

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

Assurance Panel discussion was held on the 13th January 2022 and a summary of comments is provided below.

Overall the panel discussion was very positive and supportive of the business case.

The Panel unanimously supported the business case, with the following minor amendments to be incorporated:

- 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 compliments 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 (<i>tick</i>)		
	Reflecting and Re-Interpreting our New Town Heritage for future generations	✓
	Embracing Sustainable Travel to maximise the benefits of our strategic location and link our communities with jobs and leisure	✓
	Transforming our Town Centre as a key place of opportunity and integration for business, residents and visitors	✓
	Upskilling and providing opportunities for all our people to benefit from innovation & growth	
	Supercharging the growth of National and International Business Base	✓
Indicate which <i>challenge(s)</i> this project intends to meet (<i>tick</i>)		
	Challenge 1: Ageing Infrastructure – Urban Disconnections and a Brake on Growth	✓
	Challenge 2: Bridging the Skills Gap and Raising Aspirations	
	Challenge 3: Town Centre Transformation	✓
	Challenge 4: A Resident Population Being Left Behind	✓
	Challenge 5: Lack of Suitable Modern Space for Growth	✓
Indicate which <i>opportunity(ies)</i> this project supports (<i>tick</i>)		
	Opportunity 1: National and International Gateway for UK PLC	✓
	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	✓
	Opportunity 5: Reviving Stevenage’s Sustainable Travel Network	✓

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 in to 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

			viability. <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	<u>Economic</u> <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>
<p>Dependency on the successful delivery of other proposals</p>	<p>Continued house building in the town centre to assure demand for the facilities is maintained.</p>

<p>Link of Benefits Estimated Link to Theory of Change and Strategic Case</p>	<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

