

Public Document Pack



EXECUTIVE

2 FEBRUARY 2022

SUPPLEMENTARY AGENDA

PART I

3. TOWNS FUND BUSINESS CASE - STEVENAGE SPORT AND LEISURE HUB

To consider and approve the Towns Fund Business Case for the Stevenage Sport and Leisure Hub project.

Pages 3 - 118

Supplementary Agenda Published 28 January 2022

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Part I



Meeting	Executive
Portfolio Area	Regeneration
Date	2 nd February 2022



TOWNS FUND BUSINESS CASES – SPORT & LEISURE CENTRE

KEY DECISION

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1 PURPOSE

- 1.1 Stevenage was successfully awarded £37.5m of funding through the Government's Towns Fund programme. Full business cases must be developed and approved by 24th March 2022 for each of the projects that comprise the Stevenage Towns Fund programme. The Council, as Accountable Body, must provide final sign-off for each of the business cases, in accordance with the Towns Fund Stage 2 Guidance. Full Council has delegated approval of each of the business cases to the Council's Executive committee.
- 1.2 This report relates to the Sports & Leisure Centre project, which includes the provision of a new swimming pool, gym, spa and youth services. The project will provide high-quality facilities that provide an attractive sports, health and wellbeing offer for residents and visitors, whilst also delivering a key component of the Council's regeneration strategy, by creating a vibrant two centre with leisure, culture and experience at its heart.

2 RECOMMENDATIONS

That Executive:

- 2.1 Note the feedback from the Stevenage Development Board.
- 2.2 Approve the Sport & Leisure Centre business case and delegate authority to Strategic Director (TP) to submit the project summary to the Department for Levelling Up, Communities and Housing Towns Fund team on behalf of the Council (acting as Accountable Body).
- 2.3 Endorse development of a detailed project delivery plan including detailed funding plan, and continued engagement with key stakeholders

3 BACKGROUND

- 3.1 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns. Background relating to this process, the development of the Stevenage Town Investment Plan (STIP), and the approval process for the business cases is contained within Appendix A. The breakdown of funding is identified below:

Project	Total (£)
Stevenage Enterprise Centre	4,000,000
Gunnels Wood Road Infrastructure Improvements	1,000,000
Station Gateway Enabling Works	6,500,000
Marshgate Biotech	1,750,000
Stevenage Innovation & Technology Centre	5,000,000
National New Towns Heritage Centre	2,000,000
Stevenage Sports & Leisure Hub	10,000,000
Cycling Connectivity and Arts & Heritage Trail	3,500,000
Town Centre Diversification & Garden Square	3,750,000
Total	37,500,000

- 3.2 All business cases relating to the Stevenage Town Investment Plan are required to be approved by the Accountable body before 24th March 2022. To recap, business cases must include:
 - The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
 - An assessment of value for money, including showing how different types of projects will be compared and assessed.
 - A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
 - Clearly defined inputs, activities, outputs and anticipated outcomes.

- Appropriate consideration of deliverability and risk along with appropriate mitigating action.
- Whilst there is no minimum value for money threshold set for Towns Fund projects, in order to follow best practice, all business cases must contain robust value for money assessments.
- Business cases should address, in a proportionate manner, the five cases set out in the HM Treasury Green Book.

Sports & Leisure Hub summary (£10,000,000)

- 3.3 Full information on the Sports & Leisure project can be found in Appendices B & C. The project will deliver high-quality multi-purpose sports and leisure facilities in the heart of Stevenage Town Centre. The project provides a unique opportunity to consolidate three existing buildings, and develop a state of the art Sport & Leisure Hub including swimming, studios, gym space, and flexible sports facilities adjacent to the main Town Centre Gardens on the current Swimming Centre and Bowes Lyon House site. The delivery of this new facility will consolidate town centre sport and leisure provision into one central location, incorporating young people services and providing a modern 21st Century facility for the town's residents.
- 3.4 The new facility will offer a new focal point for the town, encouraging greater levels of participation in sport, delivering improvements in health and well-being; enhancing the Town Centre Gardens and improving access to green spaces and connectivity with Stevenage's old town. With the existing Swimming Centre integrated in to the new facility, it will unlock a brownfield regeneration site to incorporate an estimated 200 homes in a housing scheme. With the existing leisure centre relocated from its current location, a further step is taken towards unlocking the redevelopment of the Station Gateway; a Major Opportunity Area listed in the Stevenage Central Framework and a connecting Town's Fund project, which activates further regeneration opportunities.
- 3.5 The Stevenage Sport & Leisure Hub is key to unlocking a wide array of health and regeneration benefits. Not only will this project deliver significantly improved facilities within an integrated sport, leisure and wellbeing offer, it is pivotal to the transformation of the town centre, building on the work of the Grimsey Review to diversify town centres and use leisure and culture as destination attractors. The new Sport & Leisure Hub complements the regeneration of the eastern edge of the town centre, providing enhanced linkages from the centre right through to the neighbouring residential areas. It begins to feel like a sports and cultural attraction which will draw visitors to Stevenage. Key elements of the scheme are likely to include:
- New 10-lane swimming pool and teaching pool with moveable floor to enable enhanced swimming lessons
 - Leisure splash zone to enable water play for younger children
 - Multi-purpose sports hall to provide array of sports sessions

- 200 station state of the art gym with 3 exercise studios
 - Health & wellness spa and ancillary facilities
 - One Stop Shop information & advice centre for youth services
- 3.6 The proposed future-proof building will create a convenient place integrating three existing building services into one state of the art facility with use of modern technologies: this will enhance the visitor's experience, generate a capital receipt from redeveloped land, deliver operational cost savings, and better integrate the way in which partners work.
- 3.7 There is a significant opportunity to utilise this project to address some of the health and wellbeing challenges in Stevenage. The potential integration of the Healthy Hub would enable bespoke facilities that access a greater number of people, as well as provide a secure long-term setting. Stevenage consistently performs below the County average on a wide range of health indicators, such as smoking, obesity and exercise levels, and this facility provides an opportunity to form a focal point of active lifestyles and wellbeing, to be promoted by health partners across the town. Stevenage underperforms in terms of population health compared with the England average, and there are many disparities and deeply rooted health inequalities across the town: 19% of children live in low-income families; life expectancy for women overall is lower than the England average; life expectancy for men in the most deprived areas is 4.8 years lower than those in rest of the UK's least deprived areas
- 3.8 One of the other benefits of the business case is that it consolidates the wet and dry leisure facilities in to one site; these are currently located on two separate sites, the existing swimming pool on St George's Way, and the gym facilities which form part of the leisure box. One of the aspirations of the Stevenage Central Framework regeneration strategy is to enable the redevelopment of more land between the station and the Town Square, unlocking the Station Gateway transformation area. This would include an improved theatre offer in the future as part of any regeneration, with further work required in the future to explore the options.
- 3.9 The work to produce the business case has been carried out alongside the preparations for the procurement of a new leisure operator contract, with the planned new facility likely to be a key attractor in a competitive operator market. Whilst the project has a significant capital cost, operation of the new facility should unlock revenue benefits to contribute towards the construction over the course of its lifetime. There has been positive liaison between the leisure and regeneration teams to ensure that the projects align and are complimentary in their objectives, with the engagement carried out to explore what people want from leisure facilities in the future used to inform the business case.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 This report recommends approval of this Stevenage Towns Fund business case, which sets out a case for:
- Sports & Leisure Hub (£10,000,000)
- 4.2 Both the summary version and full version of the business case have been included as appendices to this paper. The business case provides detailed assessment of the strategic, economic, financial, commercial and management elements of the business case, with detailed consideration of the benefits, risks, outputs and outcomes of the project.
- 4.3 The business case under consideration has been reviewed by the officer group and Assurance Panel, which includes the Chair of the Stevenage Development Board.
- 4.4 To date, the Assurance Panel, which is made up of representatives from the Board and supported by Stevenage Borough Council Officers, have provided support for the business case. Key comments from the assurance panel are summarised below:
- Ensure that the health benefits are emphasised as part of the business case rationale, with a unique opportunity to address some of the health challenges Stevenage faces
 - Capture benefits of co-locating within a modern facility, and the climate change benefits of moving out of buildings that are not fit for modern operations
 - Highlighting points which will need to be given careful consideration during the early design stages, such as the proportion of on-site car parking and the access across St George's Way
 - Consideration of the optimum way to reference the development opportunities this could unlock as part of the Station Gateway due to the vacated leisure site, and how to frame proposals for the stages this could go through
- 4.5 The business case was presented to the Stevenage Development Board on 20th January 2022, incorporating feedback from the Assurance Panel. The project attracted positive support from stakeholders, with enthusiasm and optimism for the project, which was unanimously endorsed by the Board. Some comments also provided scope for future work and focus, such as reviewing the programme to look for opportunities to bring the project forward earlier, and opportunities to champion the health and wellbeing benefits.
- 4.6 The purpose of this project is to deliver a modern, flexible, multi-purpose hub of sports, leisure, wellbeing and youth services to meet the needs of Stevenage residents and visitors for many years to come. This has multiple aims, including providing high quality facilities for our residents, forming a key part of our place identity and regeneration strategy, unlocking future redevelopment sites, providing an opportunity to address health and wellbeing challenges in an integrated way, and increasing visitor numbers to

the facility. This is considered to be a significant benefit to the town, delivering a number of priorities as part of the Future Town Future Council programme.

- 4.7 The business case provides a thorough assessment of each of the above points, including the production of a high-level draft business plan, which will be evolved as the project progresses. Overall, the Council as Accountable Body is in a position to advise Government that the conditions have been met in the business case, and will be continually monitored throughout the project.
- 4.8 The alternative options available to the Council are:
 - Not to approve the business case, or
 - Defer approval of the business case until any issues are resolved or further information is provided.
- 4.9 Based on the information presented, Officers are satisfied that the business case can be suitably controlled through conditions relating to the drawdown of funding, and no further amendments are required. It is acknowledged that the business case is a living document, which will be updated as developments progress. The other options available would have a significant detrimental impact on the success of the Towns Fund and Transforming Our Town programme, with no tangible benefits.
- 4.10 If the recommendations are approved, the next stage of the process will be to develop a detailed project delivery plan, including detailed funding plan. This will focus on; the processes for delivering the project including the specific lead officers, project team and governance arrangements; a detailed funding plan to review options to fulfil the match funding commitment; and a review of opportunities relating to the precise timing of delivery, noting the Towns Fund spend requirements. This will also include a plan for further engagement throughout the process.

5 **IMPLICATIONS**

Financial Implications

- 5.1 In relation to the Sport & Leisure business case, this was one of the larger projects included in the Stevenage Town Investment Plan. Following the award of funding in principle (offer letter), £37.5m on funding was awarded to Stevenage. Of this, £10m was allocated to this project.
Specialist consultants, in conjunction with Council teams, have previously produced a high-level schedule of accommodation, cost plan and business plan. The Council as part of the re-procurement of a leisure operator, this work has been updated based on current assumptions and including inflation, although it is important to note that inflation pressures could result in a higher contract price at the point at which the construction contract is agreed. The total project cost is below:

Funding Profile	Total
SBC	£29,220,000
Town's Fund	£10,000,000
Other	£5,000,000
Total	£44,220,000

- 5.2 The precise cost of the facility will only be known when further detailed design work has been carried out, but the figure above provides a high-level estimate based on robust information and evidence. It is envisaged that Community Infrastructure Levy (CIL) and capital funding from external partners would contribute circa. £5m of match funding, however this is a funding assumption only at this stage and remains a risk, so in reality the maximum match-funding the Council is responsible for assembling would be £34,220,000, based on the feasibility work. However if the total built cost were to increase then clearly the amount to be met by the Council will be high.
- 5.3 The Council will need to develop a funding strategy to meet its cost of the construction based on a combination of available capital resources, borrowing if affordable and development of land sites to generate capital receipts versus value engineering of the construction cost.
- 5.4 In considering the overall financial risks of match-funding cumulatively to those already approved. Across tranche 1 and 2, the Council is exposed to circa. £1.25m of capital that could revert to revenue if a capital scheme is not delivered across the Gunnels Wood Road and Station Gateway projects, and circa. £3m of direct match-funding to deliver the Station Gateway project. Ahead of this paper, a further £936k in direct match-funding and £2m in indirect match-funding is proposed for the Heritage Centre.
- 5.5 To mitigate further financial risk through this business case, the funding strategy identified above for the total sum of match funding will need to be approved before significant Town Fund monies are released. This is because if the Council were not able to match fund the costs they would need to be repaid to the Towns Fund and potentially aborted costs would become General Fund expenditure.

Legal Implications

- 5.6 In relation to the Sport & Leisure Centre business case, the approval process previously set out at Executive and Council (“Transforming our Town Centre progress update and Towns Fund decision making”) has been followed, and the documents have been prepared in accordance with the Towns Fund Stage 2 Guidance referenced in the decision-making report. There will be further decision-making gateways required, including separate consideration of the planning application, and consideration of the funding plan for the match funding, as this is a project that will be delivered by Stevenage

Borough Council. Due to the size of the project, it is anticipated that the project will have a Full Council gateway at a later stage.

Risk Implications

- 5.7 Full details of risks relating to each of the business cases can be found within the full business case.
- 5.8 The Towns Fund programme provides a significant opportunity to draw in substantial levels of funding to support the regeneration of the town. Across a range of projects, there are elements of risk, as some projects will require match funding (as set out in the business case), or require capital investment and to proceed into delivery to avoid project costs generating revenue impacts. A number of strategic risks have already been identified for this project. The key risks include:

<i>Stevenage Sports and Leisure Hub Project Risk Register</i>										
Risk Register L: Likelihood; I: Impact; T: Total										
Ref.	Risk	Triggers	Consequences	Controls	Risk Score			Contingency	Responsible Person	Date: Added/ Updated
					L	I	T			
001	Covid-19 Outbreak and possible introduction of lockdown measures	Negative changes to working practices through social distancing. Uneconomical for construction supply train to operate. Added delays due to drop in output levels through covid	Shortfalls in manufacturing capacity causing price inflation. Project delay by significant social distancing measures. Negative Change in payment practices.	The need to implement practices to ensure safety. Client, consultants, and contractors work together to agree common solutions. Innovative approaches to procurement are in place. Allow for time extension in contracts. Monitor financial resilience of supply chains.	4	4	16 R	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cashflow.		

002	Construction labour shortages create delays	Conclusion of contracts with building contractors for public realm and site redevelopment EU restrictions (Brexit) on contractors and independent consultants	Delays to completion of both due to recruitment difficulties for contractors and consultants, Cost overruns	Appropriate and timely contractual arrangements	4	5	20 R	In development agreement with contractors and with public realm contractors incorporate commitment to bring in additional temporary labour to ensure projects are completed on time.		
003	Labour shortages in freight transport and supply industries delay construction progress	Construction progress reports noting failure to progress on schedule. National shortfall in haulage capacity	Delays to completion of project due to shortages of materials and components. Cost overruns	Contractual arrangements	5	5	25 R	In development agreement incorporates commitment to build up advanced stocks of materials. Build in sufficient contingency time in delivery programme to address possible delays.		
004	Development of the Sports and Leisure Hub constrained by unknown site conditions.	Physical obstructions. Physical conditions. Asbestos removal issues.	Need to change working methods. Revision of the design. Delays in delivering the development. Cost escalation.	Clear and appropriate description of works in technical documents. Clearly defined scope of works e.g. contractor's design obligations and buildability obligations	2	4	8 Y	Contractual provisions to manage unforeseen site conditions e.g. physical obstructions or physical conditions.		

005	Climate changes and weather conditions	Unusually harsh weather conditions. Impact of unusually harsh weather conditions on aspects of project	Bad weather retards progress of the construction programme or parts of the construction programme	Regular progress reviews. Timely communication	3	4	12 O	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather		
006	The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Capital & revenue overspends. Inadequate project management. Failure to resolve conflicting priorities. Robust financial systems are not established.	Impact on capital programme. Revenue overspends. Requirements to make compensatory savings to balance budget. Increased legal fees. Reputational damage.	Client management relationship. Rigorous and well-informed project monitoring reports. Effective communication. Appointment of key personnel.	3	4	12 O	Appointment of a B&D contractor in a two-stage process with a caveat to end the contract after the first stage should the Council wish to make that decision (PCSA - Pre-Construction Service Agreement). A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.		
007	Pricing and usage strategy necessary to create viable project is not in line with stakeholder expectations. i.e. hire charges for club use, membership levels etc.	Inadequate use of data to inform appropriate pricing strategy. Lack of NGB sports data to inform financial robustness of their member clubs. Lack of control over contract operator.	Lack of contract procurement or poor contract could result in financial failure of the centre and lack of control over operations and pricing which will prevent many users from using the facility.	A robust procurement process with a detailed specification and significant controls over operational, maintenance, staffing branding, financial performance and pricing will be put in place prior to opening of a new facility.	1	4	4 Y	SBC has client function over contract operator, set requirements are specified within the contract specification including pricing policies and close scrutiny of monthly profit and loss accounts, annual accounts and will therefore be able to positively react to any potential financial or operational issues that may occur maintains close cooperation with its		

								stakeholder groups (public, private and third sector) and its client groups. Looks at ways in which it can minimise the cost impact by ensuring that all residents have access to services and are supported to make healthier choices wherever possible.		
008	Failure to achieve planning approval	Notification of Council decision	Major delay to completion and project interdependencies.	Planning approval has been expedited and is well advanced. Through consultation, scope of objections well understood.	1	5	5	Y	Close cooperation with Planning.	
009	Constrained nature of the site limits the volume of building which can be accommodated , the range of uses and how the buildings are organised on site.	Funding restricted / stopped. Poor management decisions. Failures in contractor / partnership working. Poor project management. Poor planning	Project delays/over-runs. Reputational damage. Cost overruns. Public dissatisfaction. Discouragement of future partnerships. Delay, impact on service delivery.	Regular meetings with designers / contractors. Effective procurement strategy. Post contract reviews. Regular and timely meetings with planning. Robust project management.	3	3	9	Y	Close cooperation with Planning.	

010	Strong objections from local residents to proposed content and design of the new centre	Publication of outline and detailed designs	Likely delays to construction if design changes are needed	Comprehensive consultation programme particularly at early stage to capture preferences from local residents.	2	5	10 Y	Market Research and focus groups to provide ample evidence of what the public expect from the new sports and leisure centre. Extend process to enable preliminary designs to be market tested with the public.		
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- 5.9 The key risks and mitigation at a programme level can be summarised as follows:

Key Risks	Mitigation
Business cases and summary sheets are not signed-off / submitted in time and funding is lost	Programme and resources have been established with a dedicated programme manager and oversight from Assistant Director (Regeneration) and Strategic Director (TP) to ensure products are commissioned and programme is on track
Business cases are rejected by Accountable Body/Development Board	Early engagement with both organisations to ensure they are involved and have oversight of business case development, to ensure they are supportive of the direction of travel
Sign-off process and/or decision routes are challenged	Developed sign-off process and governance as set out in this paper in accordance with guidance and best practice
The cumulative risk of Towns Fund projects has a material impact on the Council's Medium-Term Financial Strategy	Each project will highlight the potential areas of risk (in this case, related to the approach to avoid any risks of capital claw back), and previous Towns Fund project. At this point in time the previous Towns Fund project (Gyratory) also highlighted risks of capital clawback, which also has mitigations in place
Money spent at risk not recovered and resulting in a General Fund pressure if projects don't proceed	Careful diligence of spending in early stages of the projects; not progressing to business case stage unless we are confident the project is deliverable; review of risk in entirety across the programme
Funding not sufficiently secured by accountable body, including match-funding	Towns Fund spend profile to be reflected in the Council's capital strategy, with individual projects returning to Council for future sign-off when at a suitably advanced stage to give Members the full information necessary for final budgetary sign-off
Third-parties do not deliver to timeframe or budget, and/or don't follow relevant procurement guidelines	All projects being delivered by a third-party to have a funding agreement in place with the Accountable Body
Business cases called-in and potentially challenged by	Utilising business case template provided through the Town's Fund resource;

BEIS/DLUHC	representative from BEIS to attend Development Board meetings and have sight of business cases at an early stage.
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Policy Implications

- 5.10 The development will contribute to the delivery of regeneration within the town centre and will help to deliver key objectives of the Council's Health & Wellbeing Strategy, Cultural Strategy; Stevenage Central Framework will also help to deliver on the Council's commitment to reducing carbon emissions as stated in the Climate Change Strategy (adopted 2020) through low-carbon developments.

Planning Implications

- 5.11 Planning permission is required and will be sought at a later stage in the project in accordance with the normal gateway process for capital projects.

Environmental Implications

- 5.12 A core value embedded within the framework for appraising Towns Fund projects is focussed on ensuring proper consideration of any Environmental impact, and where possible support the reduction of any impacts.
- 5.13 There is a significant focus on utilising brownfield sites and spaces to their maximum potential through the Stevenage Town Investment Plan, and a clear drive to focus on sustainable travel options, through both public and active transport initiatives.
- 5.14 Better land use planning is a key concept for mitigating emissions and allowing people to make the behavioural changes required to reduce their carbon footprints in the long run. New buildings will improve the environment, not detract from it.

Climate Change Implications

- 5.15 The project will provide a number of opportunities to contribute towards addressing the climate change emergency and net zero targets, through both the sustainable re-use of materials and resources pre and during construction, and designing the building so that it can be operated as sustainably as possible. Practically this could involve the re-use of materials in the groundworks construction, and designing the building to utilise natural ventilation where possible. Further detailed work will be carried out as the project emerges.

Equalities and Diversity Implications

- 5.16 No specific equalities and diversity implications for this tranche of business cases.

APPENDICES

- A Background to the Town Investment Plan development and business case requirements
- B Sport & Leisure business case summary
- C Sport & Leisure full business case

1 APPENDIX A - BACKGROUND TO TOWNS FUND

- 1.1 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns.
- 1.2 As part of the Towns Fund, each eligible town was required to put in place cross-organisational leadership via a Towns Fund Board, to ensure broad representation from businesses, skills and education providers, investors, community representation and cross-public sector support.
- 1.3 In Stevenage, this saw the formation of a new, independent Stevenage Development Board. Following a recruitment process managed by Hertfordshire County Council and approved by the Ministry for Housing, Communities and Local Government, an independent Chair was appointed (Adrian Hawkins OBE), and the new Development Board (the Board) was formed in March 2020, working to shape a Town Investment Plan to help develop proposals to provide local opportunity and reinvigorate the town.
- 1.4 After extensive work and wide engagement by the Board, including working groups on Skills and Enterprise, Connectivity, Heritage and Culture, and Regeneration, the Stevenage Town Investment Plan (STIP) was submitted in October 2020. This built on extensive engagement with local stakeholders, residents and businesses to help shape a plan to reinvigorate Stevenage to meet the aspirations of its people.
- 1.5 This plan set out proposals to create an exemplar 21st century New Town, maximising the opportunities within local economy (including capitalising on the Life Sciences opportunity) to meet the needs of local people, attracting visitors and investment and revitalising the town. The Towns Fund programme had set out an expectation that bids would be for up to £25m, largely capital funding, but with the potential for towns to bid for up to £50m if they could demonstrate exceptional circumstances and subject to a deeper review process to be conducted by Government officials. Stevenage Development Board set out a bid with 'exceptional circumstances, articulating a proposal for £50m funding to help address challenges and opportunities facing the town.
- 1.6 As part of the national Budget announcements in March 2021, funding was allocated to 45 Towns. Stevenage achieved the joint highest allocation in this funding round, with an award of £37.5m. In making this award, the Minister for Regional Growth and Local Government, indicated that this higher funding offer 'is in recognition of the case that Stevenage made for the national significance of the proposals to develop its life sciences sector' and that this presents 'an exciting opportunity to come together to drive long-term economic and productivity growth in Stevenage, particularly as we meet the challenges presented by Covid-19'.
- 1.7 The Ministry of Housing, Communities and Local Government (MHCLG) (now the Department for Levelling Up, Housing and Communities (DLUHC) set out proposed Heads of Terms for the £37.5m award for the Town

Investment Plan). As set out by the Towns Fund programme, the Council and Chair of Stevenage Development Board proposed a funding profile. On 15 July 2021, DLUHC provided Grant Confirmation, allocating funding over a five year period – subject to approval of business cases by the Accountable Body and DLUHC conditions. This was allocated as follows:

- 1.8 This process also sets out a clear role for Stevenage Borough Council as the Accountable Body for the allocation of funding for Towns Fund projects, and requires the Council to undertake assurance assessments, review and approval of business cases to draw down funding for projects within the Town Investment Plan.
- 1.9 To secure the allocated Towns Fund package, all business cases must be complete and signed-off by the Accountable Body, with the accompanying project summary sheets submitted to DLUHC by 24 March 2022.
- 1.10 It is recognised that the funding and range of projects included within Stevenage's Town's Fund programme means that it is one of the largest programmes within the nationwide Towns Fund programme, the Council needs a clear and achievable plan for producing and signing-off the business cases. The Council does have significant experience in developing complex business cases for approval and government review, such as through the Local Enterprise Partnership Growth Deal Funding, in addition to the strategic outline case submitted to government in the form of the Stevenage Town Investment Plan. Preparation work has been undertaken for many of the projects, to enable development of the business cases in a timely way. In October 2021, at a meeting of the full Council, powers were delegated to the Council's Executive Committee to consider each of the business cases for approval.

