

NOT FOR PUBLICATION: Appendices 1, 2, 3 a and b, 4, 5 a and b, 6a, 6b (i) and (ii) to this report contains information considered to be exempt under Paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended

Agenda Item No.

REPORT TO: Management Board
Leader Meeting (discussion only)
Cabinet Member CTS Meeting (discussion only)
Cabinet

DATE: 18 May 2020
1 June 2020
4 June 2020
17 June 2020

SERVICE AREA: Culture, Tourism & Sport

REPORTING OFFICER: Head of Culture, Tourism and Sport
(*Michael Constantine*)

SUBJECT: **SPORT & LEISURE INVESTMENT STRATEGY**

WARD/S AFFECTED: ALL DISTRICT

FORWARD PLAN REF: N/A

1.0 PURPOSE OF REPORT

This report follows Cabinet’s decision of 16 December 2019 to progress the plan for the creation of a Local Authority Controlled Company and to explore undertaking investment in leisure venues following the review into the delivery of sport and leisure undertaken by Strategic Leisure Limited (SLL).

It recommends two major schemes, one creating a new ‘East of the District’ venue and the remodelling and refurbishment of the existing Harrogate Hydro facility.

2.0 RECOMMENDATIONS

- 2.1 Cabinet note that the work undertaken to date in defining the costs and scope of the schemes reflected in Appendices 1 to 4
- 2.2 Cabinet note the future phasing and financial modelling indicating the schemes could be self-financing as presented in appendices 5 and 6
- 2.3 Cabinet approve funding totalling £1.7 million through borrowing to progress the design development and business cases for the schemes to RIBA stage

4 reflecting the governance, gateways and arrangements in paragraph 5.5.

- 2.4 Cabinet note the outline site appraisal at 5.2.2. Cabinet to receive a future report recommending a preferred site determined through a site options appraisal prior to proceeding with design development for the East of District facility and agree to funding the appraisal through the Council Investment Reserve to a maximum of £10k.
- 2.5 Upon completion of RIBA stage 4 for each scheme Cabinet receive a future report detailing the costs and business case for each scheme prior to a decision whether to proceed with construction.
- 2.6 Cabinet recognise the synergy the investment in developing facilities has in maximising the opportunities created through the creating of the Local Authority Controlled Company covered in the accompanying report at agenda item 6.

3.0 RECOMMENDED REASON/S FOR DECISION/S

There is a need to achieve best value for the services the Council provides, to reduce net operating cost wherever possible, whilst at the same time maintaining and where possible improving service for residents.

The December 2019 report identified that it is very difficult to further reduce operational costs, or generate additional income, based on the quality, age and design of some of the facilities; that three sites are pools only (staffing costs are high, as overheads cannot be spread across a number of facilities); and unforeseen maintenance requirements, which impact significantly on both service delivery and cost. To drive increased revenue there is a need to invest to provide new facilities and services so that existing users can be offered more, and new users are attracted. More modern provision will also reduce unplanned maintenance and other operational costs.

The report recognised the significant investment in the new facility for Ripon and the need to refurbish and remodel the Harrogate Hydro venue to meet current and future user expectations. The Local Plan highlights the need for a new facility in the East of the District to meet future demand. The 2019 report recognised that the current venues in this area are 30 and 150 years old, have significant operational and unplanned maintenance issues and will not meet the current and future expectations of their users.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION (Must be used for reports to Cabinet & Cabinet Members) To retain existing facilities without significant investment

The SLL report highlighted that the current major leisure facilities such as the Hydro, Knaresborough Swimming Pool, Ripon Spa Baths and Starbeck Baths are not of a quality expected in the 21st Century. Condition surveys have identified that the Hydro is requiring significant plant and machinery investment and business development planning has identified that

reconfiguration and expansion of the venue would result in significant financial improvements.

Additional leisure demand is forecast for the east of the district and this, combined with the condition survey of Knaresborough Swimming Pool has highlighted that a combined swimming, gym and fitness facility is both needed and would be a major revenue generator.

