

Business Case

For the proposed :

Wonford Community Wellbeing Hub



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1.0 Introduction

This Business Case has been prepared to provide a basis for investment decision making in relation to the proposal to refurbish and partially redevelop both the Wonford Leisure Centre and the Wonford Community & Learning Centre into a one-stop *Community Wellbeing Hub*.

For clarity, no decisions have been made to date on the future of the existing facilities at Wonford, and – post submission of a planning application - no budget has been approved to take forward the project set out in this document. It is the intention that the information within this document will inform the decision making required to progress the scheme.

THE VISION

To create a single hub facility to act as a focal point in the community - to promote access to, and participation in, community, health & wellbeing activities and services, to better connect with the nearby green space and better meet the needs of the local community.

2.0 Purpose and Scope of the Business Case

The redevelopment and long term success of the facilities at Wonford will be a major undertaking for Exeter City Council, the Wonford Community & Learning Centre and the community as a whole, requiring significant commitment of time, effort, trust and financial investment.

This Business Case has been prepared by Exeter City Council, in conjunction with the Trustees of the Wonford Community & Learning Centre, to inform decision making in relation to a combined Hub facility at Wonford, outlining the existing and proposed arrangements, and funding necessary to take the project forward.

The main objective of this Business Case is to provide decision makers and key stakeholders with the information and data required to consider whether the proposed Community Wellbeing Hub should proceed beyond the Planning application submission stage.

Key aspects to consider in this process are:

- 1) Will the new facility be commercially viable in the short, medium and long term?
- 2) Can it provide the benefits and outcomes desired by the Trustees and Exeter City Council.
- 3) Will the new facility be affordable to customers, particularly local residents.
- 4) Can the proposed facility ensure a long-term legacy for the commitment and dedication shown by the Community Centre and Leisure Centre teams over many decades.

3.0 Context and Background

3.1 Wonford context

Wonford covers a large area to the south of Exeter City Centre, with a population of 7,686 (as at 2011 census, 2021 population data not yet available for sub-areas of Exeter). According to ONS Data, 58.2% of the population of Wonford are deprived households in one or more ways (education, employment, health and housing), with 38.6% of the population being economically inactive (unemployed).

Sport England is investing around £100 million over 4 years to create innovative solutions that make it easier for people to become physically active for life. Exeter is one of 12 national Sport England Local Delivery Pilots (LDP). The vision of the City Council is for Exeter to become the most active city in England by encouraging those most at risk of inactivity to become active. The aim is to work closely with local communities in the target areas to test how to overcome the barriers to becoming active for life. Wonford is one of the target areas identified for the community development work as part of the wider Exeter Local Delivery Pilot. In particular, the Council was keen to work with residents and other stakeholders to design a blueprint for the future redevelopment of the existing community and sports centre buildings.

Although the Sports Centre offers membership at £29.80 per month, affordability for local residents is a big issue, with a significant number of local residents not using the leisure centre at all, and a similarly high number for the community centre. The existing buildings are tired, cold, and damp with elements that have not been in use for some years due to water ingress and inaccessibility. There is also a lack of connectivity between elements of the existing buildings, and with the green space of Ludwell Valley Park to the rear. Due to the layout and design, there are areas (both internally and externally) which can feel closed-in and uninviting for visitors, users and staff alike, with regular reports of anti-social behaviour taking place in and around the site. The community and sports centres were built in the 1980's and now require a significant amount of investment to bring them up to date, having had only essential work carried out over recent years.

3.2 Background to the Community Wellbeing Hub project

In July 2019 Council adopted the revised Exeter Live Better and Move More *Built Facilities, Playing Fields, Pitches, Play Areas, Parks and Green Spaces Strategy*. A key priority of the Strategy was to support active and healthy lifestyles by working with residents and other stakeholders to co-design a flagship Community Health & Wellbeing Centre in Wonford.

The first stage of the project was the appointment of CAG Consultants by ECC later in 2019 to carry out a programme of extensive engagement, asking local residents and community groups what changes they would like to see in Wonford. Over 600 people were engaged with through meetings with local groups, a survey, a roadshow visiting 15 locations in Wonford and a community feedback event. CAG also set up Facebook and Instagram accounts which reached an estimated 14,000 people. The engagement process focussed on a conversation about health and wellbeing with the residents of Wonford and users of the existing Leisure and Community Centres.

As well as highlighting that 70% of the people consulted with had never used the Leisure Centre and 64% had never used the Community & Learning Centre, the following priorities were established:

- the development of a “one-stop” facility would bring the community together and improve the health and wellbeing of local residents;
- creating a facility that could be opened outwards to the whole community, to replace the current intimidating building and become better connected to the Wonford Playing Fields, the Ludwell Valley Park and the wider city Green Circle cycle and walking route;
- the need for improvements to the sustainable transport options to the site; and
- any redevelopment of leisure and wellbeing activities should be informed by the local community.