Business case requirements

- 1.11 The requirements for business case development and assurance are set out by DLUHC as part of their Stage 2 guidance of the Towns Fund. Stage 2 of the Town's Fund process focusses on the development of business cases for each of the projects, and is required to be complete before 24th March 2022.
- 1.12 This stage of activity is to ensure local partners work with government to demonstrate the feasibility, viability and value for money of their projects. This includes:
 - Developing and submitting the Town Deal Summary Document
 - Business Case development for all approved projects
 - A full list of projects
 - Detail of the processes used for business case assurance and approval followed for each project
 - Confirmation of actions taken in response to any conditions applied in the agreed Heads of Terms between DLUHC and local partners

- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
 - A Monitoring and Evaluation Plan
 - Confirmation of funding arrangements and financial profiles for each project
 - Undertaking Public Sector Equalities Duty analysis
 - Approval from the Town Deal Board and Lead Council
- 1.13 Stevenage Borough Council and Stevenage Development Board are required to conduct project assurance for each individual project.
- 1.14 Each business case is expected to meet agreed criteria. DLUHC expect business cases to include:
- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
 - An assessment of value for money, including showing how different types of projects will be compared and assessed.
 - A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
 - Clearly defined inputs, activities, outputs and anticipated outcomes.
 - Appropriate consideration of deliverability and risk along with appropriate mitigating action.
 - Whilst there is no minimum value for money threshold set for Towns Fund projects, in order to follow best practice, all business cases must contain robust value for money assessments.
 - Business cases should address, in a proportionate manner, the five cases set out in the HM Treasury Green Book.
- 1.15 Each business case should be assured by the Accountable Body (in this case, Stevenage Borough Council), prior to submitting summary documents to DLUHC.

Developing and reviewing business cases

- 1.16 Stevenage Development Board will continue to have a vital role through the development of business cases, with partners engaged in working groups to support the development and finalisation of business cases. The Board includes a wide range of key stakeholders, who will need to endorse the businesses cases and play a key role in engaging with the projects across a range of themes, including Culture, Skills, Sustainable Transport, and Town Centre Regeneration. This will ensure the experience and expertise across a range of sectors will be harnessed to support the development of robust and deliverable business cases, for projects that will have a significant positive impact for the town.

1.17 To support the assurance process, and ensure appropriate separation of interests when the Council is acting as Accountable Body, an Officer Panel ('Chair's Panel') consisting of senior Stevenage Borough Council and partner Officers (a Director, Section151 Officer, Monitoring Office, Hertfordshire LEP and, Hertfordshire County Council Officers) has been established to ensure business cases meet requirements before being recommended to the Development Board for approval. The following approval route will now be followed for the submission of business cases to DLUHC:

- Business case developed by Officers and Stevenage Development Board partners
- Review of business cases by a 'Assurance Panel' including key Council Officers to ensure strategic alignment, deliverability, value for money and the ability to implement the Town Investment Plan, as part of the assurance process
- Approval of the business case by Stevenage Development Board
- Business case to be approved by Stevenage Borough Council Executive Committee as the 'Accountable Body'
- Summary of the business case to be submitted to DLUHC to access funding.

Executive Summary: Stevenage Sport & Leisure Hub

*Prepared for the Stevenage Development Board
Full Business Cases are available on request*



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Executive Summary from Business Case Assurance Panel

Project Title
Stevenage Sport & Leisure Hub
Assurance Panel Feedback
<p>Assurance Panel discussion was held on the 13th January 2022 and a summary of comments is provided below.</p> <p>Overall the panel discussion was very positive and supportive of the business case.</p> <p>The Panel unanimously supported the business case, with the following minor amendments to be incorporated:</p> <ul style="list-style-type: none">- Ensure that the health benefits are emphasised as part of the business case rationale, with a unique opportunity to address some of the health challenges Stevenage faces- Capture benefits of co-locating within a modern facility, and the climate change benefits of moving out of buildings that are not fit for modern operations- Highlighting points which will need to be given careful consideration during the early design stages, such as the proportion of on-site car parking and the access across St George's Way- Consideration of the optimum way to reference the development opportunities this could unlock as part of the Station Gateway due to the vacated leisure site, and how to frame proposals for the stages this could go through
Recommendations for Stevenage Development Board
To acknowledge and endorse the progression of this business case to Accountable Body processes.

Overview

Project Title
Stevenage Sport & Leisure Hub
Project Location
Stevenage Town Centre, St George's Way
Partner/Co-Funding Organisations
Stevenage Borough Council and Hertfordshire County Council
Total Project Costs (£)
£44,220,000
Total Town's Fund Allocation (£)
£10,000,000
Other Public Sector Investment (£)
£5,000,000
Total Third Sector Investment (£)
N/A
Total Private Sector Investment (£)
N/A

Project Description

This business case sets out the proposal and rationale for a project titled Stevenage Sport & Leisure Hub, which will deliver high-quality multi-purpose sports and leisure facilities in the heart of Stevenage Town Centre. The project provides a unique opportunity to consolidate three existing buildings, and develop a state of the art Sport & Leisure Hub including swimming, studios, gym space, and flexible sports facilities adjacent to the main Town Centre Gardens on the current Swimming Centre and Bowes Lyon House site. The delivery of this new facility will consolidate town centre sport and leisure provision into one central location, incorporating young people services and providing a modern 21st Century facility for the town's residents. The new facility will offer a new focal point for the town, encouraging greater levels of participation in sport, delivering improvements in health and well-being; enhancing the Town Centre Gardens and improving access to green spaces and connectivity with Stevenage's old town. With the existing Swimming Centre integrated in to the new facility, it will unlock a brownfield regeneration site to incorporate an estimated 200 homes in a housing scheme. With the existing leisure centre relocated from its current location, a further step is taken towards unlocking the redevelopment of the Station Gateway; a Major Opportunity Area listed in the Stevenage Central Framework and a connecting Town's Fund project, which activates further regeneration opportunities.

Key Purposes of the Project

The Stevenage Sport & Leisure Hub is key to unlocking a wide array of health and regeneration benefits. Not only will this project deliver significantly improved facilities within an integrated sport, leisure and wellbeing offer, it is pivotal to the transformation of the town centre, building on the work of the Grimsey Review to diversify town centres and use leisure and culture as destination attractors. The new Sport & Leisure Hub complements the regeneration of the eastern edge of the town centre, providing enhanced linkages from the centre right through to the neighbouring residential areas. It begins to feel like a sports and cultural attraction which will draw visitors to Stevenage.

Key elements of the scheme include:-

- New 10-lane swimming pool and teaching pool with moveable floor to enable enhanced swimming lessons
- Leisure splash zone to enable water play for younger children
- Multi-purpose sports hall to provide array of sports sessions
- 200 station state of the art gym with 3 exercise studios
- Health & wellness spa and ancillary facilities
- One Stop Shop information & advice centre for youth services

The proposed future-proof building will create a convenient place integrating three existing building services into one state of the art facility with use of modern technologies: this will enhance the visitor's experience, generate a capital receipt from redeveloped land, deliver operational cost savings, and better integrate the way in which partners work.

There is a significant opportunity to utilise this project to address some of the health and wellbeing challenges in Stevenage. The potential integration of the Healthy Hub would enable

bespoke facilities that access a greater number of people, as well as provide a secure long-term setting. Stevenage consistently performs below the County average on a wide range of health indicators, such as smoking, obesity and exercise levels, and this facility provides an opportunity to form a focal point of active lifestyles and wellbeing, to be promoted by health partners across the town. Stevenage under-performs in terms of population health compared with the England average, and there are many disparities and deeply rooted health inequalities across the town: 19% of children live in low-income families; life expectancy for women overall is lower than the England average; life expectancy for men in the most deprived areas is 4.8 years lower than those in rest of the UK's least deprived areas.

Configuration of the Project

The scheme being supported by the Town's Fund will bring all major leisure uses together onto one site, driving management and cost efficiencies as well as driving greater levels of use and participation. It places emphasis on improving health and well-being across the town and provides flexible space for many community uses.

Not only will this project deliver significantly improved health facilities (as shown in the table below) whilst future proofing assets, it is pivotal to the transformation of the town centre. The new Sport & Leisure Hub begins to expand the town centre from the immediate core with future works providing a strong pedestrian link from the centre right through to the neighbouring residential areas. It begins to feel like a sports and cultural attraction which will draw visitors to Stevenage.

Key activities will involve:

- Design and planning authorisation for the new sports and leisure centre Arts and Leisure centre (built 1974)
- Relocation and enhancement of the current sports provision from the Arts and Leisure centre (built 1974) and the swimming facilities.
- Demolition and preparation of the Bowes Lyon site
- Construction of a state of the art 9,377 sqm sports and leisure facility
- Management plan in place for vacant Leisure space
- In conjunction with the Station Gateway Town's Fund project, masterplanning for the re-provision and enhancement of the theatre.
- In conjunction with the Station Gateway Town's Fund project, release of the Arts and Leisure Centre for redevelopment, subject to the re-provision and enhancement of the theatre
- Enabling of an estimated 200 new homes to be built
- Improved public realm and public spaces

There is a significant opportunity to ensure that both the construction and the operation of the facility are carried out in a way which minimises the carbon footprint of the asset and supports Stevenage's move towards a net-zero target. Whilst the materials used in the original construction and the site layouts mean that long-term retention of existing buildings is not an option, the re-use of materials in the construction can be maximised and buildings can be designed flexibly to ensure the maximum lifespan.

Key elements of the new scheme are set out in the table below.

Option 4 - Recommended Facility Mix	HCC requirements (exclusive use)	HCC requirements (shared use)
25m x 10 lane main pool with moveable floor	One Stop Shop / Information and Advice Area – 210 sqm	Reception (shared entrance, co-located Reception desk)
17m x 10m teaching pool with moveable floor	3 x Meeting / Training Rooms	Multi-purpose Sports Hall (shared use of sports hall)
10m x 10m leisure water splash zone	Training Kitchen	Performance Hall (shared use of studios)
300 permanent spectator seats (main pool) and 20 for teaching pool	Multi-Purpose Media Room	Office Space (co-located with main office space)
8 court sports hall	6 x Interview / Counselling Rooms	Creative Arts Space (co-located with crèche)
200 station gym		
3 exercise studios (2 linked by moveable acoustic partition)		
3 squash courts with moveable walls		
Meeting room for 30 people		
Soft play / Indoor climbing (400sqm)		
Crèche / Party room		
5 Consultation / Treatment rooms		
Sauna / Steam / Relaxation Area		
Café (100 covers)		

Strategic Case

Indicate how this project meets the Town Investment Plan Vision (tick)

	Reflecting and Re-Interpreting our New Town Heritage for future generations	<input checked="" type="checkbox"/>
	Embracing Sustainable Travel to maximise the benefits of our strategic location and link our communities with jobs and leisure	<input checked="" type="checkbox"/>
	Transforming our Town Centre as a key place of opportunity and integration for business, residents and visitors	<input checked="" type="checkbox"/>
	Upskilling and providing opportunities for all our people to benefit from innovation & growth	
	Supercharging the growth of National and International Business Base	<input checked="" type="checkbox"/>

Indicate which challenge(s) this project intends to meet (tick)

	Challenge 1: Ageing Infrastructure – Urban Disconnections and a Brake on Growth	<input checked="" type="checkbox"/>
	Challenge 2: Bridging the Skills Gap and Raising Aspirations	
	Challenge 3: Town Centre Transformation	<input checked="" type="checkbox"/>
	Challenge 4: A Resident Population Being Left Behind	<input checked="" type="checkbox"/>
	Challenge 5: Lack of Suitable Modern Space for Growth	<input checked="" type="checkbox"/>

Indicate which opportunity(ies) this project supports (tick)

	Opportunity 1: National and International Gateway for UK PLC	<input checked="" type="checkbox"/>
	Opportunity 2: Innovation Hub, High Growth Potential and STEM City	
	Opportunity 3: The Untapped Potential of Stevenage People	
	Opportunity 4: Building Wealth and Reclaiming Expenditure	<input checked="" type="checkbox"/>
	Opportunity 5: Reviving Stevenage's Sustainable Travel Network	<input checked="" type="checkbox"/>

Policy Alignment (List only, 2.3)

National Policy	Local Policy
<ul style="list-style-type: none"> • Sport England – Shaping Our Future • Town Centre Initiatives (Grimsey Reviews) 	<ul style="list-style-type: none"> • Healthy Stevenage Strategy • Sustainable Transformation Partnership for Herts and West Essex • Hertfordshire Health and Well Being Strategy • Hertfordshire Covid Recovery Plan • Hertfordshire LEP Strategic Economic Plan • Local Industrial Strategy Grand Challenges • Stevenage Local Plan 2019-2031 • Stevenage Central Framework

Expected Outputs/Outcomes (2.5.11)

Jobs Created	50
Sports and Leisure Floorspace Developed or Upgraded sqm	9,377
Net Increase in Sports and Leisure Floorspace sqm	3,277
Additional homes brought forward	200
Indirect Jobs	42
Construction Jobs	473
Additional GVA Generated per Annum	£2,905,315
Additional Annual High Level Skills Qualifications Attained	12

Wider Outcomes and Benefits (2.5.12)

Economic

- High quality sports and leisure facilities will attract a wider range of new residents to the area, providing a good choice of high-quality workers to the advanced high value industries Stevenage is seeking to attract.
- This should increase demand for high quality commercial space in the town centre.
- Expanded range of facilities will help assure long term commercial viability of the centre.
- More people will visit the town centre increasing demand for retail and food and beverage facilities and thereby investment in these facilities.
- A key employment site will be released as a result of relocation of the leisure box.
- Additional high quality office development will be enabled, helping to position Stevenage as a prime regional office location.
- Investor confidence will be enhanced because of development momentum generated by the new sports and leisure centre and the site released conducive to wider acceleration of transformation throughout Stevenage Central.

- Acceleration of the redevelopment of key sites in Central Core.
- Improved town centre environment.
- Stronger perception of Stevenage as a place to invest.

Environmental

- Enhanced scope for living and working in the town centre, thereby reducing the need to travel.
- Cleaner air and healthier lifestyles.
- Significant reduction in the carbon footprint through the consolidation of three buildings into one and high efficient facility meeting BREEAM standards replacing three energy inefficient old buildings

Social

- Meets anticipated demand from population growth.
- Widens opportunities for reducing above average number of obese, overweight and inactive children and adults in the borough.
- Wider range of facilities offered will increase patronage of the Council operated sports and leisure facilities.
- Broadens scope for reducing the health disparities amongst residents in different parts of the borough.

Economic Case

Economic Benefits (3.3.1)

See table of outputs/outcomes above.

Value for Money Assessment	Present Value	Undiscounted
	30 Years	30 Years
Cost	£38,082,652	£44,220,000
Benefits	£47,996,964	£72,632,884
Net Present Value: Benefits Less Cost	£9,914,312	£28,412,884
BCR Calculation	1.26	1.64

Non-quantified impacts and benefits are summarised below:

Project	Impact	Assessment of Benefits
Construction of high-quality sports and leisure centre space	Capacity available to address current needs and demand and population growth	<ul style="list-style-type: none"> • Increased attractiveness of Stevenage to high qualified workers due to enhanced quality of life offer. • Increased patronage of centre assuring financial

		<p>viability.</p> <ul style="list-style-type: none"> • More Stevenage residents adopting active lifestyles. • Reduced long term illness and improved health levels. • Workforce more productive due to less absence 	
Vacation, demolition of existing Arts and Leisure Centre	Release of the site	<ul style="list-style-type: none"> • Acceleration of an additional development site. • Increased investor confidence. • Acceleration of transformation of other SG1 major opportunity areas and sites. 	

Place Based Analysis (3.6.1)

Target Area	Central Core, Stevenage Town Centre, SG1
External Dependencies	Use of new facilities dependent on local demand and projected population increase, both of which have been projected and validated.
Benefits to the Target Area: Quantified	As above
Benefits to the Target Area: Qualitative	<p><u>Economic</u></p> <ul style="list-style-type: none"> • High quality sports and leisure facilities will attract a wider range of new residents to the area, providing a good choice of high-quality workers to the advanced high value industries Stevenage is seeking to attract. • This should increase demand for high quality commercial space in the town centre. • Expanded range of facilities will help assure long term commercial viability of the centre. • More people will visit the town centre increasing demand for retail and food and beverage facilities and thereby investment in these facilities. • A key employment site will be released as a result of relocation of the leisure box. • Additional high quality office development will be enabled, helping to position Stevenage as a prime regional office location. • Investor confidence will be enhanced because of development momentum generated by the new sports and leisure centre and the site released conducive to wider acceleration of transformation throughout Stevenage Central. • Directly deliver estimated 200 additional homes • Acceleration of the redevelopment of key sites in Central Core.

	<ul style="list-style-type: none"> • Improved town centre environment. • Stronger perception of Stevenage as a place to invest. <p><u>Environmental</u></p> <ul style="list-style-type: none"> • Enhanced scope for living and working in the town centre, thereby reducing the need to travel. • Cleaner air and healthier lifestyles. • Significant reduction in the carbon footprint through the consolidation of three buildings into one and high efficient facility meeting BREEAM standards replacing three energy inefficient old buildings <p><u>Social</u></p> <ul style="list-style-type: none"> • Meets anticipated demand from population growth. • Widens opportunities for reducing above average number of obese, overweight and inactive children and adults in the borough. • Wider range of facilities offered will increase patronage of the Council operated sports and leisure facilities. • Broadens scope for reducing the health disparities amongst residents in different parts of the borough.
Possible collateral effects in the target area or wider spatial area	<p><u>Positive effects</u></p> <ul style="list-style-type: none"> • Acceleration of on-going regeneration of the town centre. • Healthier lifestyles. <p><u>Negative effects</u></p> <ul style="list-style-type: none"> • None identified
Adverse effects on protected groups	None identified
Different impacts by income group	An enhanced Council operated sports and leisure offer will increase the offer to those on low incomes and in high areas of deprivation subject to health disparities.
Views of local stakeholders	HCC is highly supportive as their facilities for support to young people will be upgraded.
Alignment with wider public policy in the relevant area/s and the UK as a whole/s	Sport England - Shaping Our Future highlights a number of pertinent statements in light of Covid 19. It states that sports and leisure activities and facilities should do more to support wider initiatives and serve the communities they reside in. A key feature is the aspiration for more integrated communities, whilst simultaneously supporting stronger economy. This project would support this by acting as a key community facility in the heart of a brighter town centre and combining an integrated children service offer embedded within better exercise and well-being facilities to address the challenges faced in the region. The strategy acknowledges the impact of place is a key factor on activity levels.

	<p>The vision of the Healthy Stevenage Strategy is to reduce health and inequalities and improve the health and well-being of Stevenage residents. Its mission is to help all residents to be happy and healthy for as long as possible by providing high-quality services in partnership with other local bodies that are accessible by all.</p> <p>Identified priorities are to enhance levels of physical activity, improve mental health and well-being, enhance older peoples' independence, reduce obesity and smoking and to increase health promotion as informed by the Public Health outcomes framework and Stevenage health profile 2016.</p> <p>A Healthier Future: Sustainable Transformation Partnership (STP) for Herts and West Essex (2016-2021) aims to improve the health well-being of the population, improve the quality of service provided and provide efficient and affordable care. Strategic objectives are: living well and preventing ill-health; transforming primary and community services; improving urgent and hospital services; and providing health and care more efficiently and effectively</p> <p>The Hertfordshire Health and Well-Being Strategy set a high-level set of priorities based on a life course approach looking at the four stages of life which are starting well, developing well, living well and ageing well. Many of the priorities are recognised locally given the disparity of health inequalities in Stevenage when compared to the rest of Hertfordshire.</p> <p>The SLC Leisure Study update identified a projected shortfall of 340 health and fitness stations by 2031. The Leisure Study proposed that flexibility should be built into the design of any new forthcoming sports and leisure facilities to ensure that they are future proofed and can adapt to meeting changes in demand. High quality and suitably sized gym facilities with accompanying studio provision was highly recommended for the new leisure centre because local authority centres provide a unique and more diverse offer compared to the private sector; in particular proper swimming provision and other activities and programmes not available from the private sector which appeal to a broad range of users.</p> <p>The aim should be for any new facility to enhance the leisure market in the town, whilst generating stronger sustainable revenue stream to be able to cross-subsidise other important but less profitable facilities. The Council's existing facilities have a fitness membership pre-Covid of 4,000 and 1,200 swim teaching members and 3,000 children on a schools learn to swim programme, demonstrating a strong market for affordable wet and dry leisure facilities, in parallel with that for premium and budget gyms.</p>
Dependency on the successful delivery of other proposals	Continued house building in the town centre to assure demand for the facilities is maintained.

Link of Benefits Estimated Link to Theory of Change and Strategic Case	<ul style="list-style-type: none"> The scheme will make Stevenage more attractive to well qualified workers. More high quality and high value businesses will be attracted to Stevenage. Release and acceleration of an additional development site. Construction of new commercial space. Recognition of Stevenage Town Centre as a high prestige business location. Increased investor confidence. Acceleration of transformation of other SG1 major opportunity areas and sites. Increased footfall boosting prospects for revived retail, leisure and hospitality sector.
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Financial Case

Funding Profile (4.2.6)					
	Funding Profile		Total		
	SBC		£29,220,000		
	Town's Fund		£10,000,000		
	Other Public Sector		£5,000,000		
	Total		£44,220,000		

Funding Schedule (4.2.7)					
Source	22/23	23/24	24/25	25/26+	Total
SBC	£0	£0	£500,000	£28,720,000	£29,220,000
Towns Fund	£400,000	£2,100,000	£2,000,000	£5,500,000	£10,000,000
Other Public Sector	£0	£0	£0	£5,000,000	£5,000,000
Total	£400,000	£2,100,000	£2,500,000	£39,220,000	£44,220,000

It is envisaged that match spend will be delivered over multiple financial years.

Commercial Case

Delivery Model (5.2.4-6)

The proposed delivery model is for the Council to deliver and make a significant contribution to the cost of the project.

Rationale for Proposed Delivery Model

Attracting proposals from private developers has the advantage of bringing in private investment and strong expertise in development schemes. However, this will be driven by the need to generate profits, which the proposed scheme has limited scope can deliver at less cost than the public sector. The benefits from offering a wide and cross-subsidised range of activities could not be assured simply by relying on speculative developers. Leaving the opportunity solely for the market to decide is likely to lead to sub-optimal health improvement outcomes and less public choice. Moreover, development completions may take longer.

The first option, where the Council would act as leads the delivery with professional support is an appropriate use of its resources. Whilst Council expertise and funding need to be deployed to stimulate leveraged investment and transformation more quickly and more widely across a variety of sites in the town centre, the Council needs to be the initiator and owner of the project because of the need to:

- Widen participation in active pursuits conducive to increasing the general health of the population
- Achieve this by offering a wide range of facilities offered to maximise patronage
- Enable activities which generate financial surpluses to offset those that might otherwise not be viable by doing so, make the sports and leisure facilities accessible to those on low incomes and in high areas of deprivation subject to health disparities.