Should it not be possible to progress with these identified investments there would be an expectation of 'managed decline' of the service. The ability to increase revenues to become more sustainable would not be achieved without investment in facilities.

As outlined in SLL's report in December 2019; "There is clearly an opportunity cost in not addressing these challenges i.e. facilities will continue to age and become less attractive, capacity will not increase, operational and specifically maintenance costs will increase, and it will become harder to generate even the current levels of revenue. Critically, alignment to HBC's corporate health and wellbeing priorities will not be achieved given that the existing facilities do not provide the environment, nor space in which to address these."

5.0 THE REPORT

Background

5.1 In 2018 the Council commissioned SLL to carry out four separate, but linked leisure studies comprising: Built Facility Strategy; Operational Review of the Leisure Facilities and Active Lifestyles Service; Leisure Facilities Strategy; and an Appraisal of Alternative Delivery Models. SLL's final report was presented to Cabinet on 16 December 2019 and as a result Cabinet agreed in principle to the investment phasing and to receive a future report detailing the impacts and timescales.

Cabinet's agreement recognised that overall, given the existing facility portfolio, the in-house operational management team is performing well. Their team's main challenges are:

- Quality, age and design of some of the facilities;
- The fact that three sites are pools only (staffing costs are high, as overheads cannot be spread across a number of facilities); and
- Unforeseen maintenance requirements, which impact significantly on both service delivery and costs.

Cabinet also recognised that it is difficult to further reduce operational costs, or generate additional income, based on the existing facilities. In order to drive increased revenue there is a need to invest to provide new facilities

and services both so that existing users can be offered more, and new users are attracted. More modern provision will also reduce unplanned maintenance and other operational costs.

Cabinet also agreed in principle to the creation of a Local Authority Controlled Company to operate the Council's Leisure Services. The creation and impacts of this Company are dealt with in a separate report at agenda item 6.

5.2 Scheme development and review

5.2.1 Harrogate Hydro

Internal condition surveys indicate the Hydro has lasted well, but also reflect that all the significant infrastructure is 20 years old.

SLL's Report highlighted that the Hydro had a number of significant maintenance items that would require up to a six month closure to address. The items requiring replacement are intrinsic to the operation of the venue such as air handling plants, heating, air conditioning, pool filters etc that phasing works to enable continued opening is understood to be impracticable.

It is also recognised that the Hydro has a significant deficit in fitness and multi-use space which would require remodelling to achieve.

An appraisal has explored the impacts and benefits of a number of options. This is summarised below;

Option	Closure duration	Cost	Risk	Benefits
Do nothing	nil	nil	Unplanned future closure > 6 months Closure impacts on staffing	Nil
Undertake Mtce only	6 months	£3 m	Indicative costs not verified. No increase in income generating space, existing customer experience continues Closure impacts on staffing	Operational stability
Full refurbishment and remodelling	16 months	£13.5 m	General construction risks. Specification 'creep' driving increased costs. Closure impacts on staffing	Detailed costs provided by external party. Costs liable to decrease should surveys indicate infrastructure which can be retained. 'new' customer experience,

				operational stability resulting from 'new' venue. Staffing mitigated through scheduling of scheme with Knaresborough. Business planning indicates scheme can be self-financing.
New facility on existing site	May not be required depending on design	£18 m	Perception of lack of care of existing facility only lasting 20 years. Additional cost creep beyond 'like for like' facility. Construction possible but 'tight' with existing site operational.	Retention of income and expenditure at existing facility during build. Known costs for the future mtce as full new build. Designed for 2020s and the future, rather than remodelled.

The appraisal highlights the opportunity for a scheme which delivers refurbishment and remodelling. A remodelling and refurbishment scheme will provide a venue reflecting current and future activity needs with operational and maintenance stability for the next 10-20 years.

An initial feasibility study to RIBA stage 0-1 has been undertaken to indicate the costs and timescales required for a full refurbishment and remodelling of the Hydro.

