notes suitability issues in that the building has limited facilities and lacks provisions generally expected in a modern leisure facility. The current size and floor layout though will limit any major alterations unless the footprint is increased. There is currently no corporate suitability budget to address these items and therefore separate funding will need to be allocated/obtained.

3.30 Based on the initial visual condition survey the anticipated estimated levels of maintenance expenditure required including the leak to the pool and structural movement are:

• Water loss and structural issues – Immediate	£ 250,000
• Mechanical/Electrical – Immediate	£ 352,600
• Short Term (R&M) 1 – 3 years	£ 266,460
• Medium term (R&M) 3 – 6 years	£ 170,140
• Long Term (R&M) 6 –10 years	£ 100,905
• Prelims, statutory/consultant fees and contingency	£ 109,900
• Total Estimated Expenditure	£1,250,005

3.31 The estimated cost of works associated with the loss of water/structural movement are subject to the requirements of the structural engineer to advise on a safe methodology to be able to complete the works. These items are discussed in more detail below. Currently £250,000 has been agreed in principle to undertake investigation and remedial works.

3.32 Water Loss & Structural Movement

3.33 There is a mixture of complex scenarios of the failed embedded pool distribution pipework/skimers/outlets that need excavation for urgent replacement and investigations into the structural movement.

3.34 The investigations have been severely hampered due to the lack of any original construction drawings/information. Due to concerns of further excavations needed, plus the reveal of a very loose granular subsoil, caution is being exercised to avoid any danger to personnel or an uncontrolled collapse of the building. The excavation to expose the afore-mentioned mechanical pool systems is needed to facilitate the operation of the pool.

3.35 Further investigation of the structural movement to the pipework, walkways and pool floor surfaces to determine any joints and movement resulting in compromising of the pool structure has now been undertaken. The investigation has revealed that remedial works can be implemented but the structural engineer's report comments that:

“We caution that the swimming pool is likely to continue to settle due to the inadequate foundations to the swimming pool and structure. Further cracking and lifting of tiles to the pool and pool surround will continue to occur. Whilst further remedial works can be undertaken to address issues at movement joints, lifting tiles, etc we advise that this is not considered cost effective due to the inadequate foundations and the age of the structure Consideration should be given to the whole life cost of a replacement building and pool over the ongoing running and maintenance costs of the existing facility”.

3.36 The condition survey grades the risks of the various repair and maintenance requirements as shown in Table 3 below:

Table 3 Condition Survey Risk Grading:

Risk Grading	Health and Safety	Environment	Business	Operational
High	Fatality and/or permanent incapacity/disability. Prosecution	Multiple breach of legal requirement. Prosecution.	Litigation certain. National adverse publicity.	Critical impact. Service closure.
Medium	Moderate injury / ill health/statutory obligations. Improvement notice.	Single breach of legal requirement. Improvement Notice Issued.	Possible complaint. Possible litigation. Loss of reputation. National paper reporting.	Moderate impact. Moderate disruption to normal services.
Low	No injury / breach of guidance / procedures	Minimal impact / breach of guidance procedures.	Unlikely cause of complaint. Litigation remote. Minimal reputation loss / limited awareness within organisation.	Minimal or no impact. Minimal or no disruption.

3.37 The survey identifies several high and medium risk elements. These are shown in Table 4 below:

Table 4 Risk Rating of Specific Maintenance Requirements:

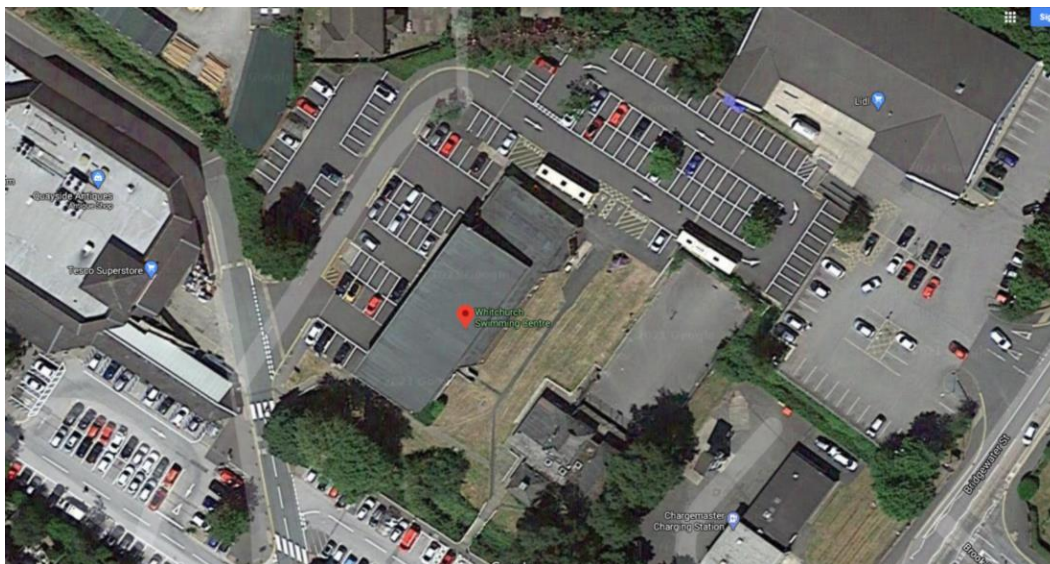
Building Fabric	RAG Rating
Further intrusive investigation regards to the movement within the sub structure and structure from erosion of sub soils is required to identify repair works and associated remedial costs.	High (Completed. See comments in 3.34 and 3.35 above)
Medium to long term roof covering replacement required.	Medium
External mortar is weak and eroded and requires renewal to all areas	Medium
Mechanical damaged cladding panels require replacement	Medium
Corrosion and delamination of metal cladding panels and parapet capping's require remedial treatment.	Medium
External windows and doors require renewal.	High
External steps require section rebuilding.	High
Internal finishes throughout are aged and dated and would benefit short to medium term renewal	High
Building Services	
Pool filter medium requires replacing due to age and standing idle.	High
Chlorine dosing system is in poor condition and requires replacing due to age and is considered to be an unstable chlorine granular dosing unit.	High
Pool pumps discharge isolation valves are in poor condition.	High

The acid storage unit and pump should be replaced with a unit with a barrier to prevent spills to the un-stabilised chlorine granules, which is within a constricted part of the plantroom.	High
Air handling unit is circa 1974 and is corroded and requires replacement. Supply and extract ductwork similar.	High
Fire alarm and security panels require replacing.	High
Showering facilities require replacement.	High
Lighting installations require renewal.	High
Legal & Regulatory Matters	
There are non-compliant fire resisting structures present in plant room separating floor structures	High
Asbestos boarded ceilings in plant rooms should be removed due to their fragility, as a minimum area should be encapsulated.	Medium
No accessible toilet or alarm provided	High
Reception counter is not accessible for use by all.	Medium
Doors are manually operated, heavy and manoeuvrability around toilet provisions is impeded.	Medium

3.38 New Facility Development Options

3.39 Alongside the maintenance investigation works and, taking into account the current condition of the building and its remaining serviceable lifespan, a study was commissioned, through Strategic Leisure Ltd, to review the business case for investment in a new facility to be able to compare this option with carrying out the necessary repairs on the existing facility. The study is attached at Appendix 2.

Fig 1: Existing Whitchurch Swimming Centre



3.40 The plan illustrates that there is potential for the site occupied by the former youth centre to be developed as part of a future leisure facility, subject to necessary agreements and approvals. This is reflected in the identified development options below.

3.41 The identified options for a new facility development for the site are:

- **Option 3** – Traditional build 6 lane x 25m with moveable floor, Café 15 covers
- **Option 4** – Traditional build 6 lane x 25m with moveable floor, 35 station fitness suite, Café 20 covers
- **Option 5** – Traditional build 6 lane x 25m with moveable floor, 35 station fitness suite, dance studio, Café 20 covers
- **Option 6** - Alternative build 6 lane x 25m with moveable floor, 35 station fitness suite, dance studio, Café 20 covers

3.42 Redevelopment of a new larger facility, offering an increased range of facilities will:

- **Encourage increased participation in physical activity;**
- **Deliver increased health benefits (physical and mental) to more people as a result of taking part in physical activity;**
- **Contribute to a more active environment at local level; and**
- **Be more cost-effective and efficient to operate through co location of appropriate other services.**

3.43 These options have been developed to illustrate the potential of the site and a larger facility, delivering increased participation, social and physical activity benefits. The inclusion of a moveable floor in the main tank increases programming flexibility which impacts positively on capacity levels.