For these reasons, the Council is best placed to initiate and deliver the scheme and fund a major part of the cost.

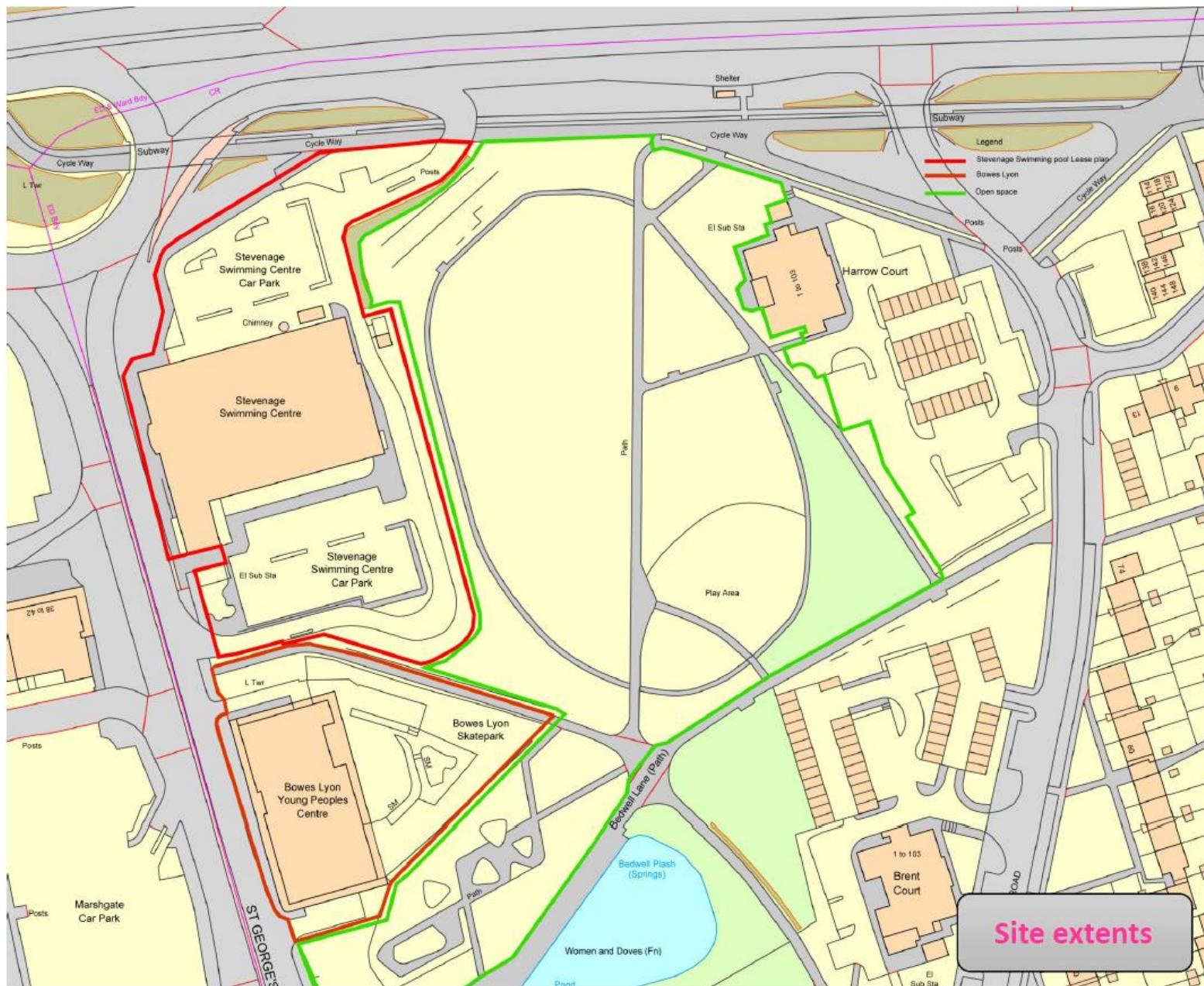
Risks (5.2.11)

Risks	Likelihood	Mitigation
Renewed risk of Covid-19 Outbreak and possible introduction of lockdown measures	High	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cash flow.
Failure to achieve planning approval	Low	Planning approval has been expedited and is well advanced. Through consultation, scope of objections is well understood.
Labour shortages in construction, freight transport and supply	High	In development agreement with Reef and with public realm contractors incorporate commitment to bring in additional temporary labour and stocks of materials to

industries delay construction progress		ensure projects are completed on time.
The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Medium	A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.

Management Case

Key Participants, Accountabilities and Responsibilities (6.2.2.)			
Participants	To Whom Accountable	Accountabilities	Responsibilities
Stevenage Borough Council	Central Government	Successful completion of the sport and leisure centre and achievement of health improvement targets	Correct use of Town's Fund award to deliver this project and associated regeneration outcomes and impacts within the town centre
	Local Residents	Delivery of a high-quality sports and leisure centre attractive and accessible to those at all income levels	Adequate consultation
		Minimization of adverse impacts of the scheme	Ensuring a comprehensive design scheme
	<ul style="list-style-type: none"> • Sports England and National Governing Bodies • Herts Sports Partnership • Sports Stevenage • Local clubs • Existing users • Public Health • Schools and higher education • NHS – GP surgeries 	Provision of a comprehensive array of sports infrastructure to meet public need	Adequate consultation



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Stage 2 – Business Case

Stevenage Sports & Leisure Hub

Version 5: 10th January 2022



VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1			
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Appendices include:

- Options for facility Accommodation schedule

INTRODUCTION

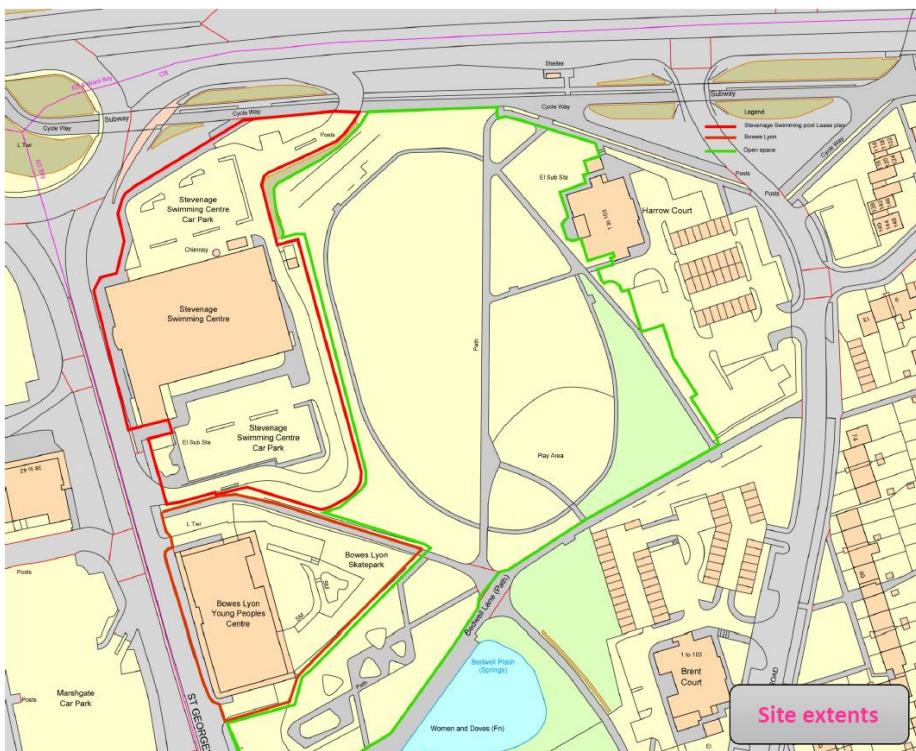
1. INTRODUCTION

1.1 Introduction

Purpose of the Business Case

- 1.1.1 This business case sets out the proposal and rationale for a project titled Sport & Leisure Hub, which will deliver high-quality multi-purpose sports and leisure facilities in the heart of Stevenage Town Centre. The project will lead to the creation of a combined leisure, sports, youth swimming and community facility by integrating three existing old facilities.
- 1.1.2 The new facility is planned to be located on the existing Swimming Centre and Bowes Lyon Youth Centre site adjacent to the existing Swimming Centre and leading to the Town Centre Gardens. In Stevenage, indoor leisure facilities and services are provided in two locations, the Arts and Leisure Centre built in 1974 on Lytton Way and Stevenage Swimming Centre built in 1962 on St. George's Way, direct opposites of the town centre footprint. Whilst both leisure facilities have benefited from capital refurbishment over a number of years, they are costly to operate, do not meet current service demands and do not meet the standard of a modern facility. Next door to the Swimming Centre is Bowes Lyon House which was built in the early 1960s. The current building is home to Hertfordshire County Council's (HCC) Youth Connections Service, a team of youth workers professionally trained to provide the highest level of support for young people. The building is challenging as the design is not conducive to current needs, inefficient in terms of occupancy and energy usage and there is a significant amount of asbestos within it, costly to operate.

Below image of the current site



Background to Towns Fund and Stage 2 process

- 1.1.3 In November 2019, Stevenage was included in the 101 places eligible to develop and submit a Town Investment Plan. This presented an opportunity for Stevenage to bid for up to £25 million of capital funding to support and address key challenges facing the town. Towns were also invited to bid for over £25m if exceptional circumstances could be demonstrated.
- 1.1.4 Working closely with key public, private and third sector partners the Stevenage Development Board was established and a Stevenage Town Investment Plan was created and submitted to MHCLG (now renamed DLUHC) in October 2020; In March 2021, the partnership was notified of its award of £37.5m of funding.
- 1.1.5 The investment plan was predicated on maximising the success of our businesses in the science and engineering sectors, regenerating the town centre, and delivering opportunities for local people including enhanced skills & training. Ten projects were submitted as part of the ask to central government, ranging across Transport and Active Travel infrastructure, Skills and Enterprise, Arts, Heritage and Cultural and Town Centre Regeneration.
- 1.1.6 One of the projects, Sport & Leisure Hub, identified as an opportunity to consolidate 3 existing buildings, and develop a state of the art Sport and Leisure Hub for Stevenage, adjacent to the main town gardens on the current Bowes Lyon House footprint. The delivery of this new Hub will consolidate all sport and leisure provision into one central location, incorporating young people services and providing a modern 21st Century facility for the town's residents. The new Hub will offer a new focal point for the town, encouraging greater levels of participation in sport, delivering improvements in health and well-being; enhancing the Town Centre Gardens and improving access to green spaces and connectivity with Stevenage's old town. With the Swimming Centre relocated, it will unlock a brownfield regeneration site to incorporate an estimated 200 homes in a housing scheme. With the existing Leisure relocated to St George's way it acts as a critical first step in unlocking the redevelopment of the Station Gateway area; a Major Opportunity Area listed in the Stevenage Central Framework and a connecting Town's Fund project, which activates further regeneration opportunity.
- 1.1.7 The proposed future-proof building will create a convenient place integrating three existing building services into one state of the art facility with use of modern technologies to enhance visitor's experience, generating a capital receipt from the redeveloped land, delivering operational cost savings, and integrating the way in which partners work.
- 1.1.8 Building on the Town Investment Plan, this document sets the strategic, economic and financial case for the Sport & Leisure Hub project, the commercial arrangements for procuring its delivery and the processes and arrangements for the governance and management of the project.

Scheme Promoter and Accountable Body for the Project

- 1.1.9 The scheme promoter is Stevenage Borough Council and the landowner's are Stevenage Borough Council (current Leisure Box and Swimming Centre and Hertfordshire County Council (Bowes Lyon House).

1.2 Summary of the Scheme

1.2.1 The scheme being supported by the Town Fund will involve the consolidation of three existing sites into a new state of the art Sports & Leisure Hub. It will bring all major leisure uses together onto one site, driving management and cost efficiencies as well as driving greater levels of use and participation. It places emphasis on improving health and well-being across the town and provides flexible space for a multitude of community uses.

Not only will this project deliver significantly improved health facilities (as shown in the table below) whilst future proofing assets, it is pivotal to the transformation of the town centre. The new Sport & Leisure Hub begins to expand the town centre from the immediate core with future works providing a strong pedestrian link from the centre right through to the neighbouring residential areas. It begins to feel like a sports and cultural attraction which will draw visitors to Stevenage.

1.2.2 Key activities will involve:

- Design and planning authorisation for the new sports and leisure centre Arts and Leisure centre (built 1974)
- Relocation and enhancement of the current sports provision from the Arts and Leisure centre (built 1974) and the swimming facilities (built 1962).
- Demolition and preparation of the Bowes Lyon site
- Construction of a state of the art 9,377 sqm sports and leisure facility
- Management plan in place for vacant Leisure space
- In conjunction with Station Gateway Town's Fund project, masterplanning for the re-provision and enhancement of the theatre.
- In conjunction with the Station Gateway Town's Fund project release of the Arts and Leisure Centre for redevelopment , subject to the re-provision and enhancement to the theatre
- Enabling of an estimated 200 new homes
- Improved public realm and public spaces

1.3 Business Case Structure and Content

1.3.1 The full rationale for the project, covering the context, challenges to be address objectives and approach to delivery, are set out below under the following headings.

- Strategic Case
- Economic Case
- Financial Case
- Commercial Case
- Management Case

STRATEGIC CASE

2. STRATEGIC CASE

2.1 Introduction to the Strategic Case

- 2.1.1 This strategic case defines the scope of the project. It explains how the project will create the conditions for the development of the new facility and demonstrate the evidence of need in relation to the case for change.

2.2 Case for Change

Current Context, Challenges and Arrangements

Regeneration Challenges and Priorities

- 2.2.1 Stevenage Town Centre has become characterised by ageing infrastructure due to time expired buildings that have reached the end of their useful life and have a negative impact on amenity. It was the first of the New Towns, but now has a decaying appearance. Its current public realm and hospitality offer are failing to attract people. Its shopping centre is losing business and major retailers have moved out, leaving an oversupply of older retail space that is no longer fit for purpose.
- 2.2.2 Stevenage New Town was originally designed to serve a population of 60,000. The population already stood at 84,000 in 2011 and is forecast to increase to just under 93,000 by 2035 – growth of 50% of that of the original new town, yet there has been no increase in the size of the town centre and growth of surrounding districts will have a significant influence on the town centre.
- 2.2.3 Meanwhile the economy of Stevenage has grown beyond the regional and national average over the past 15 years principally through expansion of knowledge-based industries and with the presence of an impressive array of world class businesses in life sciences, agri-tech, IT, advanced engineering and high value manufacturing. The area is fragmented with disjointed routes for walking and cycling. The town is currently ‘cut off’ from Gunnels Wood, now the largest employment site in Hertfordshire. Current challenges that need to be addressed can be summarised as follows.
- Town centres will have an important role to play in the post-Covid world. They now have to assume greater importance as employment and residential locations, focal points for community, social and recreation activity and as hubs for integrated transport.
 - Significant investment in new infrastructure and buildings is needed to meet these conditions and to rectify the current shortcomings of Stevenage town centre.
 - Investor confidence is low. The market has not responded independently to the challenge of providing housing and employment space in the town centre or leisure, food and beverage provision meeting the expectations of an increasingly affluent population, many of whom are employees of world class businesses.

- Development sites for housing and employment are in short supply. To transform the town centre, public sector intervention is needed to enable more to be brought forward for development.

Stevenage Central Framework

2.2.4 The Stevenage Central Framework published in 2015 identified the need for significant amounts of new employment space and residential development to make investment in upgraded retailing, food and beverage and other key town centre amenities viable and fit for the 21st century. The Stevenage Central Framework has defined the following major opportunity areas.

- Southgate Park
- Central West (Leisure Park)
- Park Place and Town Centre Gardens
- Stevenage Central Core
- Station Gateway
- Northgate
- Marshgate

Regeneration Proposals for the scheme

2.2.5 The Stevenage Sport & Leisure Hub is a project which is key in unlocking a vast majority of the major opportunity areas listed above. By moving the existing sports facilities from the Arts & Leisure Centre (Leisure Box) to the Swimming Centre site it will begin to unlock land which currently takes up a large proportion of the western side of the town centre which is needed to deliver Station Gateway, and Central Core West, whilst also having a positive place making impact on Park Place and Town Centre Gardens.

Not only will this project deliver significantly improve health facilities (as shown in the table below) whilst future proofing assets, it is pivotal to the transformation of the town centre. The new Sport & Leisure Hub begins to expand the town centre from the immediate core with future works providing a strong pedestrian link from the centre right through to the neighbouring residential areas. It begins to feel like a sports and cultural attraction which will draw visitors to Stevenage.

Key elements of what the new scheme could include are set out in the table below.

Option 4 - Recommended Facility Mix	HCC requirements (exclusive use)	HCC requirements (shared use)
25m x 10 lane main pool with moveable floor	One Stop Shop / Information and Advice Area – 210 sqm	Reception (shared entrance, co-located Reception desk)
17m x 10m teaching pool with moveable floor	3 x Meeting / Training Rooms	Multi-purpose Sports Hall (shared use of sports hall)
10m x 10m leisure splash water zone	Training Kitchen	Performance Hall (shared use of studios)
300 permanent spectator seats (main pool) and 20 for teaching pool	Multi-Purpose Media Room	Office Space (co-located with main office space)
8 court sports hall	6 x Interview / Counselling	Creative Arts Space (co-

	Rooms	located with crèche)
200 station gym		
3 exercise studios (2 linked by moveable acoustic partition)		
3 squash courts with moveable walls		
Meeting room for 30 people		
Soft play / Indoor climbing (400sqm)		
Crèche / Party room		
5 Consultation / Treatment rooms		
Sauna / Steam / Relaxation Area		
Café (100 covers)		

Consolidating uses from the Arts and Leisure centre with the swimming pool is an integral enabling step in unlocking Station Gateway which aims to deliver:

- A new multi-story car park alongside the station
- New bus interchange relocated alongside the station
- Remodelling of the station including a 5th platform and dual facing access
- Two major Grade A office developments either side of the station
- Two mixed use developments including residential and supporting retail and hospitality
- Relocation and enhancement of the Theatre and Leisure complex within the town centre regeneration
- Civic space for arrival and connection between the station and Town Square
- Exploration and potential remodelling of the area to help support a thriving quarter
- A new hotel

To date, there has been a significant amount of progress against delivering key elements of this proposal, notably the construction of the new bus interchange, the completion of the 5th platform, and as part of the Station Gateway Town's Fund project the sustainably focussed multi story car park in future years will come to fruition. Through, the consolidation and enhancement of the Sports and Leisure hub, there will still be the requirement for significant work to assess options of relocation and enhancement of the other half of the Arts and leisure centre, the Gordon Craig.

It is important to note that the centre will remain in operation.

Redevelopment of the Station Gateway will be pivotal to the transformation of all six major opportunity areas in the town centre due to significant impacts it can bring about.

- Recycling and redevelopment of inefficient sites
- Opportunities to create offices and workspace matching post-Covid requirements
- Uplifting the area's image
- Positioning Stevenage town centre as a high quality, strategic office location
- The building of investor confidence
- Improvements in the quality and efficiency of public transport journeys and

- Contribution to carbon reduction targets.

The area acts as a nexus and interchanging point between a variety of significant spaces within the town centre. The figure below outlines the relationship of Stevenage Gateway (Central Core West) area and the spatial foundation it lies with the wider context of the town; connecting retail, commercial, cultural and with key infrastructure at the core to enable these uses to thrive.

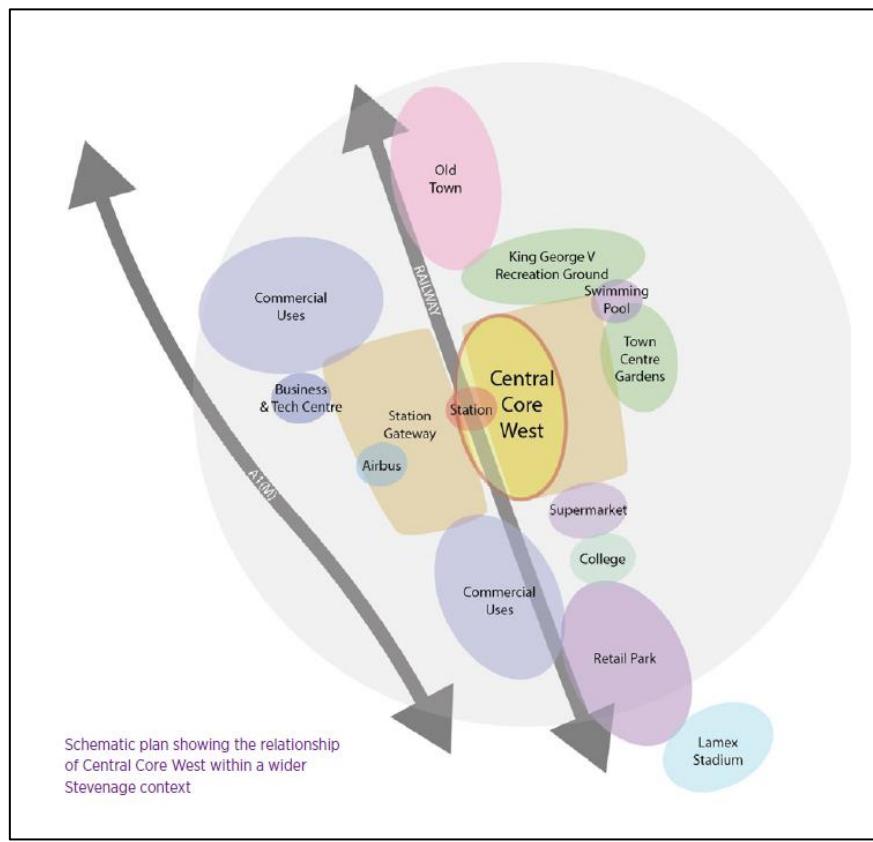


Figure: Schematic plan showing the relationship of Gateway / Central Core West within a wider context.

Progress to Date in Delivering the Stevenage Central Framework

2.2.6 An early start has been made in delivering the objectives of the Stevenage Central Framework with a number of key building blocks already in place to accelerate transformation and new development.

- A development agreement has been signed with Mace as a private sector development partner, enabling fast track approaches to be new development and construction.
- In addition to SBC's initiation of the SG1 and Queensway, a number of private sector developments have already been completed including Park Place, Vista Tower and Skyline, creating just under 500 new residential units.
- A number of redevelopment sites in the central core, northern and southern gateway major opportunity areas, pivotal to kick starting transformation, have been acquired. Preliminary enabling works are either underway or are scheduled.

- Selected preliminary public realm improvements are currently being implemented or are programmed around key sites with a view to building investment confidence amongst developers and future occupiers and promoting high quality development outcomes.
- Completion of the North Block project, utilising unused second floor space and converting this into a flexible co-working facility facing directly onto the historic town square.
- Construction of a new bus interchange on a new site alongside the station has been approved for funding and construction has now started. This has released a major development site which provides a major catalyst for transformation of the town centre. The new bus interchange, the transformation of Stevenage station and the addition of a 5th platform are the first building blocks towards creating a sustainable transport hub for road, rail, cycling and walking, which will be completed by the first phase of the Station Gateway project, which also forms part of the Town Investment Plan.

A key part of creating this business case was to understand what progress has been made against the framework since 2015 and then reflecting at a high level how this might impact this particular space. This work acknowledged the progress of the completed schemes, other developments that are in the pipeline to be delivered, the shift in market in a post- covid world. This was accumulated together to the produced an indicative masterplan document evidenced with commercial advice regarding market levels and viable/ suitable uses for this area. Earlier studies had been completed in 2015, and updated in 2021 to understand the change in potential market demand and investment available. Note these are illustrative at this stage, with further work to be developed in depth via the masterplan and aligned with the Area Action Plan.