The feasibility scheme allows for a full refurbishment of all services and surfaces by stripping the venue back to its structure. At this feasibility stage these assumptions provide for a 'worst-case' scenario for costs and a certainty around budget. As the scheme is developed further surveys will provide increased cost and specification certainty which has the opportunity to either reduce or confirm expectations of cost.

The December report to Cabinet work highlighted the need to invest to provide new facilities and services both so that existing users can be offered more, and new users are attracted. The remodelling of the Hydro anticipates

providing an additional 190m2 of gym space and two additional studio / fitness spaces to meet current and future users' needs.

In order to meet customers' expectations of quality on reopening and provide a venue that can be easily maintained for the next 10+ years the refurbishment anticipates replacing all floor, wall, ceiling, seating and changing surfaces to provide an essentially 'new' venue.

The full remodelling and refurbishment scheme has a headline budget of £13.5 million.

The cost estimates have been independently reviewed and are attached as Appendix 4. This highlights that there are a number of minor omissions (planning fee, CCTV upgrades, access control system) balanced by a potentially generous timescale for development within the programme. Their expectation is that these would be resolved within the design development stages up to RIBA stage 4.

The option of delivering a new build venue on the Hydro site to the same scale as the remodelled and refurbished scheme has been evaluated. This indicates an overall cost in the order of £18 million. This indicates that retaining the existing building has a value of £5 million to the scheme.

5.2.2 New facility for the East of the District

SLL's Report identified that the East of the District will benefit from significant residential development in the future. It also identified that the current Knaresborough Swimming Pool as a stand-alone swimming venue, has had significant operational failures and was operating near capacity for much of its opening.

An options appraisal of potential locations in and around Knaresborough for the new venue which are currently owned by HBC has been commissioned through Strategic Property to inform future agreement on preferred location. The costs of any external evaluations is anticipated to be funded from the Council Investment Reserve's allocations for the development of Knaresborough Swimming Pool. Initial thoughts are summarised below;

Location	Advantages	Challenges
Existing Swimming Pool site – Playing field or current venue if demolished	<ul style="list-style-type: none"> • Existing venue on site – services available • To the east of Knaresborough with easier access from new development sites • Playing field or existing site and car park will accommodate proposed venue 	<ul style="list-style-type: none"> • Construction possible but 'tight' with existing site operational. • Adjacent to residential – may have planning impacts • Loss of playing field / green space – balanced by new 3G pitch at King James's school • No potential for capital receipt for disposal of site
Knaresb'gh House	<ul style="list-style-type: none"> • Town centre location easily access from bus 	<ul style="list-style-type: none"> • Significantly constricted site – Grade I listed church and

	<ul style="list-style-type: none"> route and pedestrians • Will enable disposal of existing site generating capital receipt 	<ul style="list-style-type: none"> Grade II Knaresborough House adjoin the site • Within Conservation area • Restricted vehicle access and parking on site
Hay-a-Park	<ul style="list-style-type: none"> • To the east of Knaresborough with access from new developments • Space to accommodate proposed venue • Will enable disposal of existing site generating capital receipt 	<ul style="list-style-type: none"> • Very restricted access via one single-track lane • Rural location may have planning restrictions on full sized leisure centre • Displacement of existing rugby club if site use changed
Conyngham Hall	<ul style="list-style-type: none"> • Town centre location easily accessible from bus route and for pedestrians • Easy access from Starbeck and east of Harrogate • Adds to desirability of Business Centre – potential for increased rental income • Develops currently underutilised area of town, informs and aligned to initial development of PES strategy for greater site / landscape • Will enable disposal of existing site generating capital receipt 	<ul style="list-style-type: none"> • Constricted site – Grade II* Conyngham Hall and a number of significant trees and natural features adjoin the site • Within Conservation area, may result in additional landscaping / building materials / design costs • Vehicle access via existing Hall / car park entrance may require traffic lights • Additional travel distance from new developments compared to existing site

This is crystallising the location of the new facility to provide an enhanced replacement for Knaresborough Swimming Pool to be either Conyngham Hall or the existing Knaresborough Swimming Pool (KSP) site or playing field.