3.44 The rationale behind the above facility mix options is:

- I. To illustrate the participation and revenue impact from a slightly larger pool; the existing operator has identified significant potential for increasing swimming lessons in the area based on demand. The existing facility delivered 600 swimming lessons per month. Equally there is potential to increase the existing number of swim memberships from the existing 180.
- II. 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.
- III. Increased water space also facilitates an increased capacity for casual i.e., pay and play swimming.
- IV. Swimming lessons and gym memberships are very important revenue generators in any leisure facility. The current operator reports that despite the facility being closed since March 2020, 400 children remain on the register for swimming lessons and 70 facility members have their memberships frozen.
- V. A new facility could also be designed to allow for the potential future provision of a new library facility in Whitchurch as part of the Library Transformation Programme.

3.45 New Build Estimated Capital Costs

3.46 **Traditional Build** - The estimated costs for new build options 3, 4 and 5 are shown below and detailed in Table 5;

Option 3 - £6.3m excl VAT - 6 lane x 25m pool with moveable floor, Café 15 covers.

Option 4 - £6.9m excl VAT - 6 lane x 25m pool with moveable floor with 35 station fitness suite Café 20 covers.

Option 5 - £7.7m excl VAT - 6 lane x 25m with moveable floor with 35 station fitness suite 1 x studio – divisible into 2 studio areas, Café 20 covers.

Table 5 Traditional Build Cost Estimates:

Whitchurch Leisure Centre		Option 3	Option 4	Option 5
GIFA		1,300m ²	1,515m ²	1,760m ²
1	New Build Leisure Centre	4,250,000	4,740,000	5,400,000
2	Moveable Floor	290,000	290,000	290,000
Base Construction Sub-total		£4,540,000	£5,030,000	£5,690,000
3	Incoming stats connections/diversions -allowance	100,000	100,000	100,000
4	External Works - allowance	250,000	250,000	250,000
5	Attenuation allowance	50,000	50,000	50,000
6	Construction Contingency @ 10%	500,000	550,000	610,000
7	Demolition - allowance	200,000	200,000	200,000
Construction Sub-total		£5,640,000	£6,180,000	£6,900,000
8	Prof Fees @ 12% of Construction Sub-total	680,000	750,000	830,000
TOTAL HIGH-LEVEL BUDGET COSTS (excl VAT)		£6,320,000	£6,930,000	£7,730,000

3.47 **Option 6 - Alternative build** - The above capital costs are based on a traditional build methodology. Discussions with a company who specialise in modern systems built structures including the construction of swimming pools that does not involve extensive ground excavations have provided **high level indicative construction costs for a 25m x 6 lane swimming pool, 35 station gym, Dance Studio, Reception Changing village and Café of £6,300,000 plus VAT (subject to surveys of the proposed site).**

3.48 The above capital cost estimates do not include provision for other additional services i.e. library.

4.0 Impact and Risk Assessment

4.1 The impacts of not progressing the project, with either a comprehensive maintenance programme or new build option, have been considered and are summarised below:

- The facility will remain closed and continuity of service is lost. Costs will be incurred due to compensation payments to the operator, this would require payment of 6 months Management Fee and loss of 12 months profit, these costs can be absorbed within current revenue budgets. It is likely that additional costs will be incurred for mothballing and securing the building prior to any demolition. In addition, it should be noted that costs of approx. £26,000 per annum are likely to be incurred to keep the CNE building on the same site safe and secure pending a decision on that building's future.
- Several issues present health and safety risks to both members of staff and the public.
- The current facility does not provide accessible toilet facilities for female customers and access throughout the building for wheelchair users is extremely limited.

- The existing facility 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 and plant.
- Continuity of service becomes increasingly difficult to maintain as crucial elements fail and are not cost effective to repair or replace.
- The recent Covid-19 pandemic has demonstrated that due to the design and configuration of the building it is not possible to comply with any social distancing criteria.
- Ventilation requirements introduced as a result of the Covid-19 pandemic would also prevent the use of the swimming centre as a safe environment. All current ventilation systems would need to be upgraded for that to become possible.
- Reduction in Shropshire population's physical activity as a result of not having a facility in the town.
- Challenges relating to the sustainable operation of the facility to reduce the financial subsidy payable by the Council, currently £145,000 per year, are not resolved and become more difficult to find a solution to as the facility ages.