Schedule of Development Totals	Comparison with Central Framework		
	2021	2015	Difference
	m2	m2	m2
Office	47,698	36,157	11,541
Retail	8,097	8,152	-55
Residential - Area	61,300	27,516	33,784
Residential - Spaces	864	405	459
Theatre	4,115	4,072	43
Hotel	7,291	7,200	91
Total	129,366	83,502	45,864

Evidence of Need

2.2.7 The Sports & Leisure Hub project addresses 2 of the challenges set out in the Town Investment Plan.

Challenge 1: Ageing Infrastructure – Urban Disconnections and a Brake on Growth: Investment in our town's infrastructure has not kept pace with the growth of our population and economy. Our town's facilities and infrastructure are all ageing at the same time; our transport infrastructure, station shopping centre, sports centre and theatre are reaching the end of their realistic economic life... Without comprehensive regeneration and significant investment, the town centre will not be resilient to future challenges.

Challenge 3: Town Centre Transformation: Stevenage needs to create the conditions for investment in the town centre. It needs a diversity of uses that generate footfall and activity throughout the day and into the evening, a programme to upskill and support local residents, enabling them to capitalise on opportunities created by local businesses. The town centre needs investment, funded through public and private partnerships, to ensure its resilience and regenerate facilities for local residents. With this investment, the town centre will deliver wider growth and productivity by providing quality workspaces, improving recruitment and retention, and helping the local population to share in these opportunities.

Current and Future Needs

- 2.2.8 There is a need for enhanced sports and leisure facilities in Stevenage for a number of reasons. Stevenage under-performs in a number of ways in terms of population health compared with the England average, and there are many disparities and deeply rooted health inequalities across the town: 19% of children live in low-income families; life expectancy for women overall is lower than the England average; life expectancy for men in the most deprived areas is 4.8 years lower than those in the least deprived areas. The Stevenage Public Health Profile 2017 identified the major areas where Stevenage performs significantly worse than the national and local average as being:
- a) No. of children that are overweight in reception and year six
 - b) No. that are physically inactive in primary and secondary school age.
 - c) Adults that are overweight and obese
 - d) No. of physically inactive adults.
 - e) Level of binge drinking and smoking prevalence amongst adults and attributable mortality.
 - f) No. of children living in poverty
 - g) No. of children and young people providing unpaid care.
 - h) No. of adults living with long-term illness or disability
 - i) No. of adults separated or divorced.
 - j) No. of households with lone parents with dependent children.
- 2.2.9 The Healthy Stevenage Strategy seeks to narrow the gap in healthy inequalities by ensuring that all residents have access to services and are supported to make healthier choices wherever possible.
- 2.2.10 Population projections indicate that 17,500 more residents will move to the town in the 22 years from 2017, representing a 20.4% increase in the population up to 2039. In the meantime, health and social care demands from Stevenage's ageing population will in parallel pose a significant challenge both for council and NHS services.
- 2.2.11 The Council's existing facilities have an above average fitness membership pre-Covid, in excess of over 4000, demonstrating a strong market for affordable wet and dry leisure facilities, in parallel with that for premium and budget gyms. Pre-Covid there was 75,000 annual swimming visits. As regards swimming provision some 221 m² of water space additional water space is projected to be required by 2031 a month by the SBC Leisure Study.
- 2.2.12 The Nortoft Sports Facility Assessment and Strategy 2014 - 2031 used to inform the local plan identified the need to replace the existing indoor leisure facilities and increase pool water

space available to the community. As a consequence of the Nortoft report SBC commissioned specialist leisure consultants Sports & Leisure Company (SLC) in 2018 to undertake a leisure/feasibility study with regard to the development of a new wet and dry leisure facility to replace and enhance the existing provision

- 2.2.13 The SLC Leisure Study sought to build on the Nortoft report and identify the current and future latent demand for a new leisure facility and identify a suitable facility mix for the new centre would meet both current and future needs of Stevenage residents whilst optimising the centre's commercial performance. The study update identified a projected shortfall of 340 health and fitness stations by 2031. The Leisure Study proposed that flexibility should be built into the design of any new forthcoming sports and leisure facilities to ensure that they are future proofed and can adapt to meeting changes in demand. High quality and suitably sized gym facilities with accompanying studio provision was highly recommended because local authority centres provide a unique and more diverse offer compared to the private gym market, in particular proper swimming provision and other activities and programmes not available from the private sector which appeal to a broad range of users.

The SBC Leisure Study identified the need for enhanced facilities to address potential shortages of provision for current demand and as the market expands, a 10 lane pool ,large teaching pool both with moveable floors will be able to increase swimming teaching members from the current level of 1,200 to over 3,000 and school swimming from 3,000 to over 4,000 a week plus include a splash zone early years water area, a climbing facility focused on the younger market, a unique soft play area, high quality spar, 200, station fitness area, three flexible studios, healthy hub, 8 court sports hall 3 squash courts with movable walls and a 100 cover café with direct access to the Town Centre Gardens. Together these elements broaden the appeal of the centre thereby maximising occupancy & usage. The aim should be for any new facility to enhance the leisure and wellbeing offer in the town, and provide a stronger sustainable revenue stream able to cross-subsidise other important services and facilities.

Barriers and Market Failures

- 2.2.14 The SBC Leisure Study identified 28 health and fitness establishments within a 20 minute drive time but only 6 fitness facilities in Stevenage excluding the Arts & Leisure Centre in 2018. Whilst these provide limited facilities for users, they are unable to meet the health and wellbeing requirements of the population comprehensively. Many are premium facilities are unaffordable to those on low incomes and are only accessible for members as they prohibit pay and play users.
- 2.2.15 Within the Stevenage there are four pool venues, the David Lloyd facility only allows members to access the facility. Marriots school only has very small hydrotherapy pool designed specifically for therapy and is not used for teaching or general swimming, Fins Dive school has only a very small above ground temporary pool that has limited capacity for teaching swimming and is not suitable for general swimming use.
- 2.2.16 The only public swimming provision is provided by Stevenage swimming centre which provides open access to affordable general swimming, swimming clubs, school swimming junior and adult learn to swim schemes, the difficulty is the lack of water space for the latent demand we have within the catchment area.

2.2.17 In Stevenage, leisure facilities and services are provided in two locations, the Arts and Leisure Centre built in 1974 on Lytton Way and Stevenage Swimming Centre built in 1962 on St. George's Way, direct opposites of the town centre footprint. Whilst both leisure facilities have benefited from capital refurbishment over a number of years, the facilities are coming to the end of their economic life, the facilities are very costly to operate, do not meet current service demands or the high expectations of our residents. Consolidating the facilities into one venue will fundamentally change our offer as there will be a “one stop shop” for leisure, sports, and swimming and youth services for users. In addition the operating costs will be significantly reduced from three inefficient old buildings into one highly economical building together with the efficiencies derived from combining for example three reception areas, offices, plant rooms, the reduction in floor space will have knock effects for cleaning maintenance and staffing.

Addressing Conditions in the Post Covid-19 Era

2.2.18 The COVID-19 pandemic has led to many changes to how people use and visit high streets and as mentioned above, town centres will have an important role to play in the post-Covid world. They now have to assume greater importance as employment and residential locations, focal points for community, social and recreation activity and as hubs for integrated transport.

Implications for Town Centres Post Covid

2.2.19 these raise a lot of questions for the future of city centres, especially with the permanent closure of many businesses on high streets. 57 of 264 stores in Oxford Street have permanently closed since the start of the pandemic and major landlords are receiving only half of their usual income from renting out commercial spaces. Research from KPMG says that that it is clear things won't return to the way things were before the pandemic. With the reduction in commuter footfall and reduction in commercial rent, city centres may now have to consider serving their inhabitants in a different way. Suggestions in the KPMG report include setting up community facilities with focuses ranging from children's recreation to adult art courses and that residential property is also said to play a key role in the revitalisation of city and town centres. This project could go a long way towards addressing this role

New Concepts Being Planned for Revitalisation and Diversification of Town Centres

2.2.20 Hybrid and remote-working will create a new set of benefits but also challenges to local economies with its wide-spread adoption. Research by Legal and General and Demos showed that the new working model will provide opportunities for parts of the country such as rural areas and neighbourhoods that were previously ignored. The survey identified the following factors as being more important to between 50% and 70% individuals if working from home:

- Access to fresh air
- Good local shops
- Faster reliable Internet access
- Supportive communities and pleasant streets
- Places to go out
- Premises to support local jobs
- Housing that meets needs
- Exercise and sports facilities

- Good transport services
- 2.2.21 In his article on the same report for The Times, Gurpreet Narwan states that: “The findings underscore the need for thriving local high streets, which could require a rethink of town planning. It presents a challenge to the concept of high population density urban accommodation. The report called for a renewed focus on “15-minute neighbourhoods”, with places close by to meet and work, as well as outdoor public spaces for leisure and recreation.”
- 2.2.22 the above mentioned ‘15 minute cities’ concept was developed by Carlos Moreno, scientific director and professor specialising in complex systems at University of Paris Panthéon-Sorbonne, who believes that city-life as we knew it before the pandemic won’t make a return. Instead, he proposes the creation of cities where everything an individual needs can be reached within a quarter of an hour by foot or by bike. In an article on BBC Work life, the 15 minute city is quoted as requiring minimal travel between housing, offices, restaurants, parks, hospitals and cultural venues. Each neighbourhood is also quoted as needing to fulfil six functions: living, working, supplying, caring, learning and enjoying. The concept has proved popular, with Paris Mayor Anne Hidalgo putting it at the centre of her successful 2020 re-election bid and hiring a commissioner to make the concept a reality. Certainly, the proposed new sports and leisure centre will boost the 15 minute concept for a large proportion of the town’s residents.

Opportunities

2.2.23 It will address 2 of the five major opportunities defined in the Strategic Town Investment Plan.

Opportunity 1: National & International Gateway for UK PLC: Although this opportunity mainly focuses on the Station Gateway project in terms of delivering transformational change, the relocation of the Leisure Box is a critical step in unlocking the current barrier to the employment and retail area.

Opportunity 4: Building Wealth and Reclaiming Expenditure: Our town centre can be a UK top 100 town. Our vision is to bring back what Stevenage once was – a destination town centre with a combined retail office, leisure and residential offer that will meet the needs not only of our residents but attract visitors and encourage out great industries and businesses to use it.

2.3 Policy Alignment

National Policy Alignment

Sport England - Shaping Our Future

2.3.1 Whilst this is not the final strategy, it clearly highlights a number of pertinent statements in light of Covid 19. It states that sports and leisure activities and facilities should do more to support wider initiatives and serve the communities they reside in. A key feature is the aspiration for more integrated communities, whilst simultaneously supporting stronger economy. This project would support this by acting as a key community facility in the heart of a brighter town centre and combining an integrated children service offer embedded within better exercise and well-being facilities to address the challenges faced in the region. The strategy acknowledges the impact of place is a key factor on activity levels.

- 2.3.2 With this project aiming to produce a modern, accessible and inclusive facility in the bordering the green space, Town Gardens, it will help to positively influence and address some of the deep-rooted health and well-being challenges facing the town and surrounding regions. Alongside this facility will be a place for increased social interaction, one of the key simple interventions that place can have on supporting mental health, issues and ageing loneliness, both of which remain national challenges and are mentioned in a number of public health strategies and campaigns.

Town Centre Initiatives (Grimsey Reviews)

- 2.3.3 Following the Grimsey Review 1 and 2 high streets and town centres were beginning the transition to reverse the impact of the digital age on shopping and how town centres could be. In light of Covid 19, the underlying issues highlighted in the reviews remain, but are greatly exacerbated. These include the need to diversify uses, the need to encourage night time economies, drive footfall and create experiential shopping and spaces within your town. This project is part of the broader programme of interventions that aligns with this vision for the future of towns, as social space, integral spaces but most important diverse and green spaces with quality modern facilities.

Sub-regional Policy Alignment

Hertfordshire Covid Recovery Plan

- 2.3.4 Stevenage has a pivotal role to play in the delivering the Recovery Plan for Hertfordshire. Its current regeneration strategy and Town Fund projects directly address the first of the plan's two transformational programmes:

- equipping Hertfordshire's places for mid-21st Century living supporting town centres and town-level economies.

- 2.3.5 The Hertfordshire Covid Recovery Plan cites Stevenage as a prime example of how this is being achieved, highlighting the formation of Stevenage Development Board, the scope of the Town Investment Plan and its component projects. Stevenage is already lead on the Plans delivery packages for enterprise and innovation, skills and creativity and in showing the way for attracting inward investment into Hertfordshire. The new sports and leisure centre will support the success of all of these packages by helping to attract skilled workers and entrepreneurs whilst boosting the prospects for changing Stevenage's image, attracting and retaining investment.

Hertfordshire LEP Strategic Economic Plan

- 2.3.6 The project addresses Priority 3: Reinvigorating our places for the 21st-century within the current Hertfordshire LEP Strategic Economic Plan. The strategy calls for high-density solutions recognising particular opportunities linked to railway hubs and transforming town centres into vibrant lively urban hubs underpinned by new models of living and working. The Stevenage Central Framework and this scheme align closely with this approach. This will be directly addressed by this project, as it will support the idea of new models of both living and working whereby more people move into the heart of the urban area and close to their place of work.

Having high quality facilities conducive to quality of life, health and well-being, which this project will provide, are key to the success of this concept.

Local Industrial Strategy Grand Challenges

- 2.3.7 Grand Challenges for Hertfordshire highlights the importance of better facilities for cycling and walking, and improved access to recreational activities will be conducive to helping the increasing numbers of older people to stay active, productive and independent, which this project will contribute to significantly.

Healthy Stevenage Strategy

- 2.3.8 The vision of the Healthy Stevenage Strategy is to reduce health and inequalities and improve the health and well-being of Stevenage residents. Its mission is to help all residents to be happy and healthy for as long as possible by providing high-quality services in partnership with other local bodies that are accessible by all.
- 2.3.9 Identified priorities are to enhance levels of physical activity, improve mental health and well-being, and enhance older peoples' independence, to reduce obesity and smoking and to increase health promotion as informed by the public health outcomes framework and Stevenage health profile 2016.

Sustainable Transformation Partnership (STP) for Herts and West Essex

- 2.3.10 A Healthier Future: Sustainable Transformation Partnership (STP) for Herts and West Essex (2016-2021) aims to improve the health well-being of the population, improve the quality of service provided and provide efficient and affordable care. Strategic objectives are: living well and preventing ill-health; transforming primary and community services; improving urgent and hospital services; and providing health and care more efficiently and effectively.

Hertfordshire Health and Well Being Strategy

- 2.3.11 this set a high-level set of priorities based on a life course approach looking at the four stages of life which are starting well, developing well, living well and ageing well. Many of the priorities are recognising the strategy is the same given the disparity of health inequalities in Stevenage when compared to the rest of Hertfordshire.

Local Policy Alignment

- 2.3.12 Stevenage Local Plan 2019-2031. This was adopted in 2019 following Examination in Public and sets the overall spatial vision for the borough and growth direction to 2031. In total 7,600 homes are planned, 3,000 of these targeted for a regenerated Town Centre, on such sites as Plot A, Plot B, Plot K and the Marshgate site, as indicated in the SG1 Central Framework.

- 2.3.13 Stevenage Central Framework. This was prepared in 2015 to set a direction of change for the regeneration of Stevenage Town Centre. Now supported by the Local Plan, the Framework sets out a strategy for accelerated employment and housing provision on a large scale in the town centre to meet the demands of significant population growth and revitalised and enhanced and modernised amenities to service it.

2.4 Vision and Objectives

Vision

2.4.1 Enhanced levels of health and well-being, reducing health disparities amongst the existing population whilst addressing sports and leisure demand from the incoming population over the coming two decades.

SMART Objectives Related to the Project

- 1) Complete construction of the new sport and leisure facility by 2025/6
- 2) To focus this new facility to achieve measurable enhancements in the levels of health and well-being amongst the local population, whilst reducing health disparities amongst the existing population.
- 3) To meet demand for health and fitness facilities from the incoming and growing population projected over the coming two decades.
- 4) To reduce operating costs from the fragmented sites of existing leisure services and activities by consolidating these on a single site and reducing carbon footprint and energy costs.
- 5) To realise the successful development of a new high-quality sports and leisure facility accessible to all residents and workers within Stevenage that will address these aims.
- 6) To release a key development opportunity within the Station Gateway through the relocation of activities in the current Leisure Box.

Measures of Success

2.4.2 Successes to be measured and the method of measurement for each element of the project are summarised below.

Project	Successes to be Measured	Method of Measurement
Stevenage Sport & Leisure Hub	Delivery on time and to budget	Tracking with contractor
	Increased participation in active pursuits	Membership numbers and tracking of facilities usage
	Improved health statistics	Evaluation report on the link between participation in pursuits and lower rates of illness.
	High market share compared with private sector leisure facilities	Local monitoring of casual usage, membership, clubs and swimming lessons
	Financial viability and performance	Monthly financial performance reviews against set targets Annual report and accounts

2.5 The Proposed Investment

Options Considered

2.5.1 The Do nothing and Do minimum options considered in the first instance to deliver the solutions to meet the above objectives were:

a) Do nothing: leave the current leisure box in place adjacent to the station and rely on existing capacity to fulfil the needs of the local population but will ultimately result in closure as the buildings will continue to dilapidate beyond economical repair.

b) Do minimum: Perform small scale enhancements to the building, acknowledging the need to find funding for a new scheme in the future

2.5.2 A full list of the options considered is set out in Section 3 along with the criteria adopted in shortlisting them.

Preferred Option

2.5.3 The preferred option is to develop the new sports facility as above but with increased capacity for primary activities such as swimming, fitness and studios and enhancing the facilities, with a high quality spa, soft play area, 100 cover café, clip and climb, distinct and specialised young people areas and a community healthy hub. . Typically a new centre can increase usage by up to 40%. A new development would meet current needs for increasing sports and leisure participation and activity levels to support addressing the local known health and wellbeing issues present within Stevenage and meet the known future demand from the incoming population. The wider appeal of the centre and increased patronage will increase the return on investment.

Project Risks, Constraints, and Interdependencies

2.5.4 Risks have been set out in the Register below, which is based on a 5x5 matrix indicating the exposure to risk, which is defined as the relationship between the likelihood of the risk occurring and its impact. Plotting the likelihood and Impact Scores assigned on the risk matrix will result in a risk level of between 1 and 25 and a colour code from Blue (insignificant to Red (major) set out in the diagram below.

Risk matrix

		LIKELIHOOD				
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
IMPACT	Major (5)	5	10	15	20	25
	Significant (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5

Stevenage Sports and Leisure Hub Project Risk Register										
Risk Register L: Likelihood; I: Impact; T: Total										
Ref.	Risk	Triggers	Consequences	Controls	Risk Score			Contingency	Responsible Person	Date: Added/ Updated
					L	I	T			
001	Covid-19 Outbreak and possible introduction of lockdown measures	Negative changes to working practices through social distancing. Uneconomical for construction supply train to operate. Added delays due to drop in output levels through covid	Shortfalls in manufacturing capacity causing price inflation. Project delay by significant social distancing measures. Negative Change in payment practices.	The need to implement practices to ensure safety. Client, consultants, and contractors work together to agree common solutions. Innovative approaches to procurement are in place. Allow for time extension in contracts. Monitor financial resilience of supply chains.	4	4	16 R	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cashflow.		
002	Construction labour shortages create delays	Conclusion of contracts with building contractors for public realm and site redevelopment EU restrictions (Brexit) on contractors and independent consultants	Delays to completion of both due to recruitment difficulties for contractors and consultants, Cost overruns	Appropriate and timely contractual arrangements	4	5	20 R	In development agreement with contractors and with public realm contractors incorporate commitment to bring in additional temporary labour to ensure projects are completed on time.		

003	Labour shortages in freight transport and supply industries delay construction progress	Construction progress reports noting failure to progress on schedule. National shortfall in haulage capacity	Delays to completion of project due to shortages of materials and components. Cost overruns	Contractual arrangements	5	5	25 R	In development agreement incorporates commitment to build up advanced stocks of materials. Build in sufficient contingency time in delivery programme to address possible delays.		
004	Development of the Sports and Leisure Hub constrained by unknown site conditions.	Physical obstructions. Physical conditions. Asbestos removal issues.	Need to change working methods. Revision of the design. Delays in delivering the development. Cost escalation.	Clear and appropriate description of works in technical documents. Clearly defined scope of works e.g. contractor's design obligations and buildability obligations	2	4	8 Y	Contractual provisions to manage unforeseen site conditions e.g. physical obstructions or physical conditions.		
005	Climate changes and weather conditions	Unusually harsh weather conditions. Impact of unusually harsh weather conditions on aspects of project	Bad weather retards progress of the construction programme or parts of the construction programme	Regular progress reviews. Timely communication	3	4	12 O	Build in sufficient slack in the programme to cover for unforeseen eventualities such as weather		
006	The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Capital & revenue overspends. Inadequate project management. Failure to resolve conflicting priorities. Robust financial systems are not established.	Impact on capital programme. Revenue overspends. Requirements to make compensatory savings to balance budget. Increased legal fees. Reputational damage.	Client management relationship. Rigorous and well-informed project monitoring reports. Effective communication. Appointment of key personnel.	3	4	12 O	Appointment of a B&D contractor in a two-stage process with a caveat to end the contract after the first stage should the Council wish to make that decision (PCSA - Pre-Construction Service Agreement). A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.		

007	Pricing and usage strategy necessary to create viable project is not in line with stakeholder expectations. i.e. hire charges for club use, membership levels etc.	Inadequate use of data to inform appropriate pricing strategy. Lack of NGB sports data to inform financial robustness of their member clubs. Lack of control over contract operator.	Lack of contract procurement or poor contract could result in financial failure of the centre and lack of control over operations and pricing which will prevent many users from using the facility.	A robust procurement process with a detailed specification and significant controls over operational, maintenance, staffing branding, financial performance and pricing will be put in place prior to opening of a new facility.	1	4	4 Y	SBC has client function over contract operator, set requirements are specified within the contract specification including pricing policies and close scrutiny of monthly profit and loss accounts, annual accounts and will therefore be able to positively react to any potential financial or operational issues that may occur maintains close cooperation with its stakeholder groups (public, private and third sector) and its client groups. Looks at ways in which it can minimise the cost impact by ensuring that all residents have access to services and are supported to make healthier choices wherever possible.		
008	Failure to achieve planning approval	Notification of Council decision	Major delay to completion. and project interdependencies.	Planning approval has been expedited and is well advanced. Through consultation, scope of objections well understood.	1	5	5 Y	Close cooperation with Planning.		

009	Constrained nature of the site limits the volume of building which can be accommodated , the range of uses and how the buildings are organised on site.	Funding restricted / stopped. Poor management decisions. Failures in contractor / partnership working. Poor project management. Poor planning	Project delays/overruns. Reputational damage. Cost overruns. Public dissatisfaction. Discouragement of future partnerships. Delay, impact on service delivery.	Regular meetings with designers / contractors. Effective procurement strategy. Post contract reviews. Regular and timely meetings with planning. Robust project management.	3	3	9 Y	Close cooperation with Planning.		
010	Strong objections from local residents to proposed content and design of the new centre	Publication of outline and detailed designs	Likely delays to construction if design changes are needed	Comprehensive consultation programme particularly at early stage to capture preferences from local residents.	2	5	10 Y	Market Research and focus groups to provide ample evidence of what the public expect from the new sports and leisure centre. Extend process to enable preliminary designs to be market tested with the public.		