An indicative scheme has been scoped reflecting the need to provide an enhanced replacement of the existing Knaresborough Swimming Pool. The current venue is 30 years old, is four lanes plus activity pool, is operating at capacity and has a number of maintenance issues which are not resolvable without significant interventions, such as excavating poolside pipe work to

replace. The existing venue is swimming only and does not have any fitness space resulting in high costs compared to a combined leisure venue.

The scheme envisages the enhanced replacement for the existing pool consisting of a six lane, 25 metre pool (increasing from four lanes) and a 10m x 5m activity pool (an increase on existing space). In addition a 66 station gym and two multi-use studio spaces are intended to provide a full spectrum leisure facility with the flexibility to meet current and changing future needs.

The current scheme will evolve through stakeholder and public consultation and the current budget possesses scope for providing additional areas reflecting the potential location, customers' views and financial returns. These would be evaluated by the project team, operating within the project budget.

The current new facility scheme, if located at Conyngham Hall, has a headline budget of £13 million.

The cost estimates have been independently reviewed with comments are attached as Appendix 4. As outlined the Conyngham Hall site has a number of potential costs which have not been budgeted for within the feasibility traffic management and widening of the access road may be required, subject to survey. The expectation is that these would be resolved through surveys within the design development stages up to RIBA stage 4.

Recognising the Conyngham Hall site as illustrated in Appendix 3a has the restrictions outlined in the appraisal, significant sums have been allocated within the feasibility study to provide for servicing the facility and being sympathetic to the location. These include additional costs for landscaping and exterior materials, electricity substation and water and gas connections and it is anticipated that surface water would be discharged to the river. These cost estimates are in the region of £500k and would be explored and finalised through the design development and planning stages.

The potential location at the existing KSP site as illustrated in Appendix 3b would not attract the conservation area premiums, and potentially not the additional servicing costs, although these would be subject to survey reflecting the desire to keep the current venue operational during the build. In addition there would be the costs of removing the existing facility. Early indications are that the costs would be less than the Conyngham Hall site.

Scheme Phasing

- 5.3 Initial work regarding phasing the schemes was presented to Cabinet in December 2019. Then the anticipated phasing would be would be Ripon, followed by Hydro, followed by Knaresborough. This reflected the anticipated scope of the schemes and was subject to future development and review.

The review of the investment phasing undertaken by SLL is attached as

Appendices 5 a and b. This uses the current scheme budgeted costs and development and delivery timescales as indicated in the Feasibility Studies.

This review indicates that the ideal phasing would be Ripon, as the scheme is currently underway, followed by the new Knaresborough on a new site, then Harrogate Hydro. The rationale is to mitigate the potential loss of income from a closed Hydro by keeping the current Knaresborough Swimming Pool **and** the new Knaresborough Centre open until the Hydro is completed. This will also mitigate the staffing costs or potential redundancies involved with Hydro's closure through using the staff capacity at the new venue. This will enable the new Knaresborough's capacity to compensate for the Hydro's closure retaining both income and residents' activity.

Timeline;

Ripon completes September 2021

New Knaresborough design starts autumn 2020, build starts summer 2022, completes December 2023

Hydro surveys and design starts autumn 2020, venue closes and works start Dec 2023 – this enables staff, activity and income to be absorbed by New Knaresborough. Hydro reopens March 2025

As both the New Knaresborough and Hydro are open – 'old' KSP closes March 2025 as the capacity is no longer required.

This timeline is indicative, subject to any Local Authority Controlled Company appraisal and business planning recommendations.

Financial Review

5.4

SLL have reviewed the financial impact of the investments on the service aligned to the accompanying report on agenda item 6 regarding the creation of a Local Authority Controlled Company to deliver Leisure Services. Their financial review is attached as Appendices 6 (a) and (b).

