

<b>Title of Report:</b>	<b>Coleraine and Ballycastle Leisure Provision – Update on Outline Business Case Development</b>
<b>Committee Report Submitted To:</b>	<b>Leisure &amp; Development Committee</b>
<b>Date of Meeting:</b>	<b>15 March 2022</b>
<b>For Decision or For Information</b>	<b>For Information</b>

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

<b>Budgetary Considerations</b>	
Cost of Proposal	£20m+ (combined target net cost)
Included in Current Year Estimates	<b>YES/NO</b>
Capital/Revenue	Capital
Code	
Staffing Costs	

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

## **1.0 Purpose of Report**

**The purpose of this report is to update Members on the Outline Business Cases (OBCs) for the redevelopment of Coleraine Leisure Centre and Ballycastle Leisure Centre.**

## **2.0 Background**

At the start of this year, the Leisure Facilities Project Board requested that previous work on business case development dating back to 2017/18 for the redevelopment of Coleraine Leisure Centre (CLC) and Ballycastle Leisure Centre (BLC) was revisited and presented to the Project Board prior to any decision to re-commence work being taken by the Leisure & Development Committee and Council.

At a full Council meeting on 7<sup>th</sup> September 2021 Members received an updated Strategic Outline Case (SOC) for investment in the redevelopment of Coleraine Leisure Centre and approval was given to commit the resources required to complete the development of an OBC in line with 'Better Business Cases NI' guidance on the new 'Five Case Model'.

At this meeting it was also agreed that the OBC for Ballycastle Leisure Provision (also referred to as Phase II) was to be progressed in parallel with Coleraine Leisure Centre and adopt the same process and approach.

Whilst there was initially an ambition to complete OBCs for both projects by December 2021, a delay in getting work started combined with a 6-month turnaround period resulted in a revised project delivery plan which indicated a more realistic target date of March 2022.

## **3.0 Coleraine Leisure Centre - Outline Business Case**

The 'Strategic Case' for investment has now been updated to reflect current needs and demands for leisure provision and changing trends since the Covid pandemic. This will refer to Facility Planning Models and Latent Demand Analysis within the catchment area. Officers have also re-engaged the local community in an ongoing consultation on the detailed design of the new centre as it evolves.

The 'Economic Case' considered a long list of potential development options and revised schematics for the position of the new centre on the Railway Road site to take account of technical feasibility, Planning requirements, service impact and scope for future development.

Following a presentation to Committee in January and the Council meeting in February 2022, two development options are currently being fully appraised against the base case 'Do Nothing' option:

- Option 4B 'New leisure centre to the front of the existing site'; and
- Option 4B+ reflect Council's decision *"that Council enlarge on the 4b Option to feature a larger water attraction to incorporate a separate learner pool and option for soft area"*.

The 'Financial Case' and affordability analysis will be reviewed with input from Finance on the Capital Programme and an external funding strategy is being developed. This may necessitate scheme enhancements to incorporate additional green energy and wider regeneration works that would improve the project's ability to avail of significant capital funding opportunities including LUF and NICS (to be announced in 2022/23) and to ensure complementarity with other potential capital projects in Coleraine town.

The 'Commercial Case' and 'Management Case' is being prepared to consider the procurement route that delivers best value, operational income strategy (In-house Transformed projections contained within the 'Shadow Bid'), marketing and sales plan and management/staffing structures for the new leisure centre.

## **4.0 Ballycastle Leisure Provision - Outline Business Case**

**4.1 Shared Education Campus (Phase 1):** Council previously approved a business case for a capital contribution to the sports facilities at the new shared school campus in Ballycastle. This investment, along with Council leisure management input, will secure

community access to flood lit synthetic pitches for hockey, football and Gaelic sport as well as a four-court hall and associated changing and ancillary accommodation. The project secured a funding offer from the SEUPB Peace IV programme of £2.5m capital and £300k programme costs. The project has secured planning permission and is fully designed.