Description of the Project

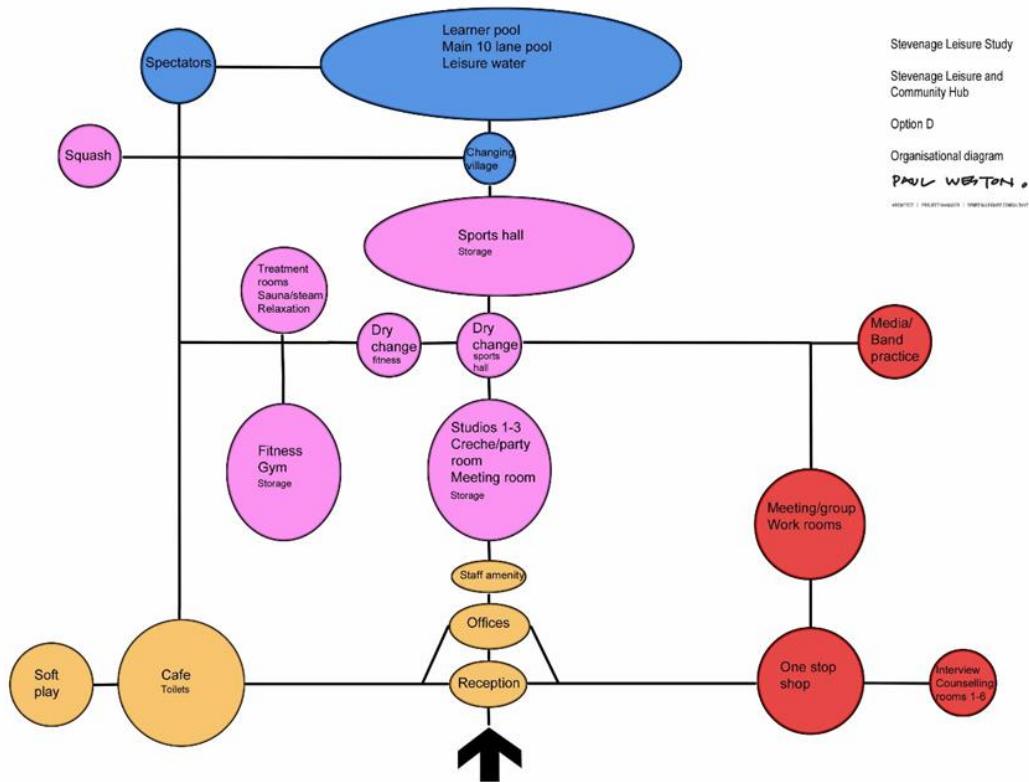
Purpose and Key Elements of the Project

2.5.5 The purpose of this project is to create a combined leisure, swimming, and community facility by integrating three existing old facilities, to be located on the current Bowes Lyon Youth Centre site adjacent to the existing Swimming Centre and leading to the Town Centre Gardens. This will focus all Council sport and leisure provision into one central location whilst taking the first step in unlocking of a key development opportunity within the Station Gateway through the relocation of the current Leisure Box. In Stevenage, leisure facilities and services are provided in two locations, the Arts and Leisure Centre built in 1974 on Lytton Way and Stevenage Swimming Centre built in 1962 on St. George's Way, direct opposites of the town centre footprint. The new centre will locate all facilities in one place and provide a facility significantly more economical and efficient venue to operate whilst meeting current, latent and future service demands. Adjacent to the Swimming Centre is Bowes Lyon House which was built in the early 1960s. The development will also include specific and shared facilities for Hertfordshire County Council's (HCC) youth connections service, replacing the outdated existing building currently on site which is costly to run. The centre overall will provide high quality capacity for health and fitness, sport youth and swimming conducive to enhanced levels of health and well-being, reducing health disparities amongst the existing population whilst addressing demand from the incoming population over the coming two decades.

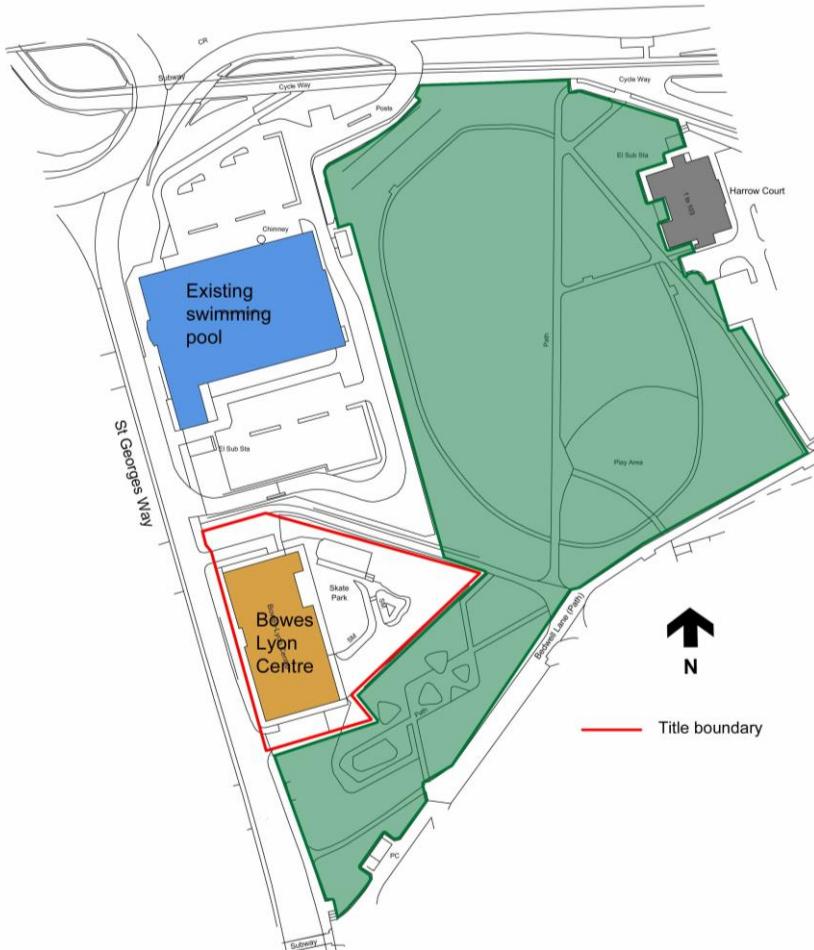
2.5.6 Key elements of what the new scheme could include are set out in the table below. The other facility mix options can be seen in the appendices.

Option 4 - Recommended Facility Mix	HCC requirements (exclusive use)	HCC requirements (shared use)
25m x 10 lane main pool with moveable floor	One Stop Shop / Information and Advice Area – 210 sqm	Reception (shared entrance, co-located Reception desk)
17m x 10m teaching pool with moveable floor	3 x Meeting / Training Rooms	Multi-purpose Sports Hall (shared use of sports hall)
10m x 10m leisure water splash zone	Training Kitchen	Performance Hall (shared use of studios)
300 permanent spectator seats (main pool) and 20 for teaching pool	Multi-Purpose Media Room	Office Space (co-located with main office space)
8 court sports hall	6 x Interview / Counselling Rooms	Creative Arts Space (co-located with crèche)
200 station gym		
3 exercise studios (2 linked by moveable acoustic partition)		
3 squash courts with moveable walls		
Meeting room for 30 people		
Soft play / Indoor climbing (400sqm)		
Crèche / Party room		
5 Consultation / Treatment rooms		
Sauna / Steam / Relaxation Area		
Café (100 covers)		

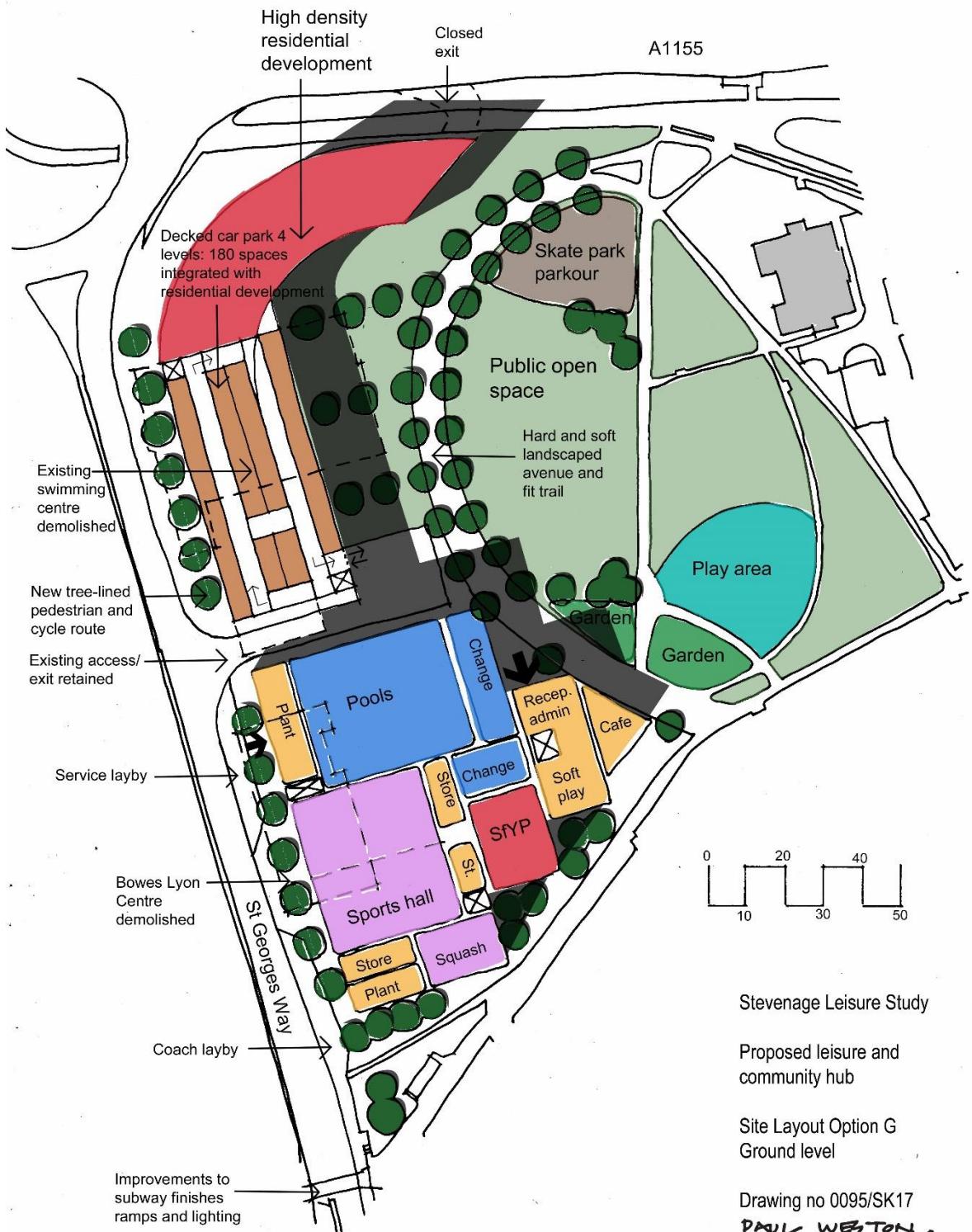
Spatial Organisation Diagram



Site Plans - Existing site plan of Swimming Centre and Bowes Lyon House



Site Plan Ground Floor



Stevenage Leisure Study

Proposed leisure and
community hub

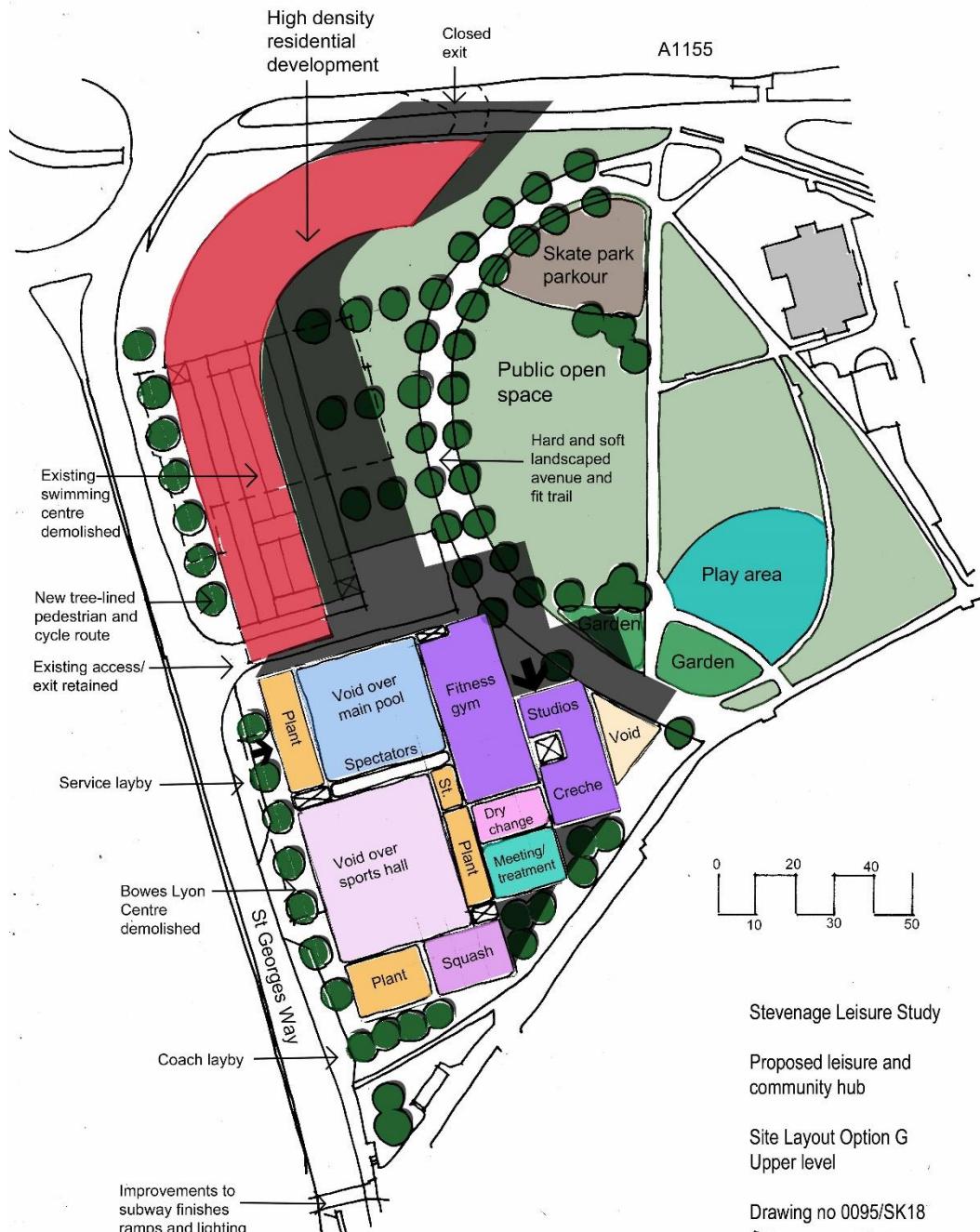
Site Layout Option G
Ground level

Drawing no 0095/SK17
PAUL WESTON

ARCHITECT | PROJECT MANAGER | SPORT & LEISURE CONSULTANT



Site plan 1st Floor



Artist Impression of the scheme



Key Project activities

2.5.6 Key activities of the project are:

- Design and planning authorisation for the new sports and leisure centre Arts and Leisure centre (built 1974)
- Relocation and enhancement of the current sports provision from the Arts and Leisure centre (built 1974) and the swimming facilities (built 1992).
- Demolition and preparation of the Bowes Lyon site
- Construction of a state of the art 9,377 sqm sports and leisure facility
- Management plan in place for vacant space in current Leisure facility
- In conjunction with Station Gateway Town's Fund project, masterplanning for the re-provision and enhancement of the theatre.
- In conjunction with the Station Gateway Town's Fund project release of the Arts and Leisure Centre for redevelopment , subject to the re-provision and enhancement to the theatre
- Enabling of an estimated 200 new homes
- Improved public realm and public spaces

2.5.7 Indicative Floorspace areas for Option 4 are shown below as an example of the work that has been completed as part of feasibility and business planning work. The accommodation schedule

Uses	Sqm
Basement:	
Plant	200

Ground Floor:	
Entrance lobby, reception, kitchen/server, public Café	
Visitor toilets,	
Stores, Vending store	
General manager's and administration office & staff amenity	
Comms room	
Enhanced soft play with Clip n Climb	
Main pool, learner pool and toddler splash zone	
Swimmers flip down seating, spectator seating and toilets	
Swimming changing facilities	
First aid	
Squash courts (3)	
8 court sports hall	
Sports hall	
Sports hall changing and storage	
Circulation and plant	
First Floor:	
Fitness gym and gym storage	
Multipurpose studios - 3	
Crèche/party room, toilets and kitchenette	
Studio storage	
Meeting Rooms 1	
Treatment therapy rooms - 5	
Sauna, steam, heated bench and relaxation area and spa plant	
Changing areas	
Cleaner store	
Circulation and plant	
TOTAL SPORTS/LEISURE GIA	8431
TOTAL HCC SERVICES FOR YOUNG PEOPLE GIA	947
TOTAL GROSS INTERNAL FLOOR AREA	9378

2.5.8 External accommodation will aim to include:

- Emergency vehicle access
- Service access
- Secure cycle storage
- Disabled car spaces
- Basement car parking
- Coach parking

How the Project Addresses the Objectives and Vision

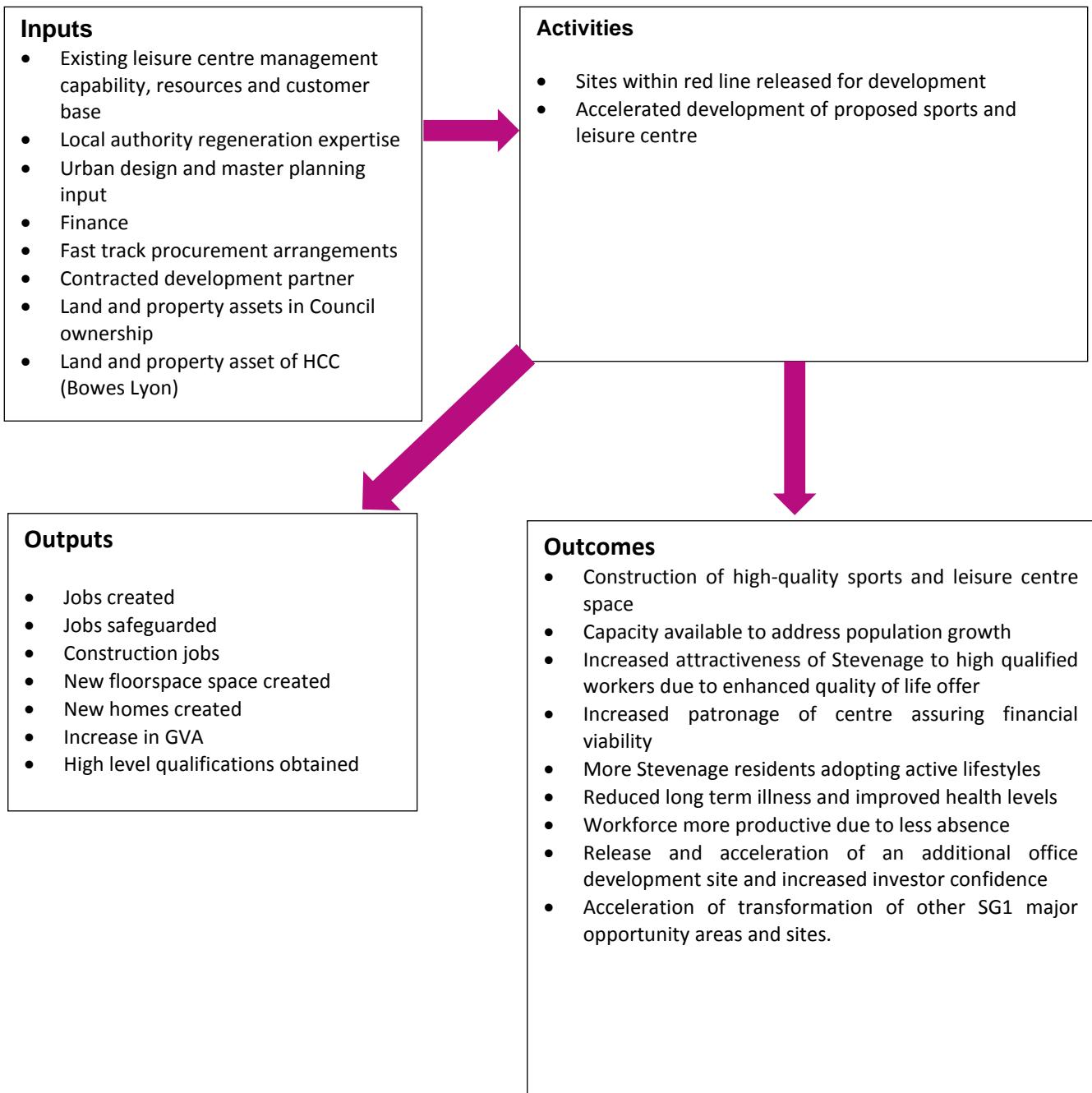
2.5.9 The vision and objectives will be addressed and met as a result of the following outcomes.

The new development will bring all indoor Council health and fitness, sports, leisure and swimming, facilities under a one roof, delivering financial and footprint economies over existing arrangements. The wide range of facilities proposed will provide broad appeal to local residents and assure higher levels patronage and in turn financial viability. The new facilities will also provide the base for initiatives with partners to target the less active members of the local population with a view to increasing their participation in active pursuits with a view to reducing obesity and long-term illnesses amongst children and adults, in so doing helping to reduce health disparities amongst residents in different parts of the borough. Following the construction of the new facility, there will be a requirement to focus on the next aspiration project for the town; the provision and relocation of the theatre. This will aspire to create a new modern 21st facility in terms of the theatre and place Stevenage firmly on the cultural destination

map. This is a longer term aspiration which will require consideration; including what will the use be of the vacated dry leisure space. Subsequently, demolition and site clearance of the existing arts and leisure complex will be able to release a key development site at the gateway to the town further enhancing the arrival and culture experience of the town.

Project Theory of Change

2.5.10 The following logic model explains the theory of change.



Expected Outputs and Outcomes

2.5.11 Quantified Outputs

Jobs Created	50
Sports and Leisure Floorspace Developed or Upgraded sqm	9,377
Net Increase in Sports and Leisure Floor space Floor space	3,277
Additional homes brought forward	200
Indirect Jobs	42
Construction Jobs	473
Additional GVA Generated per Annum	£2,905,315
Additional Annual High Level Skills Qualifications Attained	12

2.5.12 Wider Outcomes and Benefits

Economic

- High quality sports and leisure facilities will attract a wider range of new residents to the area, providing a good choice of high-quality workers to the advanced high value industries Stevenage is seeking to attract.
- This should increase demand for high quality commercial space in the town centre.
- Expanded range of facilities will help assure long term commercial viability of the centre.
- More people will visit the town centre increasing demand for retail and food and beverage facilities and thereby investment in these facilities.
- A key employment site will be released as a result of relocation of the leisure box.
- Additional high quality office development will be enabled, helping to position Stevenage as a prime regional office location.
- Investor confidence will be enhanced because of development momentum generated by the new sports and leisure centre and the site released conducive to wider acceleration of transformation throughout Stevenage Central.
- Acceleration of the redevelopment of key sites in Central Core.
- Improved town centre environment.
- Stronger perception of Stevenage as a place to invest.

Environmental

- Enhanced scope for living and working in the town centre, thereby reducing the need to travel.
- Cleaner air and healthier lifestyles.
Significant reduction in the carbon footprint through the consolidation of three buildings into one and high efficient facility meeting BREEAM standards replacing three energy inefficient old buildings

Social

- Meets anticipated demand from population growth.
- Widens opportunities for reducing above average number of obese, overweight and inactive children and adults in the borough.

- Wider range of facilities offered will increase patronage of the Council operated sports and leisure facilities.
- Broadens scope for reducing the health disparities amongst residents in different parts of the borough.

2.5.13 Expected Different Impacts by Protected Characteristics and/or Income Groups

No adverse effects are identified. (Please refer to Town Investment Plan EQIA)

2.6 Stakeholders

2.6.1 Key stakeholders and their role or interest in the project are listed below.

Project	Stakeholders	Comment
Stevenage Sports & Leisure Hub	Council regeneration team	Impact on the success of [parallel town centre regeneration initiatives. Scope for addressing demand for active pursuits from the incoming population.
	Sport England National Herts Sports Partnership Governing bodies of sports and leisure clubs	Ensure that facilities meet Sport England and NGB standards for the provision of sport
	Local residents' groups	Range of activities and facilities to be made accessible in the new centre
	HCC	Configuration of replacement facilities for young people services
	NHS, Health England and related bodies	Scope for promoting take up of active sports to promote well-being and prevention or reduction of obesity and long term illnesses.