The current financial analysis has a number of underlying assumptions;

- All capital delivering the schemes is borrowed at PWLB rates
- Future income performance is at the midpoint of SLL predictions reflecting previous industry data
- No funding is anticipated from Sport England or other external funding agencies
- No additional funding from S106 or Community Infrastructure Levy is anticipated

Harrogate Borough Council's Capital Strategy includes for a number of maintenance items which would be covered by the schemes. At this stage this potential internal funding has not been included in the financial analysis in order to provide clarity regarding the self-financing potential of the schemes. It is clear that internal funding through the Capital Strategy, or receipts from disposals will improve the revenue impact of the investments and move them from being self-funding to being positive revenue

contributors to the Council.

Funding may be available for the new Knaresborough Centre from Sport England. Officers have explored this and Sport England have indicated that they would welcome an approach, in line with their processes. The Sport England process would require external consultation and development for around 18 months and would yield a maximum contribution of around £1-2 million. Officers' view is that external grant funding can be explored, along with CIL and S106 in parallel with the scheme's development being mindful of any potential delays to the project and subsequent inflationary impacts on construction costs and delays in increasing incomes.

The current financial assumptions for the Local Authority Controlled Company (LACC) indicate an overall cost to the Council of £2.981 million with the current facilities and Ripon completed. Following completion of both these development schemes the overall cost to the Council is anticipated to be £3.236 million assuming Starbeck Baths continues to operate. This is an additional annual cost of £0.255m. With the closure of Ripon Spa Baths and Knaresborough Swimming Pool and new facilities at Knaresborough, Ripon and Harrogate the future of Starbeck Baths would need to be considered. Analysis indicates that without Starbeck continuing to be operational the cost to the Council would be £2.790 million, a saving of £0.191m pa.

Delivering the service by a LACC, following investment in new facilities, will result in an estimated saving of £585k per annum compared to the delivery in-house, with Starbeck no longer operational. This is an uplift from the £284k saving before investment reflected in the accompanying report at agenda item 6.

This demonstrates that under the operational management of the LACC, the schemes have the potential to be entirely self-funded through prudential borrowing depending on future decision regarding Starbeck Baths' continued operation.

Delivery Governance

- 5.5 The schemes have been developed to Feasibility stage under the Scape framework. This development work has been at no cost and no future obligation to the Council.

The Scape framework has been used for the procurement of design, project management, planning and subsequently construction delivery for the new facility for Ripon Project. This was delivered over two stages with the developed design then being refined for delivery by the main contractor.

It is the Officer recommendation that a framework is used to procure the services of an experienced main contractor to progress the schemes from Feasibility, through RIBA stages 2 – 4 (Concept, Developed and Technical Design). This approach provides certainty in areas such as buildability, construction cost management, timescale appreciation and professional liabilities. It is recommended that following a procurement evaluation, project team recommend a framework, contract and main contractor for a

Cabinet Member decision.

It is recommended that the investment in Leisure Facilities is overseen by a dedicated Project Team with membership including Strategic Property, the client / end user (initially Culture, Tourism and Sport, then then Local Authority Controlled Company), ICT, Finance and Legal under a relevant senior responsible officer. The team would report to Transformation Board as part of the 2024 Programme.

It is recommended that the project team develops the schemes and parallel business plans in line with the indicated timeline and agrees review and signoff for each RIBA stage at Transformation Board. Agreement to proceed to construction at RIBA stage 4 would be reserved for Cabinet approval.

In addition to an internal project management / coordination resource the Council will require project management, quantity surveyor and other specialist management for the projects which is not available internally. It is Officer recommendation that a framework is used to procure the services of experienced project managers and other professional services required to ensure the Council's financial position and reputation is protected throughout the process.

Future Approvals

- 5.6 Once the schemes have been developed to RIBA stage 4 and full construction costs are understood the financial impacts would be re-evaluated and reports to Cabinet seeking approval to proceed would come forward. It is anticipated that these would be in the summer of 2021 and 2022 to deliver the Knaresborough facility by late 2022 and the Hydro renewal by summer 2024 respectively.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

- 6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.
- 6.2 *(Author – include here, and in any further sub-paragraphs, details of any consultations, assessments, etc, that were necessary to undertake. If there are none, paragraph 6.1 must still remain in the report)*

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Legal services were consulted in the preparation of this report. Should the

decision be to proceed to RIBA Stage 4 then legal and procurement will advise on and prepare the necessary appointment documents.

