



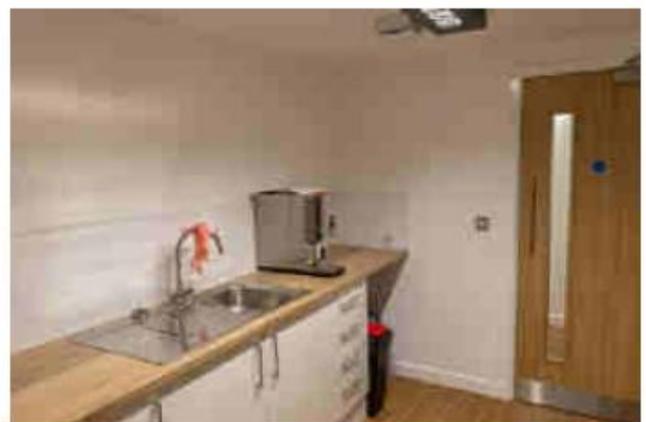
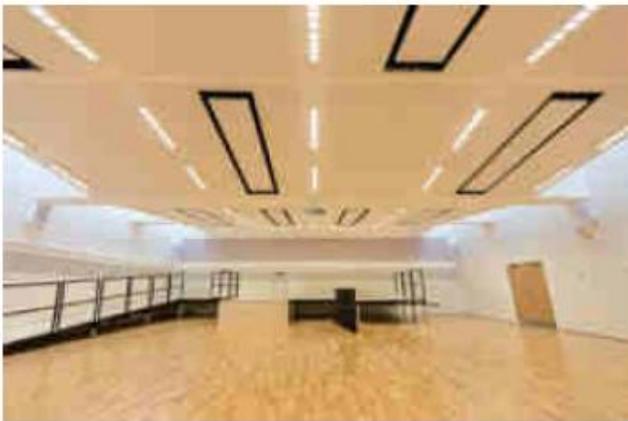
# Full Business Case

## Two Riversmeet Leisure Complex, Leisure Services.

<b>Project Name</b>	2RM Studio Development
<b>SRO</b>	Amanda Barrie, Director of Commercial Operations
<b>PPM Officer</b>	Linda Dunkley, Contract and Compliance Manager
<b>Lead Officers</b>	Simone Hudspith, Business Development Team Leader, 2RM Dan Stone, Leisure Partnership & Development Manager Helen Wildman – Head of Leisure & Events

### Project Overview

#### PROJECT IMAGES



To request £1.8m funding for a two-story facility extension at Two Riversmeet Leisure Centre (2RM) creating two brand new multi-use studios.

2RM is one of ten BCP Council owned leisure centres and the only one located in Christchurch. 2RM is also the only leisure centre that has no purpose-built studio facilities. 2RM is a multi-regional and national award-winning facility which is performing in the higher quartile against national competitors.

Due to having no purpose-built studio facilities the existing exercise class provision is restricted to using the sports hall and squash courts.

The recently completed 'Built Facilities Review' (copy attached), commissioned to identify needs, gaps and opportunities for sports provision across the BCP Council conurbation, identified 2RM as a key strategic leisure asset. Further, it advised that Christchurch required additional studio provision to meet the needs of residents.

The "Strategic Leisure Review of Two Riversmeet Complex" (copy attached), independently undertaken by Strategic Leisure Limited, identifies a need for a purpose-built studio facility. "The highest priority is to enhance the health and fitness offer. This is the main income generator and there is latent demand for improved facilities. This review confirms that this is a key 'weaknesses of the centre "Lack of dedicated studio space and specific facilities for children". (page 19, section 1.4.d).

### Studio Dimensions and Capacity:

Studio 1: 150m<sup>2</sup>

Studio 2: 150m<sup>2</sup>

The capacity of each studio is dependent on activity but the average capacity for group exercise would be 30 – 40 participants per session.

### Proposed Location:

2 Riversmeet Leisure Centre – Location Plan  
Proposed extension for 2 studios.



## Strategic Alignment

This project will provide, enable and support the community with a wide range of valuable services.

The services will prioritise physical health, mental health, rehabilitation, early intervention, child and adult education, special educational needs, accessible needs, inclusivity and culture focused services.