Summary of Engagement to Date and Evidence Gathered

Approach to Stakeholder Engagement

2.6.10 In a wider context, stakeholders views have been captured through the Stevenage engagement programme, encompassing a number of mechanisms.

Local Residents

- A wide range of digital engagement utilising social media other related platforms.
- A dedicated Visitor Centre in Town Square open to the public, where people could view, engage with and discuss the regeneration of the town.
- A ‘virtual visitor centre’, which contains all of the content in a digital platform on our dedicated website; this has enabled the Council to continue to reach residents of all ages and abilities during the pandemic.
- Stevenage residents’ survey.

Currently engagement is focused on the consultation and promotion of the Council’s priority projects.

Business

- Business networking events, a number of project-based consultations, such as the Local Plan, SG1, and the Bus Interchange and a number of roadshow events.

Other Stakeholders

- Regular consultation with public sector bodies such as Hertfordshire County Council, the LEP and relevant statutory bodies including UKsport and Sport England.
- Project specific consultation as part of the planning process.

2.6.11 The key themes that have emerged from residents, business and community groups are:

- Create inclusive accessible transport.
- Create great spaces to live in and socialise.
- Create a vibrant town centre offer that is a destination for all.
- Create aspiring communities and opportunities that create a lasting legacy. events through to a wide range of digital engagement utilising social media other related platforms.
- The need and demand for state of the art fit for purpose sport, leisure and culture facilities.

Leisure – Specific to leisure review 2021/22

- In 2021 SBC appointed the UK's leading consultants to undertake a whole systems leisure review of the council's leisure facilities and define a strategy for the future, the leisure contract will be procured in 2022\23 based on the outcomes of the leisure review study
- Soft market testing of over 30 leisure operators took place in the autumn of 2021, there was an overwhelming positive response from the market that demonstrated that there is a strong appetite from the sector to manage and operate a new combined wet and dry sports, leisure and youth facility.
- Recent consultation has taken place with over 30 valued stakeholders and partners
- In the summer of 2021 SBC undertook an online specialist platform with over 1,300 responses from the community
- SBC together with Sports Stevenage hosted a club summit open to 145 clubs in Stevenage

Summary of Stakeholder Viewpoint of the Project and How it Has Influenced the Strategic Case

2.6.12 Extensive engagement was carried out as part of the development of the Town Investment Plan process. Project-specific consultation Clearly, the benefits of more well paid jobs assuring the continued vibrancy of the town centre, higher quality amenities, and the prestige of having a world beating bioscience facility in the heart of the Stevenage urban area are recognised by local businesses and some neighbouring residents.

2.6.13 Extensive research was undertaken through the Nortfoft report in 2014, SLC report of 2018 and leisure review process 2012 and ongoing. All three of these studies involved wide and extensive consultation with key stakeholders, partners, NGB's, local clubs users and non-users.

As with the entire Town's Fund investment projects, there will be a thorough and extensive engagement and consultation plan to ensure the key partner stakeholders and residents views can be considered throughout the project development and delivery.

Consultation on Young People's Activities

2.6.14 Consultation was undertaken with HCC as part of the 2018 Leisure Study to understand the accommodation requirements of Services for Young People linked to the existing use of the Bowes Lyon Centre. Following a workshop with HCC and site visit to the centre, SLC identified as the dedicated and shared facilities for the scheme. In addition the wider sports and leisure facilities cater for young people's needs which further identified the need for moveable pool floors to provide more capacity for learn to swim schemes, splash zone which is specific for pre swimming babies and toddlers, and enhanced provision including Crèche, soft play plus clip and climb.

ECONOMIC CASE

3. ECONOMIC CASE

3.1 Introduction

3.1.1 This economic case defines the benefits from the scheme identified and how they will have come about, the geographical scale of the benefits by way of a place based analysis and how the how benefits estimated link to the theory of change and strategic case set out above. Quantified benefits have been calculated and an assessment made of non-quantifiable benefits. The economic case indicates which benefits have been monetised and how these will be generated year by year. Factors such as additionality, deadweight and displacement of benefits and double counting have been considered as have distributional impacts.

3.2 Approach to the Economic Case

Options Initially Considered

3.2.1 In the first instance, the following long list of options was considered for addressing the opportunities and constraints described above.

- Do nothing: leave the current leisure box in place adjacent to the station and rely on existing capacity to fulfil the needs of the local population.
- Do minimum: Carry out incremental capacity enhancements where necessary and affordable to the existing array of leisure facilities on various sites across the borough.
- Promote the use of sports and leisure facilities in neighbouring boroughs to meet demand.
- Develop a new sports facility and incorporating a main and teaching swimming pools, exercise studios, squash courts with moveable walls, permanent spectator seats, and 8 court sports hall, crèche / party room and meeting room for 30 people, consultation and treatment rooms.
- Develop the new sports facility as above but with increased capacity for consultation and treatment rooms, moveable pool floors, splash zone, clip and climb, café, spa facility and soft play area and replacement facilities for Bowes Lyon House for youth provision.

How Project Options Were Shortlisted

3.2.2 The following criteria have been adopted in shortlisting options. Projects must be able to:

- Align with Stevenage Town Investment Plan strategic objectives.
- Provide a positive local economic impact.
- Address the stated objectives of and benefits sought from the project and those of associated strategic policies.
- The option of doing nothing or continuing to provide facilities in the existing facilities is not viable as the significant deficit funding required will rapidly increase due to higher maintenance costs, higher energy costs and the consequential drop off in users.

- The enhanced provision has been opted for to meet demand, increase financial sustainability and add greater flexibility into the facility in order to be able to react to changing demands of the market.
 - For the spend to be delivered within a 48 month timescale.
 - Significantly accelerate delivery of the Stevenage Central Regeneration Strategy.
 - Significantly improve accessibility in and out of the Town Centre.
 - Demonstrate a significant impact on air quality, adoption of ultra-low vehicles and reduction of traditional car usage.
- 3.2.3 The options appraisal has been further informed by a Leisure Study undertaken by SLC underpinned by the Nortoft report to explore options for the provision of new sport and leisure facilities to replace the existing facilities and meet the future needs of residents and stakeholder partners linked to the regeneration of Stevenage town centre. The study was completed in Autumn 2017 and recommended the development of a new wet and dry leisure centre to replace Stevenage Arts and Leisure Centre (SALC) and Stevenage Swimming Centre (SSC) on the Town Centre Gardens site. Further work was then undertaken in early 2018 to identify additional ‘Enhanced’ and ‘Optimal’ facility mix options alongside the development of capital costs and business plans for these options. This has been recently updated to reflect 2021 construction costings and business plan.

Shortlisted Options

- 3.2.4 The options for promoting the use of private sector sports and leisure provision, facilities in neighbouring boroughs, to meet additional existing and future demand across the borough for the following reasons. In the case of relying on the private sector to assure the required provision, such provision would not be available to many of the borough residents on low-income. Furthermore, the private sector has only a limited offer and do not provide community facility for sports or swimming. This option would be inadequate in terms of addressing the health disparities across the borough, due to the limited range and depth of capacity facilities and services that would be provided. In relation to facilities in neighbouring districts, the provision is aimed at the particular districts residents and do not have capacity to provide services for Stevenage users in addition the drive time to Hertford, Letchworth, Hitchin, and Hatfield is beyond our catchment area and would exclude customers without access to private transport plus key groups such as schools would not be able to include long travel times to other towns as it would not be viable due to the timetable constraints on curriculum for example over 30 junior schools would not be able to teach swimming and therefore pupils would not gain the key stage 2 requirements for learning to swim. Stevenage based clubs (over 150 of them) would not have access to facilities as they require peak periods in facilities which are already fully used in neighbouring districts facilities.

The remaining options, which have been shortlisted are appraised as follows.

Option 1	Do nothing: leave the current leisure box in place adjacent to the station and rely on existing capacity to fulfil the needs of the local population.
<i>Appraisal</i>	The do nothing option, leaving the current leisure box in place adjacent to the station and the two other facilities the Swimming Centre and

	Bowes Lyon and relying on existing capacity to fulfil the needs of the local population it is rejected because it would fail to address the deficits in health performance amongst the local population, would do nothing to reduce the costs of operating existing facilities and would fail to meet the demand for additional capacity required for the increase in population and projected over the next two decades. The buildings are also at the end of their economic life the ongoing capital investment required is significant and there will come a point within the next five years where the buildings are at risk of closure and vital services to the residents of Stevenage will not be available.
Option 2	Do minimum: Carry out incremental capacity enhancements where necessary and affordable to the existing array of leisure facilities on various sites across the borough.
<i>Appraisal</i>	<p>The two leisure facilities have had substantial capital investment in the last 25 years, the only improvements that can be made now and in the future are minor refurbishments for example the fitness room and studios at the leisure centre has been created by using space from squash courts and a restaurant and whilst this has been successful the facility is across two floors and not in near proximity to a lift access is via a long corridor and many of the areas are not DDA compliant. The Swimming Centre's teaching pool is far too small and the main pool has very little shallow water and a deep end with a large area of 3.8m deep water which is entirely inappropriate for non-swimmers or swimmers with a lack of confidence, this is compounded by the narrow 6 lane pool 12.5m width and 32m length in comparison to a 10 lane 25m x 25m pool it is not possible to simply extend the pool tanks as the cost and viability would be prohibitive.</p> <p>The Bowes Lyon facility is very big and complex and has a significant asbestos problem with structural problems in the balcony areas, it is not economically viable to rectify the design and structural issues.</p> <p>The existing facilities are fragmented and separated meaning that they are less accessible and convenient for local reside whilst incremental improvements might improve capacity to meet future population demand, such an approach would not have the economies of scale of creating an entirely new facility for the local population.</p>
Option 3	Develop the new sports facility increased capacity for swimming, fitness, studios, café, spa, soft play, consultation and activity areas for youth services.
<i>Appraisal</i>	<p>This option would fully meet current the recommendations of both the Nortoft and the two SLC reports, a new combined wet and dry facility replacing three old facilities and providing a wide range of existing, enhanced and new facilities in a modern attractive state of the art efficient leisure centre known demand will significantly increase the footfall and activity levels to improve local health and wellbeing matching the aspirations of highly qualified workers moving to the area. The wider appeal of the centre and increased patronage would increase</p>

	the return on investment.
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Preferred Option

3.2.5 The preferred option is to develop the new sports facility and replacement facilities for Bowes Lyon House for HCC. This is a key enabling step in unlocking the Station Gateway area for future development. Without the creation of this new facility, the realisation of the Station Gateway opportunity would be delayed extensively.

Option 4 - Recommended Facility Mix	HCC requirements (exclusive use)	HCC requirements (shared use)
25m x 10 lane main pool with moveable floor	One Stop Shop / Information and Advice Area – 210 sqm	Reception (shared entrance, co-located Reception desk)
17m x 10m teaching pool with moveable floor	3 x Meeting / Training Rooms	Multi-purpose Sports Hall (shared use of sports hall)
10m x 10m leisure water zone	Training Kitchen	Performance Hall (shared use of studios)
300 permanent spectator seats (main pool) and 20 for teaching pool	Multi-Purpose Media Room	Office Space (co-located with main office space)
8 court sports hall	6 x Interview / Counselling Rooms	Creative Arts Space (co-located with crèche)
200 station gym		
3 exercise studios (2 linked by moveable acoustic partition)		
3 squash courts with moveable walls		
Meeting room for 30 people		
Soft play / Indoor climbing (400sqm)		
Crèche / Party room		
5 Consultation / Treatment rooms		
Sauna / Steam / Relaxation Area		
Café (100 covers)		

Furthermore is required to appraise the four accommodation schedule options and explore the spatial impact each has on the surrounding area and the creation of the housing scheme.

3.3 Economic Benefits

3.3.1 Quantified Benefits

Jobs Created	50
Sports and Leisure Floorspace Developed or Upgraded sqm	9,377

Net Increase in Sports and Leisure Floor space	Floor space	3,277
Additional homes brought forward		200
Indirect Jobs		42
Construction Jobs		473
Additional GVA Generated per Annum		£2,905,315
Additional Annual High Level Skills Qualifications Attained		12

3.3.2 Benefits have been monetised by taking calculating projected annual increases in GDP due to job creation and by combining this with the annual fee payable to SBC by the centre operator.

Additionality, Deadweight, Displacement and Substitution of Benefits

3.3.3 These are explained as follows.

Additionality	Additionality affects that would not have been realised but for this project are: Additional capacity for health and fitness, swimming and youth activities enabling more people to participate in active sports and leisure. Reduction of revenue costs, increase in income, the risk of forced closure and loss of key services and facilities will be removed, relocation into adjacent green flag park, the project will also enable residential development and facilitate the first steps for freeing up space for the gateway development.
Leakage	This project is about place specific site development which cannot take place elsewhere in the borough, so no leakage is anticipated.
Deadweight	The benefits from this project could not have happened anyway given identified market failures and the amount of investment needed to take the proposed site forward for development. The private sector could not and would not accomplish the range of activities and services offered by this council owned centre nor would it have the motivation to tackle long term health issues in the wider community.
Displacement	The centre would only compete with private health and fitness operators for a small market segment, private operators may focus on low investment and high return business which is limiting from a community perspective. Private operators do not provide public spaces for swimming, club sports, schools and youth services private sector services are not affordable to the wider community and whilst they have a role to play for those who wish to have exclusivity most of the services the new centre will provide will not be in competition with private operators and therefore displacement would not apply.
Substitution	Not expected to apply as the new centre simply continues providing services delivered over the past 50 years.

Assessment of Non-Quantified Benefits

3.3.4 Non-quantified impacts and benefits are summarised below.

Project	Impact	Assessment of Benefits
Construction of high-quality sports and leisure centre space	Capacity available to address current needs and demands future and	<ul style="list-style-type: none"> • Increased attractiveness of Stevenage to high qualified workers due to enhanced quality of life offer. • Increased patronage of centre assuring financial viability. • Low carbon footprint replacing high energy

Project	Impact	Assessment of Benefits
	population growth growth	<p>inefficient buildings</p> <ul style="list-style-type: none"> • Reduction of high maintenance costs • Enhanced and new facilities will widen the scope of facilities and services offered • • More Stevenage residents adopting active lifestyles. • Reduced long term illness and improved health levels. • Workforce more productive due to less absence.
Vacation, demolition of existing Arts Leisure Centre	Release of the site	<ul style="list-style-type: none"> • Acceleration of an additional office development site. • Increased investor confidence. • Acceleration of transformation of other SG1 major opportunity areas and sites. • Whilst vacant, opportunity to create a unique temporary venue

Consideration of Distribution of Impacts

Employment and income

3.3.5 The staffing structure for the new centre will predominantly benefit white collar occupations, though new blue collar jobs will be created for cleaning, catering and security staff. As has been stated above, the existence of a new state of the art sports and leisure centre will be a magnet for inward investment and it will aid in making Stevenage attractive to skilled workers. Incoming employers will predominantly employ white collar workers, but the additional demand they will generate for food and beverage outlets will benefit those on lower incomes.

Geographical

3.3.6 Beneficiaries will be primarily current residents of Stevenage and future residents of the town centre plus those within Stevenage and its travel to work area.

Protected Groups

3.3.7 No adverse effects are identified. An EQIA has been produced for this project and it is viewed that the centre will enhance the opportunity for greater involvement of protected groups.

3.4 Economic Costs

3.4.1 The project costs are set out below.

Sports & Leisure Hub	Total
Professional Fees	£3,645,000
Site Preparation & Abnormals	£1,093,000
Construction	£23,077,000
Externals	£1,306,000
Contingencies & inflation	£6,599,000
Below the Line	£8,500,000
Total	£44,220,000

3.5 Value for Money Assessment

VFM Assessment

	Present Value 30 Years	Undiscounted 30 Years
Cost	£38,082,652	£44,220,000
Benefits	£47,996,964	£72,632,884
Net Present Value: Benefits Less Cost	£9,914,312	£28,412,884
<u>BCR Calculation</u>	1.26	1.64

3.5.1 As can be seen from the table above, the net cash flow taking account of economic benefits gives a net present value of £9,914,312 and benefit cost ratio of 1.26.

Steps taken to Maximise VFM

- 3.5.2 Appropriate measures are being applied to ensure that the construction works for the project can be delivered in the most cost-effective manner possible, without sacrificing the quality and functionality of the end product.
- 3.5.3 To this end, the appointed contractors will be asked to assess scope for further savings from the supply chain, alternative configurations and materials with a view to optimise value for money. In addition, quotes for ongoing design and survey activity will be retendered should this be considered to have scope for further savings.

3.6 Place Based Analysis

3.6.1 Benefits related to the preferred option which are quantifiable and those wider in scope or non-quantifiable are set in the place-based analysis described below, taking account of local employment impacts.

Place Based Analysis																	
Target Area	Central Core, Stevenage Town Centre, SG1																
External dependencies	Use of new facilities dependent on local demand and projected population increase, both of which have been projected and validated.																
Benefits to the Target Area: Quantified	<table> <tbody> <tr> <td>Jobs Created</td> <td>50</td> </tr> <tr> <td>Sports and Leisure Floorspace Developed or Upgraded sqm</td> <td>9,377</td> </tr> <tr> <td>Net Increase in Sports and Leisure Floor space Floor space</td> <td>3,277</td> </tr> <tr> <td>Additional homes brought forward</td> <td>200</td> </tr> <tr> <td>Indirect Jobs</td> <td>42</td> </tr> <tr> <td>Construction Jobs</td> <td>473</td> </tr> <tr> <td>Additional GVA Generated per Annum</td> <td>£2,905,315</td> </tr> <tr> <td>Additional Annual High Level Skills Qualifications Attained</td> <td>12</td> </tr> </tbody> </table>	Jobs Created	50	Sports and Leisure Floorspace Developed or Upgraded sqm	9,377	Net Increase in Sports and Leisure Floor space Floor space	3,277	Additional homes brought forward	200	Indirect Jobs	42	Construction Jobs	473	Additional GVA Generated per Annum	£2,905,315	Additional Annual High Level Skills Qualifications Attained	12
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Additional GVA Generated per Annum	£2,905,315																
Additional Annual High Level Skills Qualifications Attained	12																
Benefits to the Target Area: Qualitative	<p><u>Economic</u></p> <ul style="list-style-type: none"> High quality sports and leisure facilities will attract a wider range of new residents to the area, providing a good choice of high-quality workers to the advanced high value industries Stevenage is seeking to attract. This should increase demand for high quality commercial space in the town centre. Expanded range of facilities will help assure long term commercial viability of the centre. More people will visit the town centre increasing demand for retail and food and beverage facilities and thereby investment in these facilities. A key employment site will be released as a result of relocation of the leisure box. Additional high quality office development will be enabled, helping to position Stevenage as a prime regional office location. Investor confidence will be enhanced because of development momentum generated by the new sports and leisure centre and the site released conducive to wider acceleration of transformation throughout Stevenage Central. Directly deliver estimated 200 additional homes Acceleration of the redevelopment of key sites in Central Core. Improved town centre environment. Stronger perception of Stevenage as a place to invest. <p><u>Environmental</u></p> <ul style="list-style-type: none"> Enhanced scope for living and working in the town centre, thereby reducing the need to travel. Cleaner air and healthier lifestyles. Significantly reduced carbon footprint <p><u>Social</u></p> <ul style="list-style-type: none"> Meets anticipated demand from population growth. Widens opportunities for reducing above average number of obese, overweight and inactive children and adults in the borough. Wider range of facilities offered will increase patronage of the Council operated sports and leisure facilities. 																

Place Based Analysis	
Target Area	Central Core, Stevenage Town Centre, SG1
	<ul style="list-style-type: none"> Broadens scope for reducing the health disparities amongst residents in different parts of the borough.
Possible collateral effects in the target area or wider spatial area	<u>Positive effects</u> <ul style="list-style-type: none"> Acceleration of on-going regeneration of the town centre. Healthier lifestyles. <u>Negative effects</u> <p>None identified.</p>
Adverse effects on protected groups	None identified.
Different impacts by income group	An enhanced Council operated sports and leisure offer will increase the offer to those on low incomes and in high areas of deprivation subject to health disparities.
Views of local stakeholders	HCC is highly supportive as their facilities for support to young people will be upgraded.
Alignment with wider public policy in the relevant area/s and the UK as a whole/s	<p>Sport England - Shaping Our Future highlights a number of pertinent statements in light of Covid 19. It states that sports and leisure activities and facilities should do more to support wider initiatives and serve the communities they reside in. A key feature is the aspiration for more integrated communities, whilst simultaneously supporting stronger economy. This project would support this by acting as a key community facility in the heart of a brighter town centre and combining an integrated children service offer embedded within better exercise and well-being facilities to address the challenges faced in the region. The strategy acknowledges the impact of place is a key factor on activity levels.</p> <p>The vision of the Healthy Stevenage Strategy is to reduce health and equalities and improve the health and well-being of Stevenage residents. Its mission is to help all residents to be happy and healthy for as long as possible by providing high-quality services in partnership with other local bodies that are accessible by all.</p> <p>Identified priorities are to enhance levels of physical activity, improve mental health and well-being, enhance older peoples' independence, to reduce obesity and smoking and to increase health promotion as informed by the Public Health outcomes framework and Stevenage health profile 2016.</p> <p>A Healthier Future: Sustainable Transformation Partnership (STP) for Herts and West Essex (2016-2021) aims to improve the health well-being of the population, improve the quality of service provided and provide efficient and affordable care. Strategic objectives are: living well and preventing ill-health; transforming primary and community services; improving urgent and hospital services; and providing health and care more efficiently and effectively</p> <p>The Hertfordshire Health and Well Being Strategy set a high-level set of priorities based on a life course approach looking at the four stages of life which are starting well, developing well, living well and ageing well. Many of the priorities are recognising the strategy is the same given the disparity of health inequalities in Stevenage when compared to the rest of Hertfordshire. The SLC Leisure Study update identified a projected shortfall of 340 health and fitness stations by 2031. The Leisure Study proposed that flexibility should be</p>

Place Based Analysis	
Target Area	Central Core, Stevenage Town Centre, SG1
	<p>built into the design of any new forthcoming sports and leisure facilities to ensure that they are future proofed and can adapt to meeting changes in demand. High quality and suitably sized gym facilities with accompanying studio provision was highly recommended for the new leisure centre because local authority centres provide a unique and more diverse offer compared to the private gym market, in particular proper swimming provision and other activities and programmes not available from the private sector which appeal to a broad range of users.</p> <p>The aim should be for any new facility to enhance the leisure and wellbeing offer in the town whilst generating stronger sustainable revenue stream able to cross-subsidise other important but less profitable facilities. The Council's existing facilities have a fitness membership pre-Covid of 4,000 and 1,200 swim teaching members and 3,000 children on a schools learn to swim programme, demonstrating a strong market for affordable wet and dry leisure facilities, in parallel with that for premium and budget gyms.</p>
Dependency on the successful delivery of other proposals	Continued house building in the town centre to assure demand for the facilities is maintained.
Link of Benefits Estimated Link to Theory of Change and Strategic Case	<ul style="list-style-type: none"> • The scheme will make Stevenage more attractive to well qualified workers. • More high quality and high value businesses will be attracted to Stevenage. • Release and acceleration of an additional development site. • Construction of new commercial space. • Recognition of Stevenage Town Centre as a high prestige business location. • Increased investor confidence. • Acceleration of transformation of other SG1 major opportunity areas and sites. • Increased footfall boosting prospects for revived retail, leisure and hospitality sector.

