

Title of Report:	Investment in Gym and Equipment – Strategic Outline Case (and Pilot Project at Roe Valley Leisure Centre)
Committee Report Submitted To:	The Leisure and Development Committee
Date of Meeting:	17th November 2020
For Decision or For Information	For Decision

Linkage to Council Strategy (2019-23)	
Strategic Theme	Resilient, healthy & engaged communities
Outcome	Citizens will have access to Council recreational facilities and protected natural environments which help them to develop their physical, emotional and cognitive health.
Lead Officer	Head of Sport & Wellbeing

Budgetary Considerations	
Cost of Proposal	£50k
Included in Current Year Estimates	YES/NO
Capital/Revenue	Capital
Code	
Staffing Costs	

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose of Report

The purpose of this paper is to request Members approval of the appended Strategic Outline Case (SOC) at Annex A for investment in the gym and equipment offering at Council's major and minor leisure facilities with an initial pilot project for investment of £50k in Roe Valley Leisure Centre; and permission to proceed to Stage 1 – Outline Business Case (OBC) for investment of up to £1m across all major and minor leisure facilities subject to affordability within the Capital Programme.

2.0 Rationale for Investment

The need for intervention and investment in gyms and equipment emerged from the In-house Team's Shadow Bid submission made last year on 5th November 2019. The SOC articulates this case with reference to work undertaken last year as part of the Shadow Bid submission including: industry trends for gyms and fitness, feasibility study undertaken by Alliance Leisure, latent demand analysis undertaken by 4global and an audit of equipment across all major and minor leisure centres.

The strategic case for investment is therefore considered to be both robust and evidence based. Unfortunately, the only reason for delaying the progression of the proposals for investment has been the hugely detrimental impact of the Covid-19 pandemic on the leisure industry and Council's leisure facilities (which are currently operating under a Recovery Plan until 31st March 2021).

The In-house Team has however continued to progress its transformation plans wherever possible and through the analysis contained in the SOC has identified an opportunity for a Pilot Project at Roe Valley Leisure Centre to test 'proof of concept' before finalising the OBC for more significant investment of up to £1m across all major and minor facilities.

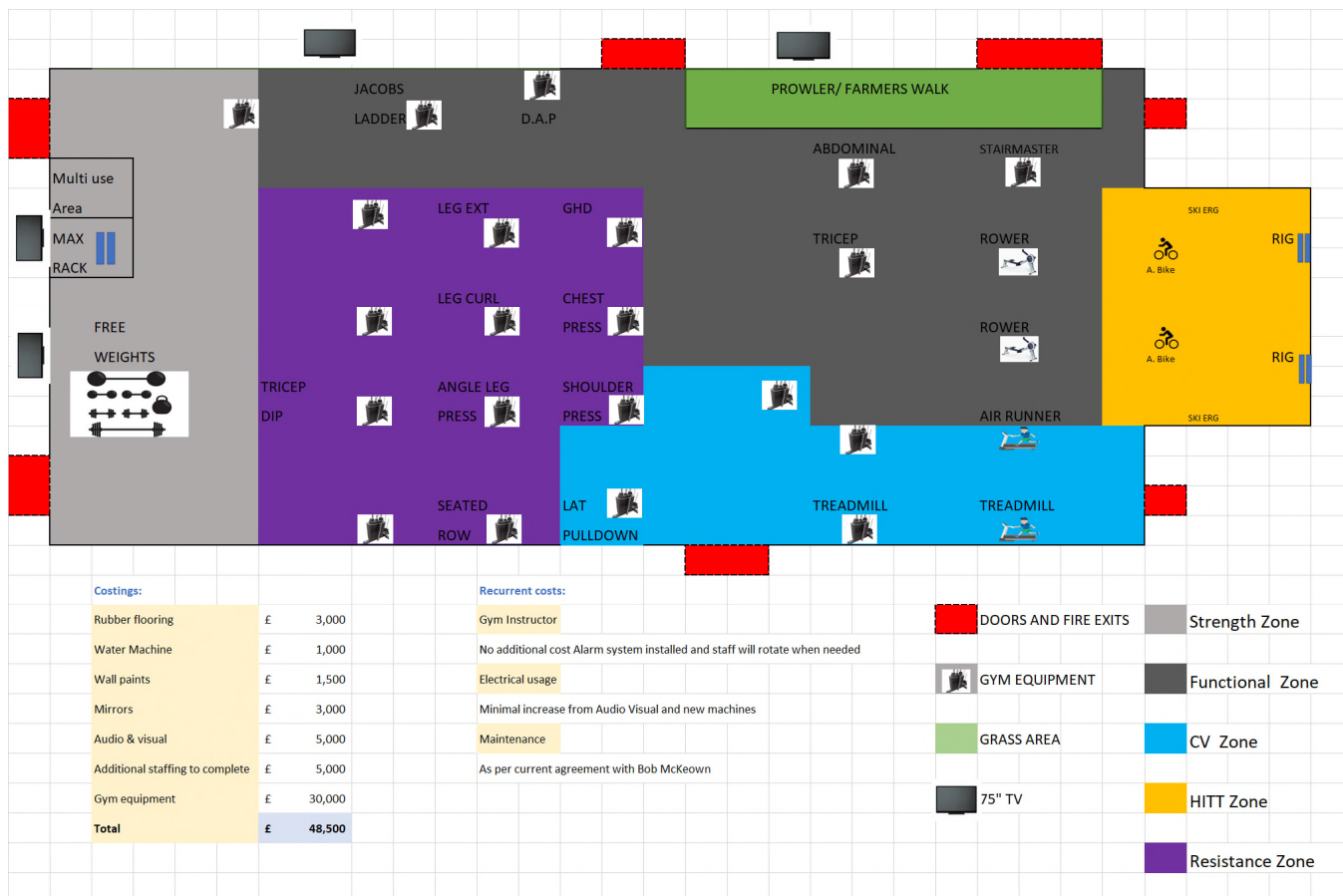
Roe Valley Leisure Centre has already had to re-purpose the minor sports hall as an enlarged gym space under the current public health restrictions (reference photo in Section 9 of the SOC). Roe Valley Leisure Centre has also been identified on the basis that it has the highest level of need and demand potential to properly evaluate the benefits of the proposed investment in new gym equipment and reconfiguration of this underutilised space in line with industry trends.