Recent construction hyperinflation has caused a number of public sector construction procurement exercises to fail, and this is one of the effected projects. This will cause a delay to the project of around 12 months and as a result it will miss the spend window for Peace IV projects. Officers have engaged with SEUPB officials and are hopeful that, with the loss of the Peace IV funding, an application to the new Peace Plus Programme would be 'well received'.

**4.2 Ballycastle Leisure Centre (Phase 2):** Since 2016, officers have been working with Elected Members in consultation with the local community to scope out a project that would address the remaining leisure needs in Ballycastle with particular regard to the lack of any wet facilities and the out-of-date facilities at Sheskburn house.

A previous option dated August 2018 was costed at £18.33m (£20.3 at 2024 costs) and was reduced to around £10.66m (£11.85M at 2024 costs) in September 2018. After direction from Council in September 2021 the options for both Coleraine and Ballycastle Leisure Centres were revised down by circa 25% in an effort to make the projects more affordable.

The 'Strategic Case' for investment is being updated to reflect current needs and demands for leisure provision and changing trends since the Covid pandemic. This will make reference to Facility Planning Models and Latent Demand Analysis within the catchment area.

The 'Economic Case' is being appraised with updated technical plans and costings for reduced scale options to take account of costs, benefits, and key risks including, technical feasibility, Planning, Service Impact and Scope for Future Development.

Officers convened a recent meeting with the DEA Members and fed back to the Steering Group with some proposals for the shortlisted options for further review. The Steering Group agreed the following shortlisted options for detailed review within the business case:

Option 3	<b>Indoor</b> 4 lane x 25m pool Village changing only 180m <sup>2</sup> Studio plus storage and kitchen Civic offices Gym @ 175m <sup>2</sup> Café	£8.85m @ 2024 costs
Option 3+	Same as Option 3 plus relocated and accessible play park	£9.45m @ 2024 costs
Option 4	<b>Indoor</b> 4 lane x 25m pool and part floating floor for conversion to learner pool Modest wet play and spa Village changing only 180M2 Studio plus storage and kitchen Gym @ 175m <sup>2</sup> Café Changing Places *Climbing wall, potential developed by UU in Coleraine undecided  <b>Outdoor</b> Perimeter lit running/walking track BMX/Pump track	£9.74m @ 2024 costs Plus £550k for climbing wall  Total: £10.29m

	<b>Removed</b> Civic offices (under separate review) Soft play, being developed by private sector	
Option 4+	Same as Option 4 plus relocated and accessible play park	£10.89m @ 2024 costs

*\*Initially Members had understood UU had confirmed plans for a climbing wall at UUC*

Officers are now planning a public consultation to seek the public's views on the plans and the priorities of the proposed facility mix. The outcomes of this consultation will help inform the business case and any future planning application.

The 'Financial Case' and affordability analysis will be reviewed with the Finance Team's input on the Capital Programme and a new and emerging external funding strategy is being developed. This necessitates the addition of an Enhanced Scheme that considers additional green energy and wider regeneration works that would improve the projects ability to avail of significant capital funding opportunities including LUF and NICS (to be announced in 2022/23) and to ensure complementarity with other potential capital projects in Ballycastle (Phase I, Ballycastle Museum etc).

The 'Commercial Case' and 'Management Case' is being prepared to consider the procurement route that delivers best value, operational income strategy (In-house Transformed projections contained within the Shadow Bid), marketing and sales plan and management/staffing structures for a new leisure centre.

## **5.0 Project Delivery Timeframes**

Subject to Council approvals, the indicative delivery timeframe to progress both projects through Council's four stage capital process is summarised as follows:

- Stage 0: Strategic Outline Case Update and Resources Approved – September 2021;
- Stage 1: Outline Business Cases Approved – April 2022;
- Stage 2: Full Business Cases (design/planning/procure) Approved – March 2023;
- Stage 3: Construction Completed (up to 24 mths) – March 2025; and
- Stage 4: Handover and Ready for Use - April 2025.