3.7 Summary of Preferred Option for Investment

Purpose and Key Elements of the Project

3.7.1 The purpose of this project is to create a combined leisure, swimming, and community facility by integrating three existing old facilities, to be located on the existing Bowes Lyon Youth Centre site adjacent to the existing Swimming Centre and leading to the Town Centre Gardens. This will focus all Council sport and leisure provision into one central location whilst unlocking of a key development opportunity within the Station Gateway through the relocation of the current Leisure Box. In Stevenage, leisure facilities and services are provided in two locations, the Arts and Leisure Centre built in 1974 on Lytton Way and Stevenage Swimming Centre built in 1962 on St. George's Way, direct opposites of the town centre footprint. The new centre will locate all facilities in one place and provide a complex more economical to run, whilst meeting current service demands. Next door to the Swimming Centre is Bowes Lyon House which was built in the early 1960s. The development will also include a new building for Hertfordshire

County Council's (HCC) Youth Connections Service, replacing the outdated existing building currently on site which is costly to run. The centre overall will provide high quality capacity for health and fitness and swimming conducive to enhanced levels of health and well-being, reducing health disparities amongst the existing population whilst addressing demand from the incoming population over the coming two decades.

3.7.2 Key elements of the potential new scheme are set out in the table below.

Option 4 - Recommended Facility Mix	HCC requirements (exclusive use)	HCC requirements (shared use)
25m x 10 lane main pool with moveable floor	One Stop Shop / Information and Advice Area – 210 sqm	Reception (shared entrance, co-located Reception desk)
17m x 10m teaching pool with moveable floor	3 x Meeting / Training Rooms	Multi-purpose Sports Hall (shared use of sports hall)
10m x 10m leisure water zone	Training Kitchen	Performance Hall (shared use of studios)
300 permanent spectator seats (main pool) and 20 for teaching pool	Multi-Purpose Media Room	Office Space (co-located with main office space)
8 court sports hall	6 x Interview / Counselling Rooms	Creative Arts Space (co-located with crèche)
200 station gym		
3 exercise studios (2 linked by moveable acoustic partition)		
3 squash courts with moveable walls		
Meeting room for 30 people		
Soft play / Indoor climbing (400sqm)		
Crèche / Party room		
5 Consultation / Treatment rooms		
Sauna / Steam / Relaxation Area		
Café (100 covers)		

Key Project activities

3.7.3 Key activities of the project are:

- Design and planning authorisation for the new sports and leisure centre Arts and Leisure centre (built 1974)
- Relocation and enhancement of the current sports provision from the Arts and Leisure centre (built 1974) and the swimming facilities (built 1992).
- Demolition and preparation of the Bowes Lyon site
- Construction of a state of the art 9,377 sqm sports and leisure facility
- Management plan in place for vacant Leisure space
- In conjunction with Station Gateway Town's Fund project, masterplanning for the re-provision and enhancement of the theatre.

- In conjunction with the Station Gateway Town's Fund project release of the Arts and Leisure Centre for redevelopment , subject to the re-provision and enhancement to the theatre
- Enabling of an estimated 200 new homes
- Improved public realm and public spaces

3.7.4 Floorspace areas:

Uses	Sqm
Basement:	
Plant	200
Ground Floor:	
Entrance lobby, reception, kitchen/server, public Café	
Visitor toilets,	
Stores, Vending store	
General manager's and administration office & staff amenity	
Comms room	
Enhanced soft play with Clip n Climb	
Main pool, learner pool and toddler splash zone	
Swimmers flip down seating, spectator seating and toilets	
Swimming changing facilities	5516
First aid	
Squash courts (3)	
8 court sports hall	
Sports hall	
Sports hall changing and storage	
Circulation and plant	
First Floor:	
Fitness gym and gym storage	
Multipurpose studios - 3	
Crèche/party room, toilets and kitchenette	
Studio storage	
Meeting Rooms 1	2715
Treatment therapy rooms - 5	
Sauna, steam, heated bench and relaxation area and spa plant	
Changing areas	
Cleaner store	
Circulation and plant	
TOTAL SPORTS/LEISURE GIA	8431
TOTAL HCC SERVICES FOR YOUNG PEOPLE GIA	947
TOTAL GROSS INTERNAL FLOOR AREA	9378

3.7.5 External accommodation will include:

- Emergency vehicle access
- Service access
- Secure cycle storage
- Disabled car spaces
- Access to car parking
- Access to Coach parking

FINANCIAL CASE

4. FINANCIAL CASE

4.1 Introduction

- 4.1.1 This section sets out the financial case for the project first describing the approach and funding options, details of the build-up of costs, proposed funding and an affordability assessment.

4.2 Approach to Financial Case

Funding Options Considered

Stevenage Borough Council

- 4.2.1 Stevenage Borough Council has been investigating a range of funding opportunities to fund projects within the Regeneration programme and working across the organisation to create a centralised review of available funding opportunities and determine which projects are most appropriate. The financial impact on the council following COVID 19 will be significant, and it is anticipated that the capital programme will be affected. Having said that, the Council needs to be the initiator and owner of the project because of the business model being wider in scope from that of the private sector, as criteria such as widening participation in active pursuits conducive to increasing the general health of the population come into play. This requires a wider range of facilities offered to increase patronage, enabling activities which generate financial surpluses to offset those that might otherwise not be viable. This will widen the offer to those on low incomes and in high areas of deprivation subject to health disparities. For these reasons, the Council will be obliged to fund a major part of the cost of the scheme. However, were this project to be funded 100% by the Council, it would divert funds earmarked for other initiatives essential to accelerating the regeneration and renewal of the SG1 area, such as strategic site acquisitions and associated enabling works.

Other Public Sector Funding Options

- 4.2.2 Other funding options such as Future High Street, One Public Estate and Levelling Up funding are less aligned in terms of criteria and the urgency surrounding the scheme, though these were explored in conjunction with the Town Development Board. It is envisaged that as the project progresses further discussions will be held with public organisations such as Sport England for funding.

Private Sector

- 4.2.3 The private sector plays a significant role in operating independent health and fitness activities in Stevenage, but these are profit driven so are not oriented towards offering the wider range of facilities to attract those on low incomes that need to be encouraged to engage in active pursuits. For these reasons the project would not be attractive as an investment proposition for the private sector.

Town Fund

4.2.4 However, the visual quality of the Queensway North area is poor. This presents a potential barrier to triggering a development start. To be sure of securing the investment commitment of the above developer, it will be necessary to mitigate this constraint by parallel investment in acquiring the site and making it development ready.

Preferred Funding Option

4.2.5 The Town Fund is considered to be an ideal option for this scheme as it makes up the required amount of resources to implement the scheme. This can realistically be expected to create the level of confidence needed to secure the investment and development commitment necessary for the new sports and leisure centre to move forward.

Funding Profile and Scheduling

4.2.6 The funding profile is summarised as follows.

Funding Profile	Total
SBC	£29,220,000
Town Fund	£10,000,000
Other Public Sector	£5,000,000
Total	£44,220,000

4.2.7 The table below shows the scheduling of the funding.

Funding Profile	22/23	23/24	24/25	25/26+	Total
SBC	£0	£0	£500,000	£28,720,000	£29,220,000
Town Fund	£400,000	£2,100,000	£2,000,000	£5,500,000	£10,000,000
Other Public Sector	£0	£0	£0	£5,000,000	£5,000,000
Total	£400,000	£2,100,000	£2,500,000	£39,220,000	£44,220,000

It is envisaged match spend will be delivered over multiple financial years.

4.3 Costs

4.3.1 The project costs are as set out below.

Sports & Leisure Hub	Total
Professional Fees	£3,645,000
Site Preparation & Abnormals	£1,093,000
Construction	£23,077,000
Externals	£1,306,000
Contingencies & inflation	£6,599,000
Below the Line	£8,500,000
Total	£44,220,000

4.4 Funding and Revenues

- 4.4.1 Funding options considered are as described above. Sources and uses of funds are summarised below.

Funding Profile	22/23	23/24	24/25	25/26+	Total
SBC	£0	£0	£500,000	£28,720,000	£29,220,000
Town Fund	£400,000	£2,100,000	£2,000,000	£5,500,000	£10,000,000
Other Public Sector	£0	£0	£0	£5,000,000	£5,000,000
Total	£400,000	£2,100,000	£2,500,000	£39,220,000	£44,220,000

- 4.4.2 The 15-year business plan shows that the Council could expect an average annual payment to the Council over the 15-year period under an operator partner arrangement, as found in the SBC Leisure Study update, produced by SLC in October 2021. This includes lifecycle costs under an assumed full repair and maintenance lease arrangement. The figures are derived from the SLC report in 2018 and updated in 2021, in summary the financial forecast is based on national benchmarking of contract procurement bids, the facility mix for the new development and the actual current leisure contract performance for the leisure centre fitness and sports and swimming centre. SLC are the leading leisure procurement consultancy in the UK and are the lead consultant for Sport England and the development of the Sport England procurement toolkit.

4.5 Affordability Assessment

- 4.5.1 A BCR has been calculated as shown below.

	Present	
	Value 30 Years	Undiscounted 30 Years
Cost	£38,082,652	£44,220,000
Benefits	£47,996,964	£72,632,884
Net Present Value: Benefits Less Cost	£9,914,312	£28,412,884
<u>BCR Calculation</u>	1.26	1.64

- 4.5.2 As can be seen from the table above, the net cash flow taking account of economic benefits gives a net present value of £9,914,312 and benefit cost ratio of 1.26.

- 4.5.3 It is proposed that the Town Fund provides £10,000,000 to the project.

COMMERCIAL CASE

5. COMMERCIAL CASE

5.1 Introduction

- 5.1.1. This section sets out the commercial case, describing the potential commercial options for delivery of the project model and supporting rationale, taking account of the existing commercial strategy of Stevenage Borough Council and on this basis the procurement strategy adopted, based on a review of possible options for the preferred procurement route. The proposed procurement process, including key milestones, and processes for assurance and approvals are then set out.

5.2 Commercial Deliverability

Potential Delivery Options

- 5.2.1 There are three delivery options.

1. Stevenage Borough Council promoting a development with its own finances and management resources, using the services of a building contractor partner.
2. Attracting proposals from private developers.

Proposed Delivery Model

- 5.2.2 The proposed delivery model is for the Council to deliver and make a significant contribution to the cost of the project.

Rationale for Proposed Delivery Model

- 5.2.3 Attracting proposals from private developers has the advantage of bringing in private investment strong expertise in development schemes. However, this will be driven by the need to generate profits and which the proposed scheme has limited scope and can deliver at less cost than the public sector. The benefits from offering a wide and cross-subsidised range of activities could not be assured simply by relying on speculative developers. Leaving the opportunity solely for the market to decide is likely to lead to sub-optimal health improvement outcomes. Moreover, development completions may take longer.

- 5.2.4 The first option, where the Council would act as a speculative developer is an appropriate use of its resources. Whilst Council expertise and funding need to be deployed to stimulate leveraged investment and transformation more quickly and more widely across a variety of sites in the town centre, the Council needs to be the initiator and owner of the project because of the need to:

- a) widen participation in active pursuits conducive to increasing the general health of the population
- b) achieve this by offering a wide range of facilities offered to maximise patronage

- c) enable activities which generate financial surpluses to offset those that might otherwise not be viable by doing so, make the sports and leisure facilities accessible to those on low incomes and in high areas of deprivation subject to health disparities.
- 5.2.5 For these reasons, the Council is best placed to initiate and deliver the scheme and fund a major part of the cost.

Existing Commercial Strategy

- 5.2.6 Stevenage Borough Council has a strong track record of delivering projects and is working collaboratively with partners to increase momentum to regenerate the town centre. In particular, in March 2019, the Council entered into a development agreement with the urban developer Mace to bring forward two of the Major Opportunity Areas (MOAs) of the Framework - Southgate Park and the Central Core – as well as acting as a catalyst to deliver major place shaping changes to the town centre.

Key Contractual Arrangements

- 5.2.9 With the work produced by SLC, there is a strong foundation for this project to move in to delivery stage. The first step will be to produce tender documentation for to procure appropriate design and cost consultant expertise to deliver the project. This will be done through an open procurement, following soft marketing testing with possible companies. This will outline the majority of the contracted work for RIBA 1-3, which is the first key gateway of the scheme.

A key component of the contractual appointments will be selecting a sector-expert to provide contract management support, as well as the arrangements with the leisure operator in contract at the time. Ensuring access to highly skilled experts who are able to independently advise on the facilities mix, fit-out and multi-use of space will be vital to ensuring the building is a success. This will need to be carried out alongside regular engagement with the public.

Delivery Arrangements

- 5.2.10 The project was identified in the Stevenage Central Framework (circa. 2015) and forms part of the long-term regeneration strategy for the town centre, as well as being a key component of the leisure strategy. It is envisaged that the regeneration function, which oversees the £1bn regeneration programme, would take the lead for delivery of the capital project, with the leisure team fulfilling the client role. This would enable expertise to be used in the most effective places, with the regeneration function co-ordinating the funding, design and build stages, with the leisure function retaining approval of the specification and facilities mix, and taking on the completed building via the relevant leisure services operator. This will require robust governance arrangements which build on those already in place for the delivery of other multi-million pound capital projects.

Soft-market testing via informal engagement has already taken place with specialist design & build contractors, which has identified strong interest in bidding for the project; the feasibility demonstrates demand for a substantial facility that would be of sub-regional interest, and would enhance the regional reputation of a design & build contractor. Further engagement will be

carried out over the next twelve months to identify the most effective solution to bring the solution to the market at the appropriate time.

Risks

5.2.11 The identified risks are assessed as follows.

Risks	Likelihood	Mitigation
Renewed risk of Covid-19 Outbreak and possible introduction of lockdown measures	High	Scenario planning to assess the impact of the closedown and reduced output levels and advise clients accordingly to ensure timely completion. Bring in additional temporary labour. Review planning conditions and seek changes where possible to enable sites to operate in shifts over longer working hours. Manage cash flow.
Failure to achieve planning approval	Low	Planning approval has been expedited and is well advanced. Through consultation, scope of objections well understood.
Labour shortages in construction, freight transport and supply industries delay construction progress	High	In development agreement with Reef and with public realm contractors incorporate commitment to bring in additional temporary labour and stocks of materials to ensure projects are completed on time.
The construction cost exceeds the limit for the project or other issues arising during the design & development phase	Medium	A cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.

5.3 Procurement Strategy

Projects that will need to be Procured

5.3.1 The project that will need to be procured is the turnkey design and build of the new sports and leisure centre and associated public realm. Responsibility: Stevenage Borough Council.

Procurement Process, Milestones, Assurance and Approvals

5.3.2 Stevenage Borough Council follows public procurement procedures and complies with public procurement law (s35 Local Government Act 1972 plus current OJEU regulations). Information regarding this can be viewed on the Council's website; this also outlines the corporate procurement strategy between 2016-2020. Stevenage Borough Council will perform the procurements of construction contractors.

MANAGEMENT CASE

6. MANAGEMENT CASE

6.1 Introduction

- 6.1.1 This section sets out the approach and experience of SBC in delivering similar projects and sets out the proposed arrangements for Project Organisation and Governance. The approaches to oversight and approvals and to assurance and the assurance plan are then described.
- 6.1.2 The scope of the project and its key elements are then described along with the approach to specifying and managing requirements, the interfaces with third parties and related management approach and the approach to solution development, confirmation management and acceptance.
- 6.1.3 The structure of the project programme and principal stages and workstreams and related timescales are then described, making reference to interdependencies with rest of TIP and non-TIP projects.
- 6.1.4 The key milestones and key decision points, assurance, consents, approvals are then summarised. Constraints and assumptions are then summarised and the most likely forecast completion date stated.
- 6.1.5 This section also elucidates on the approaches to risk and opportunities management, project management, stakeholder engagement and benefits, monitoring and evaluation.

Evidence of Application on Similar Projects

- 6.1.6 Stevenage Borough Council has a strong track record of delivering projects and are working collaboratively with partners to increase momentum to regenerate the town centre. In particular, in March 2019, the Council entered into a development agreement with the urban developer Mace to bring forward two of the six Major Opportunity Areas (MOAs) of the Framework - Southgate Park and the Central Core – as well as acting as a catalyst to deliver major place shaping changes to the town centre.

6.2 Project Organisation and Governance

- 6.2.1 There is a very well established two- tier governance system which is already overseeing the delivery of the programme of projects delivery regeneration in the town centre. The Town Development Board has been recently established after drawing the previous Stevenage First board to a close. This board operates a strategic steering group, which sets the vision and direction for the Town Investment Plan funding. In terms of the project delivery, there is a two-tier governance structure in place at a programme and project level. Regeneration Steering Group, which monitors the overall performance of the programme. Working groups are

established relating to the project with standardised governance and project management approach that escalates progress, risks and relating to budget, timescales and tolerance levels. to the Regeneration Steering Group Projects delivered to date under this supervision model include the public realm projects- Forum Square, Littlewoods Square, Market Place, Wayfinding and more recently North Block, Town Square and the vacant possession of Swingate House.

Key Participants, Accountabilities and Responsibilities

6.2.2 The key participants, accountabilities and responsibilities are summarised below.

Participants	To Whom Accountable	Accountabilities	Responsibilities
Stevenage Borough Council	Central Government	Successful completion of the sport and leisure centre and achievement of health improvement targets	Correct use of Town Fund award to deliver this project and associated regeneration outcomes and impacts within the town centre
	Local Residents	Delivery of a high-quality sports and leisure centre attractive and accessible to those at all income levels	Adequate consultation
		Minimization of adverse impacts of the scheme	Ensuring a comprehensive design scheme
	Sports England and National Governing Bodies Herts Sports Partnership Sports Stevenage Local clubs Existing users Public Health Schools and higher education NHS – GP surgeries	Provision of a comprehensive array of sports, leisure, and youth infrastructure to meet public need and national standards for sports facilities	Adequate consultation

Project Delivery Organisation

6.2.3 The project delivery organisation is summarised below.

Organisation	Functions	Key Roles	Capability	Competences and Resourcing
Stevenage Borough Council	Orchestration of regeneration strategy and projects	Stakeholder consultation Project scoping Sourcing of funding Initiation of delivery partnerships Formalising approvals	Well-developed stakeholder engagement strategy, organisation and processes Devising high impact regeneration solutions Delivery through partnership	Expert and experienced regeneration and leisure teams Town Fund award and match funding for key projects Scape procurement framework Delivery partnerships

Governance Arrangements for Oversight and Approvals

6.2.4 The Town Development Board will continue to monitor the progress of the programme of Town Investment Plan projects. The Board includes a number of local leaders from key sectors and businesses, including:

- a) companies such as Airbus, MBDA, Wine Society and Groundwork East;
- b) all tiers of local government and Hertfordshire LEP;
- c) community sector;
- d) education sector including North Hertfordshire College (FE) and the University of Hertfordshire ;
- e) others such as the local NHS Trust.

6.2.5 Stevenage Borough Council (SBC) will be the accountable body. The Council has a dedicated regeneration directorate to deliver a programme of projects with a current capital value in excess of £60m. SBC will be supported by both the County Council and the LEP. The LEP has considerable experience of major programme management (BEIS/MHCLG Getting Building Fund, Growth Deal and Growing Places funding). The LEP approves and monitors its projects using an Assurance Framework and this will be utilised for administering Town Deal.

6.2.6 As mentioned, the Regeneration Steering Group will monitor the performance of the scheme.

6.3 Assurance

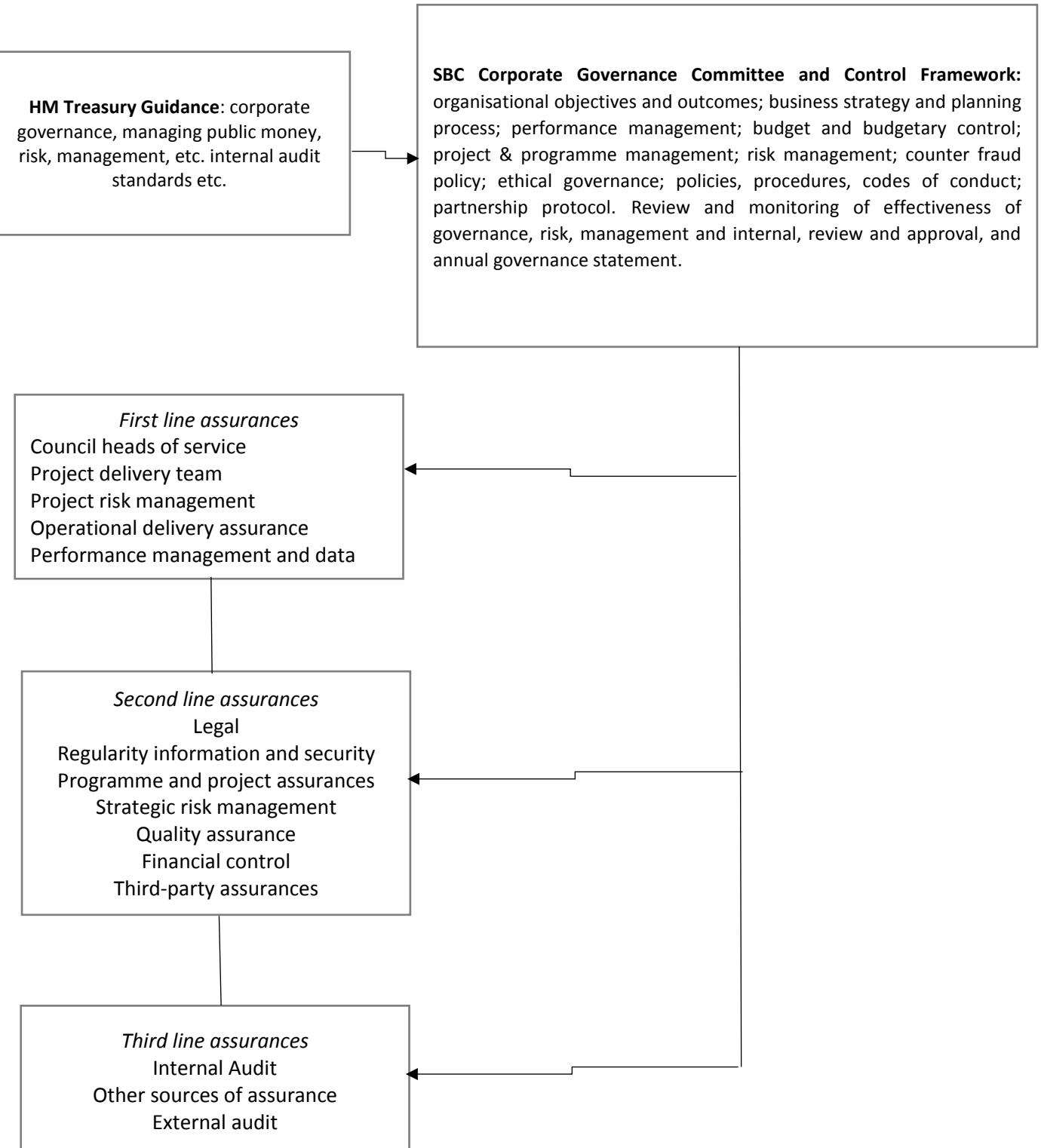
Approach to Assurance

6.3.1 All proposals and business cases will go through a transparent and robust application and scrutiny process, based on three simple principles:

- Robust interrogation to maximise value for money and ensure outputs and outcomes are deliverable and achievable.
- Streamlined and efficient process, utilising private sector partners, to ensure pace of delivery is maximised.
- Transparency and openness, with the process and framework published (without prejudice to commercial confidentiality).