3.0 Conclusion

The Strategic Outline Case consider four options (reference Section 6 of the SOC) and identifies the preferred option as follows:

*On balance, of the assessment of costs, benefits and risks above **Option 4 – Pilot project at Roe Valley Leisure Centre at a cost of £50k is the preferred option.** This option represents the most prudent course of action under market conditions and also allows continued in-house transformation and 'proof of concept' to be tested before competing an OBC for investment of £1m in gyms and equipment across the six leisure facilities.*

The pilot project will further enhance the minor hall at Roe Valley Leisure Centre on a permanent basis. The proposed concept layout, equipment and breakdown of the cost estimate is detailed below:



4.0 Recommendations

It is recommended that Members approve the Strategic Outline Case for investment in the gym and equipment offering at Council’s major and minor leisure facilities including the:

- Preferred Option ‘Option 4 – Pilot Project at Roe Valley Leisure Centre’ at an estimated cost of £50k;
- Permission to proceed to Stage 1 – development of an Outline Business Case for investment of up to £1m across all major and minor leisure facilities subject to affordability within the Capital Programme.

Subject to Council decision, the indicative delivery timeframe to progress Option 4 within the context of the wider OBC development is summarised as follows:

- Completion of Stage 0: Strategic Outline Case for approval – December 2020;
- Detailed Layout and Equipment Specification procured and set-up – March 2021;
- Pilot Project operated and evaluated for 6 months – April to September 2021;
- Review of Council decision on the preferred management option – September 2021;
- Completion of Stage 1: Outline Business Case for investment of up to £1m – October 2021.



Investment in Gym and Equipment Offering

(supporting the delivery of the In-House Team 'Shadow Bid')

Strategic Outline Case

November 2020

Version	Date	Distribution
1.0 Draft for SWB	4 th November	SWB
2.0 Draft for SLT	9 th November	SLT
3.0 Draft for L&D	17 th November	Committee Members

1.0 PURPOSE OF THE STRATEGIC OUTLINE CASE

The purpose of this Strategic Outline Case (SOC) is to assess the case for investment in the gym and equipment offering at Council's major and minor leisure centres. In line with the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE) this SOC will provide a preliminary assessment of strategic fit, rationale for intervention, feasible options, value for money, affordability and achievability. The remainder of the SOC is structured as:

- Project Introduction and Background;
- Strategic Context;
- Rationale for Intervention: Needs and Demand;
- Strategic Aims and Constraints;
- Formulation of Options;
- Assessment of Costs, Benefits and Risks;
- Affordability Analysis;
- Conclusion and Preferred Option; and
- Timetable and Deliverability.