Procurement

Service area will work in collaboration with procurement in order to find a suitable procurement route for both projects. The Procurement and Contracts manager will undertake a full options appraisal of all available OJEU compliant frameworks which could be utilised in order to make the procurement process less resource intensive and more cost effective for the Council.

HR

The potential staffing impacts resulting from the closure of Harrogate Hydro will need to be further evaluated during project development. The report recognises that there is potential to transfer employees to the new Knaresborough venue as a means to mitigate potential redundancies. This will be an area of work which the new LACC will need to be cogent of during project development and be prepared to undertake.

The report identifies the potential for a change to the operation of Starbeck Baths. Any changes could result in staff being displaced for which there would need to be appropriate consultation and planning through the development process.

Finance

The financial modelling assumes the two schemes are capital expenditure and are funded entirely by borrowing (based on current PWLB rates). In practice any feasibility works incurred in appraising alternative sites for the facility at the east of the district are revenue expenditure and therefore must be funded by revenue resources. Existing revenue resources are set aside in the approved Capital and Investment Programmes for the maintenance of the existing facilities at the Hydro and Knaresborough Swimming Pool and these funds could be allocated for the feasibility works. Once a site has been agreed the design development is classified as capital expenditure and can be funded by borrowing.

Given the unfunded nature of the Capital Strategy, beyond the existing five year programme (2020 to 2025), it would be prudent to fund the two schemes by external borrowing (given the Council's heavily under-borrowed position), though there may be potential to finance the design development from internal borrowing. This would free up the funds, set aside in the Council Investment Reserve for the maintenance of the existing facilities, which would no longer be required, to support the financial recovery plan that is being developed as a result of the financial implications of COVID-19. An assessment will need to take place of the maintenance requirements of the existing facilities prior to their closure to inform the funds that can be re-directed to the financial recovery plan. Equally any capital receipts realised

from the disposal of additional sites could free up funds in the Council Investment Reserve to support the financial recovery plan.

Given the significant short term (and potentially medium term) financial implications of the coronavirus pandemic, and the medium term outlook for the capital strategy, it is crucial that any significant reviews, such as this, are self-financing. Based on the modelling, should the decision be taken to commit to the two schemes, then this also requires the agreement to set up the LACC to deliver the existing services at a reduced cost and is predicated on the closure of Starbeck Pool, once the new Knaresborough opens, or before if it fundamentally fails.

As referred to earlier the financial modelling is based on borrowing from the PWLB. The Government is currently consulting on the future arrangements for borrowing from the PWLB. The Government is proposing that local authorities that wish to access the PWLB have to confirm that they do not plan to buy investment assets primarily for yield. Local Authorities that wish to buy investment assets primarily for yield would remain free to do so but would not be able to take out new loans from the PWLB in the year in which they bought the investment asset. We will therefore have to consider the outcome of this consultation for the borrowing requirements for these investment schemes, alongside the development and implementation of a commercial investment strategy. As part of the consultation the Government is suggesting it will reduce future PWLB rates for borrowings for housing, regeneration and service purposes. This would therefore reduce the borrowing costs included in the financial modelling for these schemes.

Strategic property/asset management

We strongly support the proposal and agree with the recommendation to invest in the asset. Doing nothing or doing minimum are not advised as this will have a negative impact in the future in terms of quality of asset, service provision and cost,

As always at this stage of the delivery of a capital project there are risks associated with project costs and programme. These will be addressed as further project development work takes place. Particular allowance should be made for Corporate governance and procurement processes.

Additional resource will be required by the Strategic Property team to act as effective client for this project, there may be an opportunity to explore the capitalisation of these costs.

There is experience and learning within the Strategic Property as a result of its role in the delivery of the Ripon Pool project.