The investment will generate additional revenue therefore improving the net financial position of the service meeting the years 2,3 and 4 objectives set out in the Medium Term Financial Plan (MTFP).

The project aligns with the strategic vision and ambitions of the authority, most noticeably with the following delivery outputs:

- Our Place and Environment – Vibrant places where people and nature flourish, with a thriving economy in healthy, natural environment.

Our communities have pride in our streets, neighbourhoods and public spaces

- Our People and Communities – Everyone leads a fulfilled life, maximising opportunity for all.

High quality of life for all, where people can be active, healthy and independent  
Those who need support receive it when and where they need it  
Skills are continuously developed, and people can access lifelong learning

- We are an open, transparent and accountable Council, putting our people at the heart of our services.

Working closely with partners, removing barriers and empowering others  
Providing accessible and inclusive services, showing care in our approach  
Intervening as early as possible to improve outcomes  
Developing a passionate, proud, valued and diverse workforce  
Creating an environment for innovation, learning and leadership  
Using our resources sustainably to support our ambitions

## Assessments, Agreements & Protocols

Item	Completed
Equality Impact Assessment (EIA) – will be undertaken prior to submission to cabinet.	<input checked="" type="checkbox"/>
Decision Impact Assessment (DIA) – will be undertaken prior to submission to cabinet.	<input type="checkbox"/>
Data Protection Impact Assessment (DPIA) – N/A	<input type="checkbox"/>
Personal Information Sharing Agreement (PISA) – N/A	<input type="checkbox"/>
Internal Sharing Protocol (ISP) – N/A	<input type="checkbox"/>
Other	<input type="checkbox"/>

## Option 0 – Do Nothing

Description	Studio project not progressed.
In Scope	<ul style="list-style-type: none"> <li>• NA</li> </ul>
Out of Scope	<ul style="list-style-type: none"> <li>• NA</li> </ul>
Deliverables	<ul style="list-style-type: none"> <li>• NA</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• No additional financial borrowing undertaken</li> </ul>
Disbenefits	<ul style="list-style-type: none"> <li>• No opportunity to increase annual revenue and meet future MTFP requirements.</li> <li>• No opportunity to regain use of sports hall for wider community benefit.</li> <li>• Less accessible space and inability to cater for sessions such as culture focused arts/dance, weight management, mental health/addiction support and recovery, sensory, SEND, children's services-short breaks, adult skills and learning and LiveWell Dorset health clinics.</li> <li>• No opportunity to reduce the pressure on NHS services by enhancing the existing GP Referral service with additional provision of the cardiac rehabilitation, cancer recovery, chronic back pain, menopause, arthritis/diabetes management, COPD rehabilitation and depression/anxiety support classes.</li> </ul>

	<ul style="list-style-type: none"> <li>• No opportunity to increase footfall and decrease inactivity levels.</li> <li>• No opportunity to increase social value.</li> <li>• No opportunity to compete with local franchise gyms</li> </ul>
Risks / Issues	<ul style="list-style-type: none"> <li>• Serious risk of not meeting MTFP and achieving reduction of financial pressure on service and authority.</li> </ul>
Resources	<ul style="list-style-type: none"> <li>• Significant resource would be required to develop multiple strategies to match the generation of potential income as the studio build. This would include the creation of additional feasibility studies, financial business cases (finance) and authorisations from Head of Service, Service Director, accountancy and ICT. As with this study, any future proposals would also follow the same authorisation process as this case.</li> </ul>
Duration	<ul style="list-style-type: none"> <li>• Indefinitely until we reach the financial pressures under the MFTP.</li> </ul>
Summary Costs	<ul style="list-style-type: none"> <li>• Dependent on acceptance / rejections of future proposals.</li> </ul>