This SOC will require the approval of Council before committing resources in the development of an Outline Business Case (OBC).

2.0 PROJECT INTRODUCTION AND BACKGROUND

(i) Introduction

The focus of this appraisal is a proposal by the In-house Leisure Team ('IHT') to invest in the gym and equipment offering at Tier 1 and Tier 2 Leisure Facilities namely: Coleraine Leisure Centre, Joey Dunlop Leisure Centre, Roe Valley Leisure Centre); and Jim Watt Sports Centre, Dungiven Sports Centre and Sheskburn Recreation Centre.

The SOC has been developed in support of the IHT's 'Detailed Submission' for the Provision of Leisure Services over the period 2020-30 (or 'Shadow Bid') submitted to Council on 8th November 2019. The Shadow Bid and associated financial projections were based on the assumption of Council making a minimum capital investment of £1m.

At the request of Council, the IHT submitted an Addendum on 2nd December 2019 outlining the payback for the £1m investment and a more ambitious £5.5m phased investment in the leisure facilities. It was noted that this indicative analysis would require full monetary, non-monetary and risk appraisal within an OBC before an investment decision is taken.

The IHT has therefore prioritised this project within its Mobilisation Plan and has taken the opportunity to develop this SOC prior to a review of the preferred management option which has been deferred to September 2021.

(ii) Background

The need for adequate, safe and accessible gym facilities and equipment is key to the success of any leisure facility. The Leisure Services Specification and Invitation to Tender (ITT) document outline this requirement as follows:

- **Leisure Services Specification, Section 29:** *"Equipment must be available, safe and be capable of being used for the relevant activity that it is designed for, taking into account the standard of sport or activity being undertaken".*

Investment in Gym and Equipment Offering – Strategic Outline Case

- **ITT Repairs and Maintenance:** “The Council will retain responsibility for the repair and maintenance of the structure and fabric of the Facilities and all plant, fixtures, fittings and equipment for the duration of the Contract”.
- **ITT Additional Facilities and Future Capital Investment:** “Over the term of the Contract there will an on-going requirement to invest in the facilities to maintain the structure and fabric of the assets, improve energy efficiency, enhance the leisure offer and increase income generation”.

In response to this these requirements the IHT assessed the condition and appeal of the current gyms and equipment. The IHT also requested an independent assessment from industry experts, Alliance Leisure who also provided a range of potential investment options ranging upwards from an essential basic refresh or ‘Do Minimum’ option.

This ‘Do Minimum’ option was costed at £1m and subsequently was applied as a key planning assumption if latent demand was to be realised and income from gyms and memberships significantly increased. Additional ‘Fitness Income’ accounts for 60% of total income growth and is therefore critical to the overall success of the Shadow Bid.

The Detailed Submission Addendum highlights the target of satisfying 86% of latent demand and additional income to be realised from the £1m investment as follows:

Payback of £1m investment:											
Council borrowing £1m over 25 years (PA)	£55,000										
Economic Life Equipment (Years)	10										
Annualised Cost of Borrowing over Useful Life	£137,500										
Total Cost of £1m Borrowing	£1,375,000										
Payback period LESS than Useful Life	4 Years										
Payback £1m	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Additional Net Fitness Income on baseline	212,185	299,147	389,718	475,106	555,309	569,848	584,532	599,363	614,342	629,471	4,929,022
Less Annualised Cost of Borrowing	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	1,375,000
Annual Surplus	74,685	161,647	252,218	337,606	417,809	432,348	447,032	461,863	476,842	491,971	3,554,022
Assumptions:											
1. Additional Net Fitness Income figures taken directly from Shadow Bid Submission (86% Latent Demand)											
2. Cost of borrowing (£55k per £1m over 25 years) annualised over ten year economic life of equipment											

As noted in the most recent L&D paper on 15th September 2020, the continuation of the In-house Transformed management option is subject to “a comprehensive review of the ten year financial projections following the implementation of the ‘Sport & Wellbeing Recovery Plan’ for the six sites currently ending 31st March 2021”.

(iii) Overview of Current Situation

The IHT undertook an Equipment Audit to establish the number of cardio machines, resistance machines and free weights provision across the six sites; and more importantly the remaining economic life, condition and usage of equipment.

In summary, there are 162 cardio machines, 89 resistance machines, 51 spin bikes and 39 free weights that on average were purchased over ten years ago (with no economic life remaining) and as a result are in poor condition and high daily use. The full details of this equipment audit will be included within the OBC.