The response to the engagement was very positive, with support for improving health and wellbeing services, and enthusiasm for providing new spaces such as a café, gardens or allotments, and spaces for physical and mental health provision.

Based on the results of this consultation, it was proposed that a new Health and Wellbeing Hub be built, to replace the existing Leisure and Community Centres and GP Surgery. A survey in August 2020 asked local people what their priorities would be for a new Hub, with over 350 responses received, representing over 1,000 people.

Several options were drawn up by Space & Place Architects, using the survey results and working with a Sounding Board from the local area. The concept of a full demolition and construction of a newbuild one-stop community facility was developed, to incorporate both the Leisure and Community Centre, plus the adjacent GP surgery, which was further consulted on in October/November 2020.

Whilst great progress was made in community engagement and the design options during 2020, the outbreak and impacts of Covid-19 changed the design approach for the project. The pandemic resulted in significant pressure on Council finances, with decreased revenue streams and reduced external funding sources.

Despite the financial challenges prevalent in the aftermath of the pandemic, ECC maintained a desire to still achieve the outcomes and benefits identified in the previous engagement, however with a refined focus – looking at the demolition and redevelopment of the central core of the building, with the remainder of the facilities being refurbished and improved. The aim was to still bring the separate Leisure and Community elements together into a combined “hub” but at a much-reduced cost, which would also enable the community hall and sports hall to largely remain open throughout the work. At this point the proposal was renamed the Wonford Community Wellbeing Hub.

In February 2022, ECC Members agreed a budget of £750,000 to allow for ongoing consultation, the detailed building surveys required to develop this proposal, and the appointment of a team of consultants to progress the design & project through to submission of a planning application.

4.0 Existing Arrangements at the Community Centre and Leisure Centre

4.1 Management Arrangements

Community Centre and Phoenix Suite

ECC are the freehold owner of the Community Centre element of the existing building which is leased to the Wonford Community & Learning Centre (WCLC) with a restriction to be used solely as a Community Centre. The Lease commenced on 1st December 2006 and runs to 30th November 2036, with a break-clause option for the tenant to give 6 months' notice, but no right of termination by ECC.

The Phoenix Suite ("Youth Centre") and office are also owned by ECC, leased to Devon County Council, who in turn sub-let to WCLC, with the same expiry date as the Community Centre Lease.

Under the terms of the Lease, WCLC are responsible for paying rent to ECC, as well as covering all utilities, cleaning and insurance costs. The Trustees arrange all activities, events and classes that take place in the buildings. They also rent out desk/meeting room space to other organisations and individuals on an ad-hoc basis to supplement their income. Currently, events/classes are advertised through the WCLC website and word-of-mouth.

All of the Trustees are volunteers, with three paid (part-time) members of staff working across both the community centre and Phoenix suite. The Centre's income comes predominantly from memberships and fees for attendance of events/classes. An 'out of school' agency currently have residence in an office space above the hall and makes regular use of the Phoenix suite. The centre is also subsidised by a grant from the city council and various charitable grants.

Core to the management of the existing facility is the mission statement *"To provide and keep open a Community Centre for the benefit of the people of Wonford and District."*

Leisure Centre

The Leisure Centre element of the site is wholly owned by Exeter City Council and has been managed by the Council since the previous contract for the provision of leisure services finished in 2020.

Services provided include a 40-station gym, heavy weights room, indoor cycling studio, 4-court sports hall, Badminton and 5-a-side astroturf pitch.

Customers can either pay a monthly membership fee, or "pay as you go" for individual classes. Bookings can be made using the Exeter Leisure App or on-site at the Centre. In addition, the sports hall and outdoor pitch are available to hire direct from the Centre, for clubs affiliated with a Sports National Governing Body.

The leisure centre has 5 FTE members of staff (Duty Managers, Fitness instructors & Recreation assistants), plus casual group exercise instructors. The site team are supported by the leisure management senior team including a General Manager, Centre Managers, Sales & marketing support, a Fitness Manager, Physical Training Activity Co-ordinator, and a Maintenance Manager. Further support and services are provided by ECC including functions such as Finance, HR, Procurement & Legal services.

4.2 Financial Matters

Community Centre and Phoenix Suite

Information provided by Wonford Community & Learning Centre Trustees outlined the financial position of the Community Centre in their 2022 / 2023 accounts to be as follows :

Total Income = £45,883

Total Expenditure = £61,865

Net annual position = **-£15,982**

The Trustees have noted that since 2022/2023 a new on-line booking system has been installed at the centre, with resultant increased bookings, activities, and income – all looking at an improved financial position in 2023/2024 onwards.