4.2 Several risks associated with the successful delivery of this stage of the project have been identified and these are summarised in Table 6 below together with mitigating actions:

Table 6 Risk Assessment and Mitigation Matrix:

Risk	Mitigation actions
Significant structural constraints are identified that increase the costs of the required maintenance work to an unreasonable level for the lifespan of the building.	Commissioning of a structural report to identify the required works and if these are practicable and affordable.
Not carrying out the identified high- risk repair and maintenance issues or replacing the building puts the health & safety of staff and public at risk and presents the risk of litigation	Building condition survey commissioned to inform the works required, timescales and estimated costs. Full feasibility study commissioned to review new build options. Options report prepared to identify the most cost effective and sustainable solution for the continued provision of the facility
Timeframe of implementing the repairs and maintenance or developing a new facility expands so that many of the risks identified in 4.1 above begin to impact unduly on service continuity and lead to the Council having to compensate the operator for losses incurred.	<p>Establish realistic project programme, with key decision milestones identified and a project team suitably resourced in place to undertake the maintenance and structural investigations and new build feasibility work.</p> <p>The current contract and Lease for Whitchurch Swimming Centre with Shropshire Community Leisure Trust contains a clause allowing Whitchurch Swimming Centre to be removed from the contract by giving 6 months' notice. There are compensation provisions in the contract allowing the Trust to claim up to 12 months loss of profit, calculated in accordance with the Tender submission. This is a limited sum and subject to mitigation. These costs can be absorbed within current revenue budgets.</p>
The repairs and maintenance work only prolong the serviceable lifespan of the building in the short term leading to inefficient use of resources and potential for unplanned facility closures to effect additional repairs leading to further claims of compensation by the operator.	Building condition survey commissioned to inform the works required, timescales and estimated costs. Full feasibility study commissioned to review new build options. Options report prepared to identify the most cost effective and sustainable solution for the continued provision of the facility.
Abortive costs for the feasibility work if the project does not proceed beyond this stage.	Completion of a robust feasibility study will provide the Council with the necessary information to make an

	evidenced based decision on progressing the project.
Reputational damage as Whitchurch Swimming Centre is the focus of considerable public interest and announcements have been made on carrying out maintenance investigation work out and a needs assessment for a potential replacement facility.	Project team established to manage the maintenance investigation work and new build options feasibility report in order to be able to prepare a report for consideration by Cabinet. Clear communications plan developed to keep stakeholders informed.

5.0 Equalities and Social Inclusion Impact Assessment

5.1 A full Equalities and Social Inclusion Impact Assessment (ESIIA) will be completed as part of the project plan to ensure that the impact of any change is understood and mitigated where appropriate. The current facility does not provide facilities such as an accessible reception counter, accessible toilet facilities for female customers and access throughout the building for wheelchair users is extremely limited. Doors are manually operated heavy and manoeuvrability around toilet provision is impeded. An 'AccessAble' report was recently completed and makes several observations on areas for improving access that will be used to inform the development of an ESIIA relative to the option decided upon for the future provision of the facility.

6.0 Financial Implications

6.1 This report is written in the context of the Council's Indoor Leisure Facilities Strategy 2020-2038 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 for the longer term.

6.2 The closure of the existing facility has led to the Council having to provide additional revenue support to compensate the operator for loss of income and cover fixed operational costs. National Leisure Recovery Funding and government Covid-19 support funding has mitigated the effects on the Council budgets. If the centre does not re-open, following the lifting of Covid 19 restrictions, there are compensation provisions in the contract allowing the Trust to claim up to 12 months loss of profit, calculated in accordance with the profit shown in the Tender submission. This is a limited sum and subject to mitigation and if there is no profit, there should be no payment. Any payments due will have to be funded solely by the Council.

6.3 Revenue Impact and Implications

6.4 Finance colleagues have reviewed the capital borrowing cost requirements, assuming a PWLB borrowing rate of 2.5% over a 25-year term, to calculate the gross revenue costs using Strategic Leisure Ltd.'s business modelling figures for each of the new build options. A headline comparison between the options is illustrated in Table 7 below.