Operationally this poor level of provision presents a number of operational constraints:

- High maintenance and repair costs of deteriorating and obsolete equipment;
- Pieces of equipment being out of use for long periods of time because of repair and maintenance time delays; and
- Difficulty in selling new and retaining memberships when equipment is clearly old and out-of-date with current market trends and competitor provision.

3.0 STRATEGIC CONTEXT

The Shadow Bid was set within the context of and informed by a range of strategies which were set out within the Leisure Service Specification, 2019 as follows:

- ‘Council Strategy 2015-2019’ - Causeway Coast & Glens Borough Council;
- ‘A Better Future Together: A Community Plan for Causeway Coast & Glens 2017-2030’;
- Sport & Wellbeing Plan 2020-23 (interim); and
- ‘Sports & Leisure Facilities Strategy’; Causeway Coast & Glens Borough Council 2015.

Taken together these strategies and their outcomes have been influenced by and reflect other strategies and policies of external partners in working to deliver the wider Programme for Government. A full assessment of strategic fit will be completed as part of the OBC.

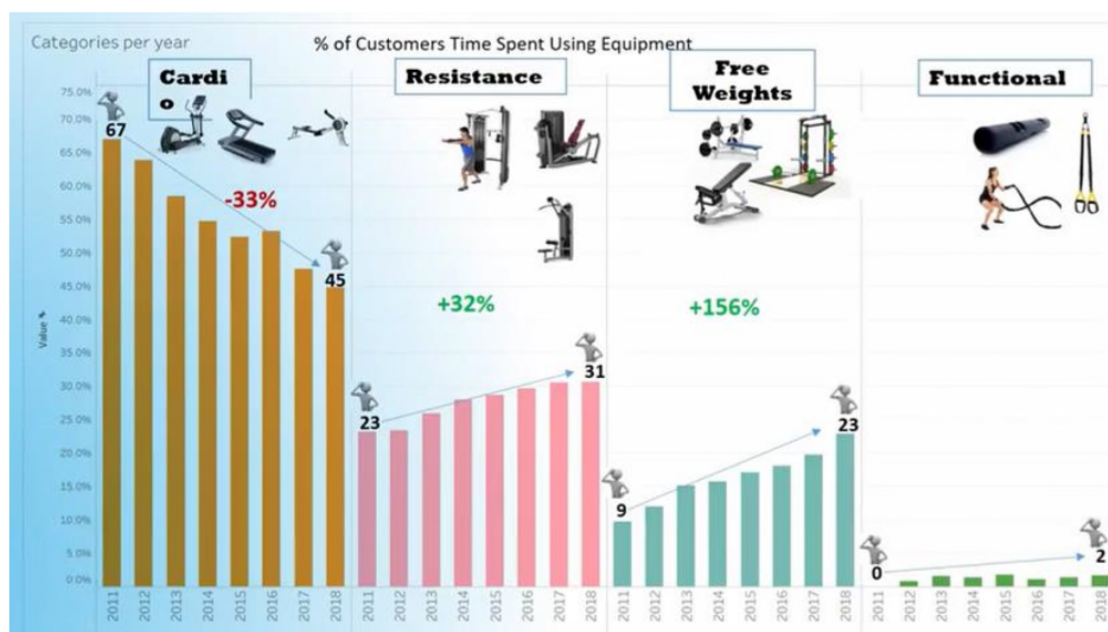
4.0 RATIONALE FOR INTERVENTION

The rationale for intervention considers: industry trends, facility need, latent demand and equipment audit:

(i) Industry Trends - Alliance Leisure, 2019

Alliance Leisure’s core business is the provision of facility development and support for local authorities, educational establishments and leisure trusts to improve their leisure products.

The charts presented below highlight the decline in cardio and growth in resistance and free weights over the past ten years and the more recent emergence of functional training regimes using underutilised spaces within leisure facilities:



(ii) Facility Needs – Alliance Leisure, 2019

The IHT commissioned leisure development experts Alliance Leisure to look at potential development opportunities across the leisure portfolio. Specifically, Alliance Leisure were asked to review the development opportunities for Health and Fitness with a view to creating investment proposals that would increase participation and generate sustainable facilities. The scope of feasibility has included a review of five specific facilities to:

Investment in Gym and Equipment Offering – Strategic Outline Case

- Develop investment opportunities for each site in Health and Fitness;
- Advise on the headline cost of investment per site;
- Advise on proposed activity offerings through design for Fitness Suite, Studios and Additional wellness activities plus opportunities for wider service benefits; and
- Advise on Fitness Equipment trends.