It is too early to say what the impact on costs and timescales of COVID might be but it is reasonable to suggest that there will be some which will need consideration through the project development phase.

We will need to establish a preventative maintenance strategy and associated budget in parallel with any investment. This will enable lower long-term costs by extending buildings and equipment life expectancy and reducing operating cost implications.

In the event that any Council owned assets become surplus through this project we will need a Strategic approach to agreeing site objectives and a disposal and marketing plan linked to Corporate priorities.

We will want to ensure that assets are developed or refurbished to the highest possible Environmental targets in line with our Carbon Reduction Strategy.

ICT

These schemes are in the early stage of design development and it is crucial that the infrastructure is able to support tomorrow's IT and communications needs. ICT will need to be closely involved in the project team and it is useful to see that the report anticipates this. Development of the project budget will need to include for appropriate network connections, internal infrastructure, procurement, repositioning or removal of all network connectivity and any direct HBC costs to deliver these.

Equalities Impact Assessment

- 6.3 The EIA attached at Appendix 7 has identified a potential positive opportunity for groups with protected characteristics through the significant investment intended for leisure facilities. The opportunity to provide residents and visitors with modern venues designed to reflect the needs of users with dementia friendly signage and waymarking, 'changing-places' toilets, user operable hoists and employee training and focus should not be missed.

Risks

A risk register has been undertaken with the most significant risk being identified as the development, robustness and deliverability of the business plans. This is anticipated to be mitigated through ongoing review and refinement throughout the schemes' development. These will be reviewed and presented at each of the RIBA gateways to Transformation Board and provide a key element of any future Cabinet decision to proceed to construction.

Covid-19 – The current Covid-19 pandemic has led to the closure of all Sport and Leisure venues. At this stage we cannot be sure what the medium and longer term futures for leisure services will be. There is significant research being undertaken by the National Governing Bodies for sports and Sport England to understand the population's activity levels and attitudes to future leisure activity.

It is clear from early results that people are recognising the benefits of exercise with exercise being identified as one of the few reasons people

were allowed to leave their homes during 'lockdown'. Recent survey results are also indicating that more people are intending to continue exercising and to use indoor leisure venues when they are safe to do so. The development of the schemes and their business cases will be informed by industry research and current portfolio performance. These plans will be evaluated at each development stage with appropriate sensitivity analysis prior to progressing to the next stage.

7.0 CONCLUSIONS

The review into the delivery of Sport and Leisure highlighted the opportunity to invest in the facilities which deliver for residents and visitors. The initial development of the schemes indicates that they have the potential to be entirely self-financing or that they could provide additional revenue cost reductions with the allocation of Council capital, capital receipts from disposals or external grants. Progressing the development of the schemes as recommended through a project team, overseen through the Transformation Board will provide design, business case development and cost certainties.

Future reports will provide Cabinet with refined costs and anticipated benefits with approval to proceed to construction being reserved.

Background Papers – (Appendices 1 – 6 b (ii) exempt)

- Appendix 1 – Harrogate Hydro Feasibility Study
- Appendix 2 – Knaresborough Leisure Centre Feasibility Study
- Appendix 3 a – Knaresborough Leisure Centre Conyngham Hall Indicative site plan
- Appendix 3 b – Knaresborough Leisure Centre Existing site
- Appendix 4 – HBC Knaresborough Hydro – Review
- Appendix 5 a – Scheme phasing – summary
- Appendix 5 b – Scheme phasing – financial evaluation
- Appendix 6 a – Investment – summary
- Appendix 6 b (i) – Investment – financial evaluation – Starbeck Closed
- Appendix 6 b (ii) – Investment – financial evaluation – Starbeck open
- Appendix 7 – Equalities Impact Assessment

OFFICER CONTACT: Please contact Michael Constantine – Head of Culture, Tourism and Sport, if you require any further information on the contents of this report. The officer can be contacted at Harrogate Borough Council, *PO Bo 787, Harrogate, HG1 9RW 07525 988391* or by e-mail – Michael.constantine@harrogate.gov.uk