Table 7 Financial Impact Summary of the Identified Options:

Development option	Facility Mix	Capital Cost	Throughput	Income (YR3)	Expend (YR3)	Operational Surplus/ (Loss) (excludes the line below costs) (YR3)	Gross Surplus/(Loss) Includes Cost of Borrowing (YR3) at 2.5% Interest over 25 years	19/20 Net Expenditure Including Management Fee and Shropshire Council Expenditure for Comparison Purposes
Option 1 Do Nothing	Facility Closed	Nil	Nil	Nil	Nil	Some costs will be applicable relating to compensation payments to the operator. Mothballing security and potential demolition.		
Option 2 Repair and Maintenance	5 lane x 25m pool	£1,250,000	51,451			(£145,148)	(£215,148)	(£145,148)
Option 3 New Build - Traditional Construction	6 lane x 25m with moveable floor Café 15 covers	£6,320,000	123,419	£566,732	£585,431	(£18,699)	(£393,323)	(£145,148)
Option 4 New Build - Traditional Construction	6 lane x 25m with moveable floor 35 station fitness suite Café 20 covers	£6,930,000	197,199	£851,931	£751,100	£100,831	(£354,658)	(£145,148)
Option 5 New Build - Traditional Construction	6 lane x 25m pool with moveable floor 35 station fitness suite Dance studio Café 20 covers	£7,730,000	313,261	£1,025,692	£806,495	£219,198	(£284,347)	(£145,148)
Option 6 New Build - Alternative Pool Construction	As Option 5 Above	£6,300,000	313,261	£1,025,692	£806,495	£219,198	(£206,732)	(£145,148)

6.5 Table 7 illustrates the following:

- **Option 1 – Do nothing** the facility closes permanently. Some residual costs are incurred due to compensation payments to the operator and, costs associated with mothballing the facility, securing the site and potential demolition.
- **Option 2 Repair** has the lowest capital costs but also the lowest throughput level; it has the lowest income and expenditure and, the highest operational subsidy level required. Additional funding would be required if a full refurbishment of the facility was to be considered.
- **Option 3 – New Build -Traditional build** has the second lowest capital costs but also the second lowest throughput level; it has the second lowest income and expenditure, second highest operational subsidy and highest gross loss when capital financing costs are included.
- **Option 4 – New Build - Traditional build** has the second highest capital costs; its income and expenditure levels are higher than options 2 and 3 but lower than options 5 and 6. It shows an operational surplus against the subsidies required for options 2 and 3 but this is lower than options 5 and 6. It has the second highest gross loss when capital financing costs are included
- **Option 5 – New Build - Traditional build** has the highest capital costs; however, it delivers a significantly higher level of throughput and revenue generation. It has an equal first operational surplus with option 6. When capital financing costs are included the overall subsidy is lower than options 3 and 4 but higher than options 2 and 6.
- **Option 6 – New Build - Alternative build** has similar capital costs to option 3; however, it has the same facility mix as option 5, but at a lower capital cost, which delivers a significantly higher level of throughput and revenue generation resulting in a higher operational surplus than options 2, 3, 4 and the same level as option 5. The gross surplus loss is lower by £77,615 per annum than option 5 due to the lower capital borrowing costs and, taking in to account the operational surplus and costs of borrowing this provides the best value for money option with the overall gross loss being £206,732 per annum against the second lowest gross loss of £215,148 per annum for option 1, repair and maintenance when capital financing costs are included.

6.6 The new build options will also provide a facility with a life expectancy of up to 50 years as opposed to the maintenance of the existing facility which will have only limited impact on extending the serviceable life of the centre.

6.7 Progressing the feasibility review of the recommended option to RIBA Stage 1 will require an investment of circa £50,000. It is proposed that this be allocated from within the budgets held by SPOG pending Cabinet approval of this report.

7.0 Climate Change Appraisal

7.1 Energy consumption. Retaining the existing facility will not have a positive impact on energy consumption. The development of a new facility will be significantly more energy efficient than the current pool due to the ability to introduce new technology and sustainability practices. These will have a positive effect on energy consumption and carbon reduction.

- 7.2 Renewable Energy Generation. There will be opportunities for renewable energy generation as part of the new building. This will have a positive effect.
- 7.3 Carbon offsetting or mitigation. There may be an opportunity for tree planting within a landscaping scheme for a new facility which may present some limited opportunity. A commitment to quantifying carbon performance as part of any detailed design for a new facility will be included in a design brief should this option be decided upon.
- 7.4 Climate Change Adaption. The new building/s can be designed in such a way as to respond to climate change so will have a positive or no effect.