Development options have been considered at the following sites: Coleraine Leisure Centre, Roe Valley Leisure Centre, Joey Dunlop Leisure Centre, Sheskburn Leisure Centre, and Jim Watt Sports Centre. Dungiven Sports Centre was not assessed given its recent new build.

Utilising demand modelling information and aspirations for investment, Alliance Leisure have visited the sites to determine viable opportunities and reviewed indicative costs for the introduction of projects at each site with the investment options ranging from:

- ‘Basic Refresh’ to include aesthetic improvement works to the gyms and provision for new equipment costing £1m;
- ‘Core Project’ which builds upon the ‘Basic Refresh’ and converts under-utilised space within the facilities for studios and expansion of the gyms costing £5.4m; and
- ‘Fitness Extension’ which builds upon ‘Core Project’ and includes built extensions to existing facilities to further develop and broaden the leisure offering costing £6.8m.

(iii) Latent Demand – 4global, 2019

The IHT commissioned Alliance Leisure (and their partners 4global) to identify the optimal delivery model for leisure across the Borough. As part of the development strategy, a review of the potential demand for health and fitness has been commissioned, to provide a greater understanding of the available market at six of the Councils leisure and sports centres. The table below shows the projected users for all sites included within the scope of this project compared with current membership numbers, highlighting the projected growth of 1,819 new members that could be achieved, and which sites offer the largest growth potential:

Site Name	Current memberships	Projected users at optimal capacity (including inactive users)	Projected memberships at optimal capacity	Change in membership (latent demand)
Coleraine Leisure Centre	1,103	1,599	1,487	+384
Dungiven Sports Centre	237	328	328	+91
Jim Watt Sports Centre	90	411	411	+321
Joey Dunlop Leisure Centre	1,295	1,710	1,590	+295
Roe Valley Leisure Centre	727	1,563	1,454	+727
Sheskburn Recreation Centre	366	395	367	+1
Total	3,818	6,006	5,637	1,819

Investment in Gym and Equipment Offering – Strategic Outline Case

(iv) Equipment Audit - IHT, 2019

The purpose of this audit was to establish the number of cardio machines, resistance machines and free weights provision across the six sites; and more importantly the remaining economic life, condition and usage of equipment.

The table below highlights the results of this audit across the six sites:

	RVLC	CLC	SRC	JDLC	JWSC	DSC	TOTAL
Cardio Machines	32	41	15	44	13	17	162
Spin Bikes	25	?	0	26	0	0	51
Resistance Machines	21	19	13	20	7	9	89
Free Weights	12	?	5	7	7	8	39
Purchased	2005	2008	2009	2011	2011	2017	2010
Economic Life (10yr) Left	-5	-2	-1	1	1	7	0
Condition Priority	H	H	H	M	M	L	H/M
Usage Priority	H	H	L	H	L	M	H/M
RANK	1	2	3	4	5	6	

In summary, there are 162 cardio machines, 89 resistance machines, 51 spin bikes and 39 free weights that on average were purchased over ten years ago (with no economic life remaining) and as a result are in poor condition and high daily use.

The relative age, condition and usage of the equipment has also been used to rank and therefore prioritise investment across the six sites starting with Roe Valley Leisure Centre which has the oldest equipment and finishing with minimal investment in Dungiven Sports Centre which has recently purchased equipment at the new centre.

5.0 STRATEGIC AIMS & CONSTRAINTS

At this early stage of the appraisal process it is not possible to formulate detailed objectives. However, given that this project is critical to the delivery of many of the outcomes in the Shadow Bid, the following aims have been identified for the project over the first five years of operation and across the six sites:

- Attracting new members to take up membership packages being actively promoted and to reduce the average cancellation rate;
- Through both new members and membership retention above, to increase 'live membership' and achieve targets for latent demand;
- To support the growth in health and fitness income;
- Through improved leisure offering, to contribute to increased throughput;
- To ensure gym equipment is modern, accessible and contributes to targeted health and wellbeing programmes and increased participation;
- To contribute to the overall increase in 'Social Value' resulting from regular and sustained usage of the gyms;
- To improve customer satisfaction scores with the gym and equipment;
- To improve staff engagement with fitness instructors and coaches to develop new and innovative health and wellbeing programmes for all members of the community; and
- To ensure that the capital project is well managed and delivered on time, to budget and high quality standards.