### Option 1 – Proceed with Build

Description	<p>Build two studios that compliment the existing building structure using a team of dedicated professionals. The team will be sensitive to the project's aims and objectives and will make a significant contribution to the design of the building through their understanding of the services that will run, the community's needs, their preferences, priorities and habits. The team will secure a better and more sustainable design and foster a sense of civic pride and a sense of identity for the participants and for the community as a whole.</p>
In Scope	<p>The chosen contractor/s will deliver all works associated with the creation of two additional studio spaces at 2RM based on the revised 'Option 4' location as shown on Architectural dwg.005 Rev A 'Option 4: Extension' as provided by BCP Council.</p> <p>Enabling works</p> <ul style="list-style-type: none"> <li>• Mechanical works (heating, ventilation, domestic water and drainage)</li> <li>• Electrical works (lighting, small power and data, fire and security, distribution, containment and mains power, sound system / PA works, Power Supplies for Mechanical Plant)</li> <li>• Builders works</li> </ul> <p>Budget Considerations</p> <ul style="list-style-type: none"> <li>• Areas of the business that will be positively impacted by generation of increased revenue i.e secondary income from vending</li> </ul> <p>Consideration of the following additional factors:</p>

	<ul style="list-style-type: none"> <li>• Can the internal and external spaces be used in a number of ways for different user groups and needs?</li> <li>• Can the spaces be changed temporarily (e.g. with movable walls)?</li> <li>• Is there potential to change spaces/uses quite easily in the future?</li> <li>• Has the refurbishment made it possible to support a broader spectrum of user groups?</li> <li>• Can people enter and move around easily?</li> <li>• Are there any physical barriers to those with mobility limitations, with physical or learning differences, with buggies and small children?</li> <li>• Has the refurbishment made it possible for people who had not previously been able to access the building to use it?</li> <li>• Is the building easy to manage?</li> <li>• Is there adequate storage?</li> <li>• Is the internal climate easily controlled and changed?</li> <li>• Is the building easy to maintain e.g. easy to clean, handling daily wear and tear.</li> </ul>
Out of Scope	<ul style="list-style-type: none"> <li>• Current business operations / existing services which will not be impacted by the build.</li> <li>• Additional fitness equipment that may be required to furnish the studios.</li> </ul>
Deliverables	<ul style="list-style-type: none"> <li>• As stated above in 'scope'.</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• <b>The investment will generate c40% (£49k) additional net revenue</b> per annum therefore improving the net financial position of the service meeting the objectives set out in the MTFP. The multi-use studios will provide increased financial value by accommodating additional commercial services including group exercise, martial arts, dance, gymnastics, birthday parties and professional meeting/education space.</li> <li>• <b>This investment will free up valuable sports hall and squash court hire availability</b> enabling the service to meet increased local demand and increase revenue in these spaces.</li> <li>• The new facilities will meet the needs of the wider community by <b>providing affordable accessible space</b> to cater for sessions but not limited to, such as culture focused arts/dance, weight management, mental health/addiction support and recovery, age concern, sensory, SEND, children's services-short breaks, adult skills and learning and LiveWell Dorset health clinics.</li> <li>• <b>The existing GP Referral service will be enhanced</b> with additional provision of the cardiac rehabilitation, cancer recovery, chronic back pain, menopause, arthritis/diabetes management, COPD rehabilitation and depression/anxiety support classes. The provision of these services inevitably removes a great deal of pressure from the NHS.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Increased footfall:</b> The services will cater for all demographics and the estimated annual footfall will increase from 600,000 to 900,000 per annum.</li> <li>• Social value measures the positive value businesses create for the economy, communities, and society. The total social value for 2RM for 23/24 was £1,029,161. This represents the total monetary social value generated by 2RM over the last 12 months. The increase in services and accessibility will certainly <b>generate a far higher social value</b> should it proceed.</li> <li>• No detrimental effect on current operations is anticipated.</li> </ul>
Disbenefits	<ul style="list-style-type: none"> <li>• Obligated to loan repayments</li> </ul>
Risks / Issues	<p>Whilst feasibility studies indicate low risk of build, the pre-planning application will include:</p> <ul style="list-style-type: none"> <li>• A Biodiversity Survey on existing biodiversity interest and possible impacts. This information might form part of an Environmental Statement, where one is necessary.</li> <li>• Risk Assessment which identifies opportunities to reduce the probability and consequences of flooding. For applications located in Flood Zone 2 and 3 the sequential test should be applied.</li> </ul> <p>Mobilisation Risks:</p> <ul style="list-style-type: none"> <li>• A total of 41 build related risks are detailed and mitigated in the feasibility report provided.</li> </ul>
Resources	<ul style="list-style-type: none"> <li>• Free consultation with Les Mills a global leader in group fitness and creator of over 25 programs available in leading fitness facilities around the world (part of benefits package with existing partner)</li> <li>• Architect / Project Manager from within BCP (1 month)</li> <li>• Project Manager for duration of project</li> <li>• Procurement Team for completion of PDRs for various elements of project (1 month)</li> <li>• 2RM Business Development Team Leader for guidance on services to be delivered (3 months)</li> <li>• 2RM Senior Duty Officer (Operations) for consultation on best practice with regards to operations of the facility.</li> <li>• 2RM Senior Duty Officer (Customer Experience) for consultation on configuration of CRM tool and maximisation of customer enjoyment of facility.</li> <li>• 2RM Admin team, to ensure facility bookings are secured prior to build completion to maximise revenue as soon as possible</li> <li>• Marketing Team to promote new facility to the community.</li> </ul>