Summary of Assurance Plans and Timing of Key Reviews and Links to Decision Points

6.3.2 The assurance process will proceed via the following framework.



Integrated Approvals and Assurance Plan

6.3.3 The approvals and assurance arrangements are illustrated in the table below.

Project Delivery Team	Stevenage Development & Town Board		Independent Auditing
Actions	Approvals	Oversight Actions	Investigations and assurances
Prepare brief for design team	Approval of design brief.		
Tender and select design team	Approval of selected design team	Review of design team budget and work programme	
Appoint team; undertake site surveys and specialist reports. Prepare outline design to RIBA stage 2 and consult stakeholders.	Approval of outline design proposals		
Prepare options for Meanwhile use of the Leisure centre (half of Arts and Leisure Centre) when vacated			
Design up to RIBA stage 3 detailed planning application including supporting documentation and formal consultation	Approval of detailed design proposals	Review and commentary on risk profile and combined project risks, mitigation proposals and actions	Submission of comments on project design proposals
Planning application period			
RIBA Stage 4 Technical design, discharge of planning conditions and construction information	Approval of technical design proposals	Review and commentary on risk profile	
Contractor shortlist and tender period	Approval of tender brief		
Review tenders and appoint contractor	Approval of contractor appointment		
Select meanwhile use option and prepare business plan for sign off	Approval of business plan		
Pre-construction works			
RIBA Stage 5. Demolition of Bowes Lyon centre. Construct new leisure centre	Approval of construction programme		
Commission monthly project reports: progress, achievements, risk mitigation actions and expenditure	Approve stage gate construction completions	Review monthly project reports Stage gate assessments Decisions and interventions in the event of serious delays or emerging major uncertainties Commission interim project audit report Directions in event of financial and other irregularities	Interim project audit
Finalise actions for Meanwhile use business plan			
Operator fit out and staff training	Approve staff training plan Approve fit out	SBC Client team	
Leisure Centre open to community			
Demolition of existing swimming pool	Sign off of project	Sign off independent auditing	Final Project Audits

Project Delivery Team	Stevenage Development & Town Board		Independent Auditing
Actions	Approvals	Oversight Actions	Investigations and assurances
	completion		
Meanwhile use for vacant Leisure Centre begins		Review monthly project reports	

6.4 Scope Management

Summary of the Scope of the Project and its Key Elements

- 6.4.1 The scope of the project specification is driven by the Stevenage Central Framework produced in 2015, through which Stevenage Borough Council has set out to comprehensively regenerate the town centre through the transformation of its major opportunity areas.
- 6.4.2 In accordance with this objective, the scheme being supported by the Town Fund will involve the bringing forward and construction of a new sports and leisure facility. This will bring together the health and fitness and swimming operations onto a single site and will include additional capacity and a wider range of activities that the current facilities to respond to the needs of low-income groups, groups with health disparities and the demands of the future incoming population.
- 6.4.3 The development will take place on the site of the existing Bowes Lyon Centre.
- Outline and detailed design.
 - Securing planning approval.
 - Technical design.
 - Demolition of the existing Bowes Lyon Centre.
 - Construction of an 8,430 sqm sports and leisure centre.
 - Construction of a replacement 947 sqm centre for services for young people.
 - Demolition of the existing swimming pool and completion of external works.
 - Construction of residential development on previous swimming pool site

Approach to Specifying, Approving, and Managing Requirements

- 6.4.5 The Stevenage Central Framework also sets the parameters underlying the specification of requirements. This has set targets for the key amenities that will need to be improved or created which will support the amounts of employment space and number of homes to be developed and jobs to be created. Targets for improve the activity levels and health of the local population have an influence on the scope of the project.
- 6.4.6 To achieve these aims and targets, the Council has specified the resources, processes and tools that need to come together in place to bring about delivery of the new sports and leisure complex. Specifically:
- Identification of the site on which the development of the scheme will take place.
 - Commitment to HCC for replacement facilities for the centre for services for young people.
 - A costed project plan and programme for the creation of the leisure centre, as set out in the SBC Leisure Study update.
 - Measures to secure the necessary planning approvals.
 - Putting in place other relevant enabling measures affecting the site.

6.4.7 The responsibility for initiating and managing these processes will lie with the SBC Regeneration team. Key management tasks the SBC Regeneration team will be concerned with are:

a) Site Specific:

- Detailed design.
- Consultation with relevant third parties.
- Securing planning approval.
- Selection and appointment of a building contractor.
- Provision of associated public realm works.
- Assuring satisfactory fit out.
- Sign off.

b) Marshalling Resources:

- Assembling the necessary funds and expertise to take the project forward.

c) Integration:

- Ensuring the timely completion of the proposed sports and leisure centre.
- Smooth transfer of equipment and staffing from the existing arts and leisure centre.
- Consultation with neighbouring uses.
- Provision of the necessary accessibility to the site.

d) Project development and assurance

- Mechanisms to ensure the project are delivered on time and to budget i.e. through a project plan and construction agreement.
- Identification and management of risks.
- Assuring the performance of the contractor in delivering the required built product within the agreed timescale through effective monitoring.
- Monitoring and evaluation to ensure that the targeted outputs and outcomes are delivered.
- A detailed project plan specifying how the above will be brought together and implemented.

e) Approvals

- Approval for the project plan, design proposals, tender brief, contractor appointment, construction programme, stage gate construction completions, staff training plan and fit out will be sought from the Town Development Board who will also sign off project completion.

Interfaces with Third Parties and Management Approach

6.4.8 A number of key interfaces need to be managed:

- Close liaison with HCC to ensure that the development proposals for dedicated and shared facilities are in line with their requirements and expectations.
- Consultation with neighboring uses to minimize disruption during the construction phase.

- Monitoring of the contractor's progress to ensure that what has been promised through the construction contract is actually delivered.
- Consultation with the general public to assure support for emerging and final designs.

Approach to Solution Development, Confirmation Management and Acceptance

Solution Development

- 6.4.9 The solution for the creation of new sports and leisure centre has been extensively informed by the SBC Leisure Study Update finalised in October 2021. The solution development process beyond this will comprise the following stages.
- i) Objective setting.
 - ii) Consultation with the prospective users and local residents.
 - iii) Issues identification – examination of how key outcomes to be realised, particularly in terms of upgrading the health of particular groups in the local communities.
 - iv) Specification of requirements that will inform the design brief.
 - v) Identification, investment appraisal and evaluation of solution options.
 - vi) Selection of optimum solution.
 - vii) Specification of the project.
 - viii) Verification that the specification will deliver what is required.
 - ix) Interim development of value-improving proposals
 - x) Interim checks on the project to ensure that the right product is being built.

Confirmation Management and Acceptance

- 6.4.10 The confirmation management and acceptance process will cover the reviews and decisions to address:

- the relevance and appropriateness of the objectives.
- whether the requirement reflects the objectives and addresses the issues identified.
- whether the project specification will meet the preferred solution.
- whether the final project outcome has met what was required.

6.5 Programme/Schedule Management

Summary Structure of the Programme

6.5.1 Key elements of the programme are:

- Outline and detailed design.
- Securing planning approval.
- Technical design.
- Demolition of the existing Bowes Lyon Centre.
- Construction of an 8,430 sqm sports and leisure centre.
- Construction of a replacement 947 sqm centre for services for young people.
- Demolition of the existing leisure centre and completion of external works.

Summary Timescales

6.5.2 Main milestones are as summarised below.

Milestone	Timescale
Council Authority to proceed	Q2 2022/3
Design up to RIBA stage 3	Q4 2022/3
Planning Approval	Q1 2023/4
Construction Start	Q2 2023/4
Completion	Q2 2025/6

Interdependencies with the Rest of TIP and non-TIP Projects

6.5.3 The main inter-dependency is with the start of the Station Gateway Phase 2 TIP project. The vacation and demolition of the Arts and Leisure Centre box will provide a key development site, be pivotal to the Station Gateway Phase 2 project being delivered successfully.

Decision Points, Assurances, Approvals and Critical Paths

6.5.4 These are summarised as follows.

Key Decision Points	<ul style="list-style-type: none">• Sign off of final business case.• Sign off of project designs final costings and delivery plan for public realm works.• Sign off of risk mitigation measures.• Authorisation of project start.• Commissioning of interim and final audits.• Sign off of project completion summarised as follows.
Assurances	<ul style="list-style-type: none">• Integrated review of project risks and strategic risks, mitigation proposals and actions.• Review of monitoring reports.• Stage gate assessments.• Decisions and interventions in the event of serious delays or emerging major uncertainties.• Interim project audit.

	<ul style="list-style-type: none"> • Directions in event of financial and other irregularities if required. • Interventions in event of non-delivery of development agreement. • Sign off of independent audits.
Consents & Approvals	<ul style="list-style-type: none"> • Local authority planning approval. • Approval of final business case. • Approval of project designs, final costings and delivery plan for public realm works. • Approval of terms of land transfer. • Approval of development agreement. • Approval for project start. • Sign off of project completion.
Critical Paths and Higher Risk Workstreams	<ul style="list-style-type: none"> • Interim arrangements for transfer from the arts and leisure centre. • Completion of new sports and leisure centre.

Summary of Schedule Hierarchy

Milestone	Timescale
Council Authority to proceed	Q2 2022/3
Design up to RIBA stage 3	Q4 2022/3
Planning Approval	Q1 2023/4
Construction Start	Q2 2023/4
Completion	Q2 2025-6

Summary of Constraints, Assumptions, and Basis for Programme Durations

6.5.5 These are summarised below:

Issue	(Possible) Constraints	Assumptions	Basis for Programme Durations
Issue	(Possible) Constraints	Assumptions	Basis for Programme Durations
Planning	Public opposition	Approval expected	Delays would affect project start
Site development scheme	Difficulty in receiving tenders due to resource constraints	Tenders will come through	Delays would affect project start
Site development scheme	Consultation with neighbouring uses may throw up objections	No major issues expected as project expected to benefit neighbouring uses	6 months for design and approval and 21 months for construction

Forecast Completion Date (within stated range)

6.5.6 The forecast completion date is between June and December 2026, target date being September 2026.

6.6 Risk and Opportunities Management

Summary of Risk Management Strategy

6.6.1 The risk management strategy is focused around maximising the popularity of the scheme amongst local residents, and managing these risks of labour shortages and supply chain disruption which could potentially cause delays and bring about cost overruns. The aim will be to build on appropriate provisions to the construction contract to assuring timely delivery of the new sports and leisure centre.

Summary of Processes and Tools

6.6.2 The Town Development Board takes responsibility for the assessment of the project risks and the measures necessary to mitigate them, working with the project delivery team and other sources of assurance such as the auditors.

6.6.3 The board has adopted an assurance plan that provides for an integrated review of project risks and strategic risks, mitigation proposals and actions. As part of this process the board will seek comments on risk profile and combined project risks, mitigation proposals and actions from the SBC audit team. The board will initiate interventions in the event of serious project delays, emerging major uncertainties (e.g. a climate change disaster), non-contract compliance or financial irregularities.

Summary of Risk Themes and Key Risks and Mitigations

6.6.4 The main risk areas relate to:

- Potential delays, due to changing weather conditions, labour shortages or supply chain issues.
- The design of the new complex proving to be unpopular
- Poor delivery performance by the building contractor
- Potential cost overruns.
- Potential impact from ongoing Covid Pandemic

6.6.5 Key mitigation measures will include:

- Timely commencement of consultation activity in order to identify and address major issues.
- Use of the construction contract to secure a commitment to tight delivery standards, to ensure availability of spare labour and measures to address unforeseen eventualities such as weather and shortages of materials.
- Involvement of a cost consultant will be involved from an early stage of the project to ensure contractor's proposals are realistic and within budget.
- Contractual provisions to manage unforeseen site conditions e.g. physical obstructions or physical conditions.

Approach to Opportunities Management and Realisation

6.6.6 The Town Development Board is attuned to the concept of opportunities management, since its core function is to find ways to maximise the social, community and economic benefits from the resources available within the town. In particular, this project was a market opportunity that presented itself following the initial concept work for the site. The generation of ideas is a process that is proactively managed by the Council and the Development Board and addressed through the following processes:

- Proactive stakeholder consultation as a means of capturing useful ideas
- Acquiring new ideas through partnership working

- Developing options in response to changing circumstances e.g. climate change, disruptive innovation etc.
 - Seeking optimum uses of under-utilised resources, such as sites with scope for redevelopment
 - Examining opportunities as a response to identified risks
 - An up-to-date comprehensive vision of where Stevenage wants to be, providing a framework in which ideas can be generated and opportunities identified, evaluated, scoped out and where appropriate taken forward.
- 6.6.7 These processes are built into the remits, work programme, meeting agendas of the Development Board and relevant Council delivery teams.
- Assessment of Opportunities to Gain from Industry Productivity Initiatives**
- 6.6.8 This is an integral part of the process described above as well as being tied into the solutions for the development process. For example:
- The potential use of new construction techniques are constantly considered when specifying tendered contracts.
 - Exploiting opportunities brought about by climate change. For example, the need for charging infrastructure and facilitating the adoption of electric bikes and scooters as an alternative to car use and measures to exploit renewable energy.
 - The on-going adoption of digital technologies in all aspects of urban development and operations
- 6.6.9 Assessment of these types of opportunity is embedded into the agendas of the Council and Development Board.

6.7 Project Management

Proposed Project Management Approach

- 6.7.1 The project delivery team will be assembled from key officers within the Stevenage Borough Council Regeneration division. This team will take responsibility for day-to-day project management of the scheme.
- 6.7.2 The detailed implementation of the project will be set out in a comprehensive delivery plan. This will schedule all activities from project inception, through design, costing, approvals, construction activity through to completion and handover. It will build in necessary ongoing stakeholder liaison processes. The governance structures in place ensure there is responsibility for overall control of the scope and progress the project and for putting in place the necessary assurances.

Key Processes for Controlling Scope, Programme, Cost, Risk and HSE Assurance and Reporting

- 6.7.3 The final scope, scheduling and budget for the project will be worked up by the project delivery team then presented to the Development Board for consideration. The Development Board will then ensure that the project scope is in line with predefined regeneration objectives and the TIP and that the proposed implementation programme is realistically deliverable.

- 6.7.4 The Development Board will also review all risks and mitigation measures taking into account any views of the council's internal audit team. It will provide directions to the project delivery team for any additional measures that need to be put in place to minimise risks identified.
- 6.7.5 A number of the controls will be brought about through the contractual process, in particular provision for addressing possible causes of delay, health and safety assurance, quality control and tight and regular reporting.

Processes for Managing Key Interfaces, Consents, and Compliance

- 6.7.6 The project delivery team will act as the key vehicle for liaising with the parties such as neighbouring uses, the site developer and contractor for the public realm works. As mentioned above the control mechanisms will be built into the contractual process for the developer and contractor and a regular process of monitoring will assure that contract compliance. And remedial actions where this is not achieved. The delivery team will also take responsibility for regular liaison with statutory authorities for planning and other consents required throughout the development process. A further dimension is the initial consultation and ongoing liaison with neighbouring uses so that the public realm proposals and any issues that are likely to arise during the implementation phase are dealt with in a satisfactory and cooperative manner.

Approach to Information Management

- 6.7.7 A designated member of the project delivery team will take responsibility for information management so that all aspects of the project and its progress and related issues arising are comprehensively recorded and reported upon where necessary. Regular monitoring reports will be submitted to the Development Board and relevant service heads within the Council.

Details for Managing Change

- 6.7.8 The risk register has identified a number of areas where there might be a need for managing change. These could include severe weather conditions, unexpected problems with site conditions or delays caused by labour shortages affecting the development and construction process.
- 6.7.9 It will be the responsibility of the Development Board to decide on alternative structures, processes, organisational and governance arrangements that may need to be put in place to address major changes of circumstances.

Arrangements for Managing Professional Service Contracts and Third-party Agreements

- 6.7.10 As mentioned above the contractual process would be a key tool in controlling the performance of the contractor and related outcomes. The responsibility for managing these agreements will lie with the project delivery team advised and supported by the Council's legal services team.

6.8 Stakeholder Engagement

Key Stakeholders, Interests and Power to Influence Delivery

6.8.1 Key stakeholders and their role or interest in the project are listed below.

Project	Stakeholders	Comment
Sports & Leisure Hub	Council regeneration team	Impact on the success of [parallel town centre regeneration initiatives. Scope for addressing demand for active pursuits from the incoming population.
	Local residents' groups	Range of activities and facilities to be made accessible in the new centre
	HCC	Configuration of replacement facilities for young people services
	National Governing Bodies Herts Sports Partnership Sports Stevenage Local clubs Existing users Public Health Schools and higher education NHS – GP surgeries	Scope for promoting take up of active sports to promote well-being and prevention or reduction of obesity and long term illnesses.

Summary of Engagement to Date and Evidence Gathered

Approach to Stakeholder Engagement

6.8.2 In a wider context, stakeholder's views have been captured through the Stevenage engagement programme, encompassing a number of mechanisms.

Local Residents

- A wide range of digital engagement utilising social media other related platforms
- A dedicated Visitor Centre in Town Square open to the public, where people could view, engage with and discuss the regeneration of the town.
- A 'virtual visitor centre', which contains all of the content in a digital platform on our dedicated website; this has enabled the Council to continue to reach residents of all ages and abilities during the pandemic.
- Stevenage residents' survey

Currently engagement is focused on the consultation and promotion of the Council's priority projects.

Business

- Business networking events, a number of project based consultations, such as the Local Plan, SG1, and the Bus Interchange and a number of roadshow events.

Other Stakeholders

- Regular consultation with public sector bodies such as Hertfordshire County Council, the LEP and relevant statutory bodies

- Project specific consultation as part of the planning process

6.8.3 The key themes that have emerged from residents, business and community groups are:

- Create inclusive accessible transport
- Create great spaces to live in and socialise
- Create a vibrant town centre offer that is a destination for all
- Create aspiring communities and opportunities that create a lasting legacy. events through to a wide range of digital engagement utilising social media other related platforms.

Summary of Stakeholder Viewpoint of the Project and How it Has Influenced the Strategic Case

- 6.8.4 Extensive engagement was carried out as part of the development of the Town Investment Plan process. Project-specific consultation took place both before and during the planning application, and further engagement is planned as part of the public realm design. Clearly, the benefits of more well paid jobs assuring the continued vibrancy of the town centre, higher quality amenities, and the prestige of having a world beating bioscience facility in the heart of the Stevenage urban area are recognised by local businesses and some neighbouring residents.
- 6.8.5 Against this, concerns about impaired visual quality, privacy and being overlooked, potential noise and traffic congestion are valid concerns. For this reason, the design of public realm scheme will need to take account of these concerns and incorporate solutions to address and mitigate potential adverse effects of the scheme.
- 6.8.6 In parallel, the initiatives being brought forward for the wider regeneration of the town, including integrated public transport, new walkways and cycle ways, enhanced parking provision with electric charging elsewhere in the town, and the impacts on providing travel options alternative to the car need to be clearly communicated to the incoming employees in order to prevent car based traffic congestion.

Consultation on Young People's Activities

- 6.8.7 Consultation was undertaken with HCC as part of the 2016 Leisure Study to understand the accommodation requirements of Services for Young People linked to the existing use of the Bowes Lyon Centre. Following a workshop with HCC and site visit to the centre, SLC identified as the dedicated and shared facilities for the scheme.

Strategy to Engage through Development, Delivery

- 6.8.8 During the development phase residents of neighbouring housing and businesses in control of neighbouring uses will be of particular importance as regards ensuring that the design of the scheme and operational issues associated with having an adjacent new commercial building are clearly understood and appropriately addressed.
- 6.8.3 In parallel, bodies such as sports clubs, health and fitness user groups and the health authorities be key stakeholders with an interest in ensuring that the new centre delivers the outcomes that have been promised will continue to be engaged. These parties will be fully engaged throughout the development process with a view to ensuring that high quality business support to centre

clients is readily available upon opening. In each case views expressed will be considered and responded to throughout the life of the project.

6.9 Benefits, Monitoring and Evaluation

Summary of Benefits Register

6.9.1 Key benefits from the project are summarised as follows.

Economic

- High quality sports and leisure facilities will attract a wider range of new residents to the area, providing a good choice of high-quality workers to the advanced high value industries Stevenage is seeking to attract.
- This should increase demand for high quality commercial space in the town centre.
- Expanded range of facilities will help assure long term commercial viability of the centre.
- More people will visit the town centre increasing demand for retail and food and beverage facilities and thereby investment in these facilities.
- A key employment site will be released as a result of relocation of the leisure box.
- Additional high quality office development will be enabled, helping to position Stevenage as a prime regional office location.
- Investor confidence will be enhanced because of development momentum generated by the new sports and leisure centre and the site released conducive to wider acceleration of transformation throughout Stevenage Central.
- Acceleration of the redevelopment of key sites in Central Core.
- Improved town centre environment.
- Stronger perception of Stevenage as a place to invest.

Environmental

- Enhanced scope for living and working in the town centre, thereby reducing the need to travel.
- Cleaner air and healthier lifestyles.
- Significant reduction in carbon footprint

Social

- Meets anticipated demand from population growth.
- Widens opportunities for reducing above average number of obese, overweight and inactive children adults in the borough.
- Wider range of facilities offered will increase patronage of the Council operated sports and leisure facilities.
- Broadens scope for reducing the health disparities amongst residents in different parts of the borough.

6.9.2 Quantified Outputs are as follows:

Jobs Created	50
Sports and Leisure Floorspace Developed or Upgraded sqm	9,377
Net Increase in Sports and Leisure Floor space Floor space	3,277
Additional homes brought forward	200
Indirect Jobs	42
Construction Jobs	473
Additional GVA Generated per Annum	£2,905,315
Additional Annual High Level Skills Qualifications Attained	12

Approach to Developing a Benefits Realisation Plan and its Approval

- 6.9.3 The benefits realisation plan will focus primarily on assuring successful delivery of the following outcomes.
- i) Successful completion of the new sports and leisure complex with the required capacities on time and to budget.
 - ii) Wide recognition of the quality of the scheme amongst local residents, prospective employers, investors and house buyers considering Stevenage.
 - iii) Realisation of plans to improve health levels amongst target groups within the Stevenage communities.

- 6.9.4 The benefits realisation plan will define the mechanisms through which the benefits projected from these outcomes are fully met. Thus, the plan will demonstrate how the scheme will improve health and wellbeing and general quality of life of local residents and the positive impact it will have on the image of Stevenage as a high quality place to live and work and in which to invest. The plan will show how the realisation of quantifiable outputs and non-quantifiable benefits will be tracked by way of interim and post project audits conducted with the centre operator and residential occupiers.

Arrangements for Tracking and Reporting Benefits Through Delivery

- 6.9.7 The tracking reporting of benefits through delivery will be closely tied into the formative, interim and summative evaluation process described below. This will be based on defining what needs to be measured against each type of benefit and the method of doing so. Key mechanisms to be established in the regard will include:
- i) Recording additional jobs created as a result of the scheme
 - ii) Surveys and focus groups amongst users of the sports and leisure centre
 - iii) Surveys amongst local residents
 - iv) Interviews with partner bodies such as the NHS and Health England
 - v) Interviews with local commercial property agents and developers.
- 6.9.8 These activities will be built into the benefits realisation plan and scheduled accordingly. The plan will then presented to the town development board for review and approval.

High Level Strategy for Monitoring and Evaluating Benefits Realisation

- 6.9.9 Internally the project will be subject to continual evaluation and monitoring through the governance structures and arrangements outlined above. It is intended that key milestones are built into the programme to monitor the tracking of projected outputs and outcomes (e.g. at planning consent, start on site, completion).
- 6.9.10 In parallel, the evaluation will seek to clarify whether the project achieved what it set out to do and what benefits accrued from it from the points of view of a range of stakeholders. Points to be clarified in evaluation to discussions with stakeholders would be:

The Council

- Did the Town Fund help accelerate the development and help meet defined targets?
- Was the money spent wisely and could better value for money have been achieved?

- Has the centre been a catalyst in forming or strengthening partnerships leading to measurably higher levels of health and well-being locally?

General Public:

- How satisfied have users become with the new sports and leisure centre?
- What use has been made of the new capacity and of new activities made accessible as part of the new scheme?

Stevenage Planning and Regeneration Team:

- To what extent has the project helped to build momentum for wider regeneration in the town centre and beyond?
- How have other developments or improvement projects been encouraged as a result of this project?
- To what extent has footfall within the town centre increased since the completion of the project?
- To what extent has the prospect of the new centre encouraged new employers to move into the town centre?
- What lessons can be drawn from the policies for operation of the vehicle park?

Building contractors:

- How well was the project programme planned and implemented?
- Was the site preparation implemented adequately?
- How could the implementation process overall have been improved?

6.9.11 The evaluation will determine whether the outputs and non-quantified benefits projected from the project have been delivered. This will partly be evaluated by quantitative measures, monitoring the impact of the project in terms of outputs i.e. the number of residential units, floorspace and jobs that are created. Both core and non-core outputs will be monitored and evaluated by SBC.

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