Investment in Gym and Equipment Offering – Strategic Outline Case

The following constraints have been identified for the project:

- **Financial** – affordability within Council’s Capital Programme to be confirmed with a planning figure provided for £1m investment across the leisure centres;
- **Policy** – project delivery in line with Council’s preferred management option for leisure and four stage capital process and for capital funding;
- **Legal** - adherence to the Leisure Services Specification, industry safety standards and manufacturers guidelines for safe use of equipment;
- **Management** - account to be taken of Council’s other development plans for leisure across the Borough (Coleraine and Ballycastle) and breadth of leisure offering in each of the centres (swimming, play, club usage etc.); and
- **Covid-19** - the hugely detrimental impact of this pandemic has been clearly articulated within the Sport & Wellbeing Recovery Plan and continued uncertainty presents a very challenging climate for continued leisure transformation.

6.0 FORMULATION OF OPTIONS

In summary, the feasible options under consideration at this stage include:

Option	Detail
1 - Do Nothing: no investment in gyms or equipment at any of the sites	<ul style="list-style-type: none"> • The OBC is deferred and the project placed on Council’s “prioritised project” list for future consideration. • The IHT’s Shadow Bid and continued transformation is not deliverable.
2 – Investment of £1m: as per the Shadow Bid (to include new equipment and reconfiguration and refresh of gym space)	<ul style="list-style-type: none"> • The OBC is progressed on the basis of the ‘Basic Refresh’ of investment proposed by Alliance Leisure. • The IHT’s Shadow Bid and continued transformation of leisure will be more achievable. • This option is currently constrained by both the policy decision on the preferred management option which will be reviewed in September 2021 and the current public health restrictions on the capacity and demand of the leisure centres.
3 – Investment of £5.4 to £6.8m: as per the Addendum to Shadow Bid (to also include comprehensive re-purposing of underutilised space)	<ul style="list-style-type: none"> • The OBC is progressed on the basis of the ‘Core Project’ to ‘Fitness Extension’ levels of investment proposed by Alliance Leisure. • The IHT’s Shadow Bid and continued transformation of leisure will be fully achievable. • This option is currently constrained by both the policy decision on the preferred management option which will be reviewed in September 2021 and the current public health restrictions on the capacity and demand in centres. • Longer term this option for much higher investment is constrained by the affordability within the Capital Programme and future decisions on new leisure facility provision in Coleraine and Ballycastle.
4 – Investment of £50k in a Pilot Project: re-purposing of the minor hall purchase of new equipment at Roe Valley Leisure Centre	<ul style="list-style-type: none"> • The OBC is effectively deferred until the pilot project is operated to test proof of concept before much greater investment is made across leisure centres. • Under current public health restrictions the IHT’s focus is delivery of the Sport and Wellbeing Recovery Plan to 31st March 2021 and implementation of ‘internal’ transformation. • Roe Valley Leisure Centre has been selected on the basis of the needs and latent demand analysis presented above (highest potential for increased membership, identified by Alliance Leisure for most investment potential and ranked highest in the equipment audit). • In order to adhere to public health restrictions, Roe Valley has already undertaken preliminary work to re-purpose the minor hall which has been well received by members/customers. • Evaluation of this option would also require significant adjustments to take account of the impact of public health restriction on demand and usage.

7.0 ASSESSMENT OF COSTS, BENEFITS AND RISKS

A high level assessment of costs, benefits and risks is considered below:

(i) Costs

A full economic appraisal of the monetary costs and benefits of each option would be carried out within the OBC, however for the purposes of this SOC capital cost estimates are as follows:

- Option 1 - Do Nothing: Nil
- Option 2 – Investment in ‘Basic Refresh’ of Gyms: £1m
- Option 3 – Investment in ‘Core Project’ or ‘Fitness Extension’ options: £5.4m-6.8m
- Option 4 – Investment in Pilot Project at RVLC: £50k

These estimates are based on the following assumptions:

- Options 2 and 3: the feasibility study and indicative cost estimates prepared by Alliance Leisure in 2019 for a range of potential investment options across the six leisure facilities (with input required from Council’s Capital Team when OBC is progressed);
- Option 4: the In-house Team’s price research for new equipment, flooring and AV equipment for further re-purposing of the minor hall at Roe Valley Leisure Centre (with the final price subject to Council’s procurement policy and competitive tendering).

In terms of the options under consideration, Option 4 clearly presents the lowest cost and most prudent approach under the current market conditions.