	<ul style="list-style-type: none"> <li>Leisure Partnership Officer, to ensure increase in social value is quantified and reported.</li> <li>Senior Leisure Development Officer, to assist on project delivery and promote the facility to community sports clubs and groups.</li> </ul>																																													
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## Project Governance Structure

Project Board	☒
Steering Group	☒

## Financial Analysis - Indicative

	Description	2024/25	2025/26	2026/27	Total Capital Outlay over 20 years
		£000s	£000s	£000s	
Equipment	Features and Fittings	3,270	26,160	3,270	32,700
Staff	Project Management Fees	43,600	5,450	5,450	54,500
Construction Costs	Includes electrical services eg lighting, heating, air con and spund system. Includes demolition, alterations, foundations including excavations, frame and upper floors, roof, external walls, external doors and windows, internal walls, internal doors, wall finishes, floor finishes, ceiling finishes, mechanical works, electrical works, drainage and external works.	508,859	636,073	127,215	1,272,147
Fees	Allowance for fees (12%)	62,166	77,707	15,541	155,414
Consultancy Costs	Consultancy costs (7%)	53,430	35,620		89,051
<b>Sub-total</b>		<b>671,325</b>	<b>781,011</b>	<b>151,476</b>	<b>1,603,812</b>
Contingency @ 10%		52,520	61,273	61,273	175,066
<b>Build Total</b>		<b>723,845</b>	<b>842,284</b>	<b>212,749</b>	<b>1,778,878</b>

## Recommendation

It is a recommendation to proceed with option 2, the build of two new studios.

## Funding Source

Wherever possible, funding will be sourced from Strategic CIL. Thereafter, any shortfall will be acquired via Prudential borrowing.

## Ongoing Impact

No detrimental impact to current operations is anticipated.

## Milestones

Milestones	Month / Year	
Key Milestones	Start Date	End Date
House sparrows - nesting period - no site clearance	Apr-25	Aug-25
Funding request	Aug-25	Sep-25
Procurement - to appoint consultants	Oct-25	Oct-25
Appoint consultant	Nov-25	Nov-25
Design Process	Dec-25	Jan-26
Planning submission	Feb-26	Apr-26
Carry out reports and surveys	Mar-26	Apr-26
Production of building regulation and tender package	Apr-26	May-26
Building regulations approval	Jun-26	Jun-26
Procurement - tender process for main Contractor	Jun-26	Jul-26
Appoint Building Contractor	Aug-26	Aug-26
Mobilization	Sep-26	Sep-26
Site clearance	Sep-26	Sep-26
Building works on site - approx 6 months	Oct-26	Mar-27
Snagging and Practical completion	Apr-27	Apr-27

## Approval Process

1.	Capital Briefing Board
2.	Pre-planning Application
3.	Overview and Scrutiny Board
4.	Cabinet Approval
5.	Planning Permission

## Supporting Documentation

- Financial Business Case, created with assistance from Madeleine Horne and Acquilia Mudzingwa.
- M&E Feasibility and Budgeting Cost Report Prepared by Worldwide Limited
- Built Facilities Review
- Strategic Leisure Review