8.0 Conclusion

- 8.1 The facility has reached the end of its economic serviceable life and significant repair and maintenance work is required. Many of these items are critical and if not completed pose a high risk to the council in terms of health and safety, environment, business and operations.
- 8.2 Closing the facility is not considered a realistic option due to the insight evidencing that the provision of a facility in Whitchurch is required to provide for the demand in the area. The repair and maintenance works are unlikely to significantly extend the lifespan of the current building and the structural engineers report states that ... *“due to the inadequate foundations to the swimming pool and structure. Further cracking and lifting of tiles to the pool and pool surround will continue to occur. Whilst further remedial works can be undertaken to address issues at movement joints, lifting tiles, etc we advise that this is not considered cost effective due to the inadequate foundations and the age of the structure”*. The requirements for any further works in the future will incur additional costs and lead to a loss of continuity of service and compensation claims from the operator.
- 8.3 The timescales to complete maintenance works will require the facility to be closed for a significant period and they are unlikely to significantly improve attendances to the facility or the financial performance of it, meaning that the operational budget remains at least to the current level of £145,000 per annum plus any capital borrowing requirements relating to the cost of the repairs and maintenance.
- 8.4 Redevelopment of a new larger facility, offering an increased range of facilities has the capacity to de-risk current health and safety and other issues associated with the existing facility, encourage increased participation in physical activity, deliver increased health benefits (physical and mental) to more people as a result of taking part in physical activity, contribute to a more active environment at local level and be more cost-effective and efficient to operate than the existing stand-alone swimming pool which requires a high level of subsidy. A new facility has the potential to impact positively on several of the Council's Organisational Principles.
- 8.5 A new facility can be designed to have a serviceable lifespan of up to 50 years.
- 8.6 Based on the ability to meet the strategic outcomes, option 6 looks to meet the greatest range including, securing the long-term provision of swimming in Whitchurch at the lowest relative cost, being able to generate increased participation and income.
- 8.7 The development of a new leisure facility on the current site also has the potential to co-locate the town's library within the development and it is recommended that this be considered in more detail as part of any additional feasibility study agreed for the site.

8.8 It is therefore recommended that Cabinet:

- I. Approve that option 6 is the emerging preferred option and should be taken forward to the next stage of feasibility and due diligence.
- II. Delegate to the Executive Director of Place, in consultation with the Leader and the Portfolio Holder for Communities, Place, Tourism and Transport, the ability to progress the feasibility and due diligence on the emerging new build option, including:
 - Project requirements prepared.
 - Accommodation Schedule
 - Further review of the business case.
 - Undertake site appraisals to develop opportunities and constraints diagrams to identify opportunities and initial key project risks.
 - Strategic appraisal of planning considerations.
 - Prepare project brief including outcomes.
 - Commissioning relevant surveys.
 - Development of block plans.
 - Quantity Surveyor costings.
 - Programming
 - Prepare initial block massing 3D views and sections to explain relationship with the existing building and scale of proposal/s.
 - Prepare precedent image and concept images for the proposal.
 - Developing Project Strategies
 - Pre-application Planning Advice.
 - Implementation of a public/stakeholder engagement/consultation exercise.
- III. Approve that the additional feasibility work includes a needs assessment for a new library facility in Whitchurch and, also explores the potential for and, cost/benefits of co-locating the library in any new leisure facility development on the site. Noting that if co-locating the library emerges as part of the preferred option a specific public consultation on this will be required.
- IV. Agree that the findings of the additional feasibility work be reported back to a future cabinet meeting.

9.0 Indicative Timescales

9.1 Subject to Cabinet agreeing the recommendations above the indicative timescales for completing the additional feasibility works and public/stakeholder engagement/consultation exercise is as follows:

- Procurement of external professional support and surveys as required for the feasibility study phase – July to August 2021.
- Feasibility study and public/stakeholder engagement/consultation exercise - September 2021 to February 2022.
- Report back to Cabinet March 2022.

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

None.

Cabinet Member:

Cllr Cecilia Motley, Portfolio Holder for Communities, Place, Tourism and Transport

Local Members:

Cllr Peggy Mullock - Whitchurch North

Cllr Tom Biggins - Whitchurch North

Cllr Gerald Dakin - Whitchurch South

Appendices:

APPENDIX 1: Building Condition Report.

APPENDIX 2: Whitchurch Swimming Centre Outline Feasibility Study