(ii) Non-Monetary Benefits

In order to assess the non-monetary case, criteria would be developed at OBC as follows:

Criteria	Factors being Assessed
Alignment and contribution to Council’s Strategic Priorities	An assessment of the options ability to realise: <ul style="list-style-type: none"> • Community Plan Outcomes and Actions; • Corporate Strategy Priorities; and • Business Plan objectives and work streams.
Addressing identified strategic need across the Borough	An assessment of the options ability to realise: <ul style="list-style-type: none"> • Leisure Specification and Shadow Bid Targets; • Facilities Strategy deficits and gaps in provision.
Adherence to the Principles of the SWB Health and Wellbeing Mandate	An assessment of the options ability to realise: <ul style="list-style-type: none"> • High quality leisure and sports services, • Accessible need based programmes; and • Sustainable facility provision via partnership working.
Delivering better health and wellbeing outcomes for the local community	An assessment of the options ability to realise: <ul style="list-style-type: none"> • Increased levels of participation in physical activity; • Improved health and well-being; and • An enhanced quality of life.
Impact on broader statutory requirements	An assessment of the options ability to realise: <ul style="list-style-type: none"> • Positive Equality outcomes; and • Positive Rural Proofing outcomes.

For the purposes of SOC, and pending a comprehensive review of the Shadow Bid, only a high level assessment of non-monetary benefits and social returns can be carried out.

The Shadow Bid provides several Method Statements that clearly articulate the evidence base and potential for wider non-monetary benefit from transforming leisure. Most notably,

Investment in Gym and Equipment Offering – Strategic Outline Case

Partnership Working, Increasing Participation, Engagement and Equality & Diversity. The headline findings from this analysis is summarised below:

- **An increase in the usage of the Facilities and Services:** through proactive engagement and marketing usage is increased by 26% from 740,322 to 934,954 p.a;
- **An increase in the proportion of the population living healthier lifestyles and improved health outcomes within the general and targeted populations;** increased programmed participation by 28% from 190,100 to 243,512 per annum. Social Value (particularly health and well-being) to also increase by 27% from £1.82m to £2.31m p.a;
- **Improved opportunities for all sections of the community to participate in sport and leisure activities:** through our strong partnerships and local knowledge opportunities increased by 33% from 22,300 to 29,712 p.a. for underrepresented Section 75 groupings.

In terms of the options, there is a clear correlation between increased investment and increased non-monetary value and social return. The targets above were based on the minimum investment of £1m and therefore would increase with higher levels of investment up to maximum capacity and demand in each of the facilities. Whilst Option 4 has a modest investment of £50k and will therefore be limited in non-monetary return, it has been considered in the context of the constraints identified and current market risks.

(iii) Risks

A detailed risk assessment and review of mitigation factors will be considered within the OBC. However, the standard high levels risks associated with this capital project would include:

- Current risks resulting directly from public health restrictions on market demand and capacity of facilities to operate safely during the Covid-19 pandemic;
- Low membership growth, booking levels from community use, low income levels and increased subvention required from Council;
- Community resistance to the facilities and competing demands on leisure facilities;
- Capital cost overruns and construction programming delays;
- Scope of works - alterations, amendments to scope could create time delays and additional costs and failure to achieve the project objectives; and
- Lack of clarity of roles and responsibilities for the facility management and maintenance.

The risks associated with the higher investment Options 2 and 3 are considerable under the current market conditions and Option 1: Do Nothing also poses significant risk to the continuation of in-house transformation and momentum built up over the past couple of years. There is also a strong argument for a low level investment in gyms to mitigate against recent membership cancellations as support membership retention strategies during the recovery period. As noted above, Option 4 has been developed as pilot project to test 'proof of concept' for investment in equipment and poses the least risk under the current market conditions.

8.0 AFFORDABILITY ANALYSIS

An initial assessment of the project's affordability is presented in the table below:

	Option 1	Option 2	Option 3	Option 4
Capital Cost	£0	£1m	£4.4-5.8m	£50k
Capital Programme Provision*	£1m	£1m	£1m	£1m
Currently Affordable?	Yes	Yes	No	Yes

*capital provision made on the basis of Shadow Bid Addendum and payback period of 4 years

Investment in Gym and Equipment Offering – Strategic Outline Case

On this basis, only Option 3 with an investment proposed in excess of £1m is not currently affordable, although all capital commitments are subject to annual confirmation within the overall Capital Programme for Council. Option 4 presents most financially viable approach at this point in time, with higher level capital investment and affordability analysis to be completed at OBC development.

9.0 CONCLUSION & PREFERRED OPTION

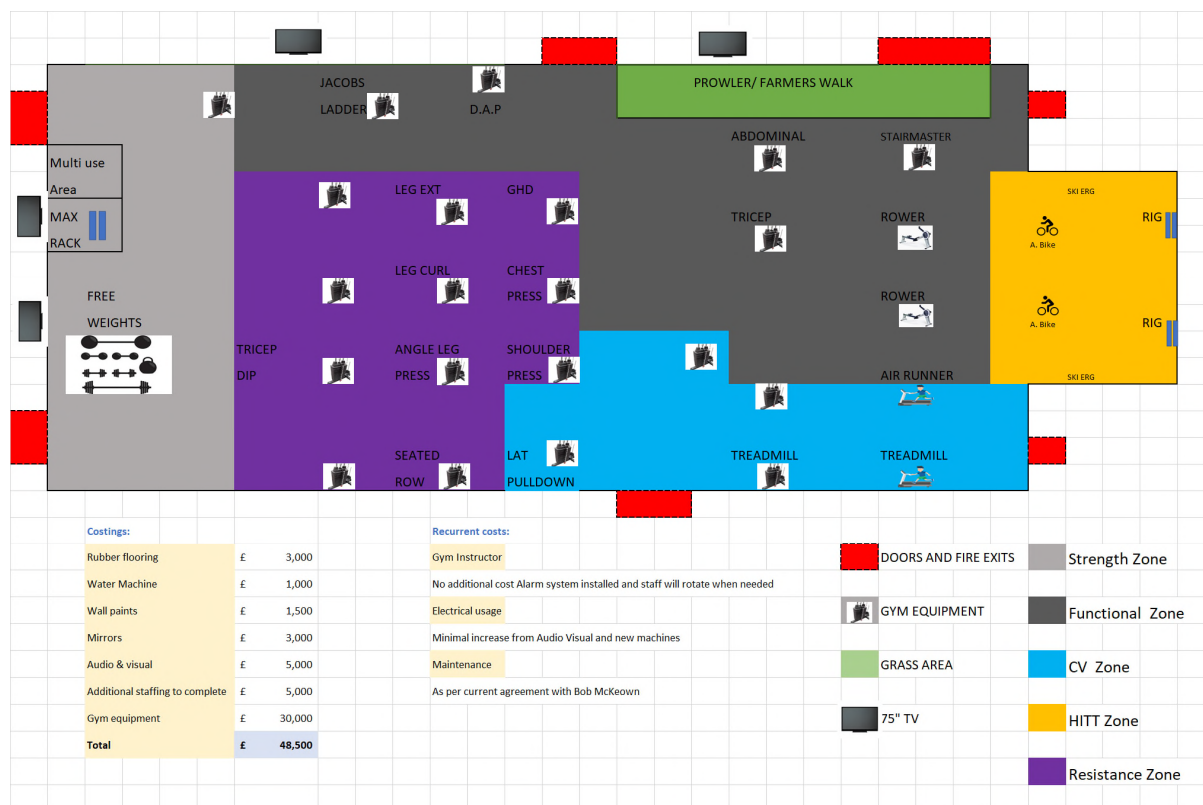
On balance, of the assessment of costs, benefits and risks **Option 4 – Pilot project at Roe Valley Leisure Centre at a cost of £50k is the preferred option.** This option represents the most prudent course of action under market conditions and also allows continued in-house transformation and ‘proof of concept’ to be tested before competing an OBC for investment of £1m in gyms and equipment across the six leisure facilities.

The minor hall at Roe Valley has recently been re-purposed to adhere to public health restrictions and enhance the gym experience as shown in the photo below:



It is proposed that the pilot project will further enhance this space on a permanent basis. The proposed concept layout, equipment and cost breakdown is detailed below:

Investment in Gym and Equipment Offering – Strategic Outline Case



10.0 TIMETABLE AND DELIVERABILITY

Subject to Council decision on the preferred option, the indicative delivery timeframe to progress Option 4 in the context of the wider OBC is summarised as follows:

- Completion of Stage 0: Strategic Outline Case for approval – December 2020
- Detailed Layout and Equipment Specification procured for set-up – March 2021;
- Pilot Project evaluated for 6 months – April –Sep 2021;
- Council decision on the preferred management option reviewed – Sep 2021;
- Completion of Stage 1: Outline Business Case for up to £1m – October 2021.