Wonford Leisure Centre

Information provided by ECC Leisure department identifies the expected trading position for Wonford Leisure Centre for 2023/2024* to be as follows :

Total Expected Income = £206,411

Total Expected Expenditure = £408,712

Net annual position = **-£204,884**

*Figures for 2022/2023 have not been used, as significant cost reduction measures have been implemented on site in the 2023/2024 period which provide a trading position more reflective of the ongoing financial position of the facility.

5.0 The new Community Wellbeing Hub

5.1 Expected benefits and outcomes

The underlying reason for undertaking this project is to provide a Community Wellbeing Hub in Wonford which improves the physical, social, mental and emotional wellbeing of its users. Primarily serving the people of Wonford but also attracting visitors in from Ludwell Valley Park to use the facilities, services and resources available at the Hub.

It is envisaged that the main outcome and legacy from the project will be the creation of a Hub which improves the lives and wellbeing of all those who use it and creates greater connectivity for the community of Wonford.

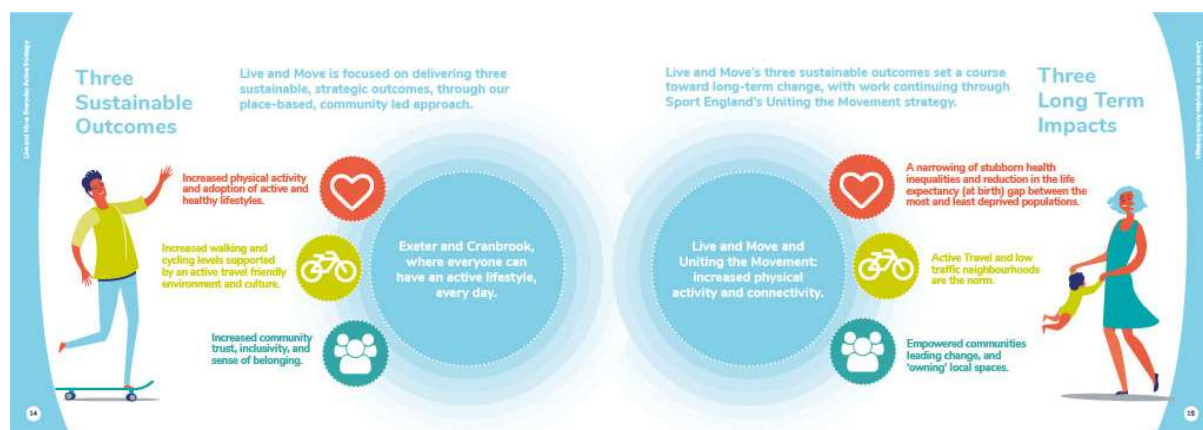
By creating a facility which is inviting, open, bright and accessible, it is intended that more members of the Wonford community will be attracted to use the facility – creating a sense of pride in the facility and a snowball effect of greater use & involvement, resulting in the provision of a wider range of services (supported by a wider range of grants & funding).

A collaborative approach to running the facility involving the Council, WCLC and the local community will help promote a continued focus on achieving the societal improvements which are at the heart of the project.

In addition to the outcomes identified above, the project also aligns with and supports critical ECC corporate objectives, including promoting active & healthy lifestyles, building great neighborhood's and tackling congestion & accessibility.

The support of the Sport England Local Delivery Pilot funding (along with Council approved funding) has progressed the project with a community focused approach to health & wellbeing, recognizing Sport England's Uniting the Movement Strategy and vision to deliver "a more integrated and holistic approach to increasing physical activity based around the places and spaces where people spend their time". This holistic approach is integral to maximising the benefits and outcomes achievable at the Community Wellbeing Hub.

The Community Wellbeing Hub is a flagship programme within Live and Move and meets the key sustainable outcomes and long term impacts of the strategy:



We can also clearly demonstrate the programme meets Sport England's key 4 outcomes, which are intrinsically linked to the Live and Move strategy:

- 1) reducing inactivity
- 2) increasing activity
- 3) positive experiences for children and young people and
- 4) tackling inequalities.

The Wonford Community Wellbeing Hub approach also aligns clearly with the Sport England 'Future of Leisure Report' [Future of public leisure | Sport England](#) with many of the outcomes aligned with recommendations within this report.

"This model - a shared vision between all stakeholders - would see traditional leisure services transition to being focused on active wellbeing.

It would create a closer relationship between health and leisure, built on social prescribing, co-location of services and the delivery of preventative activity opportunities – providing users with convenient places and ways to be active, located in close proximity to other health and social care services and facilities.

Co-location of facilities maximises the impact and value for money of these services and forms a key part of the 20-minute neighbourhood concept."

The improvement of the leisure facilities and spaces available at the Hub will help promote more physical exercise and wellbeing, providing an important local sports provision as part of the wider ECC leisure estate and offering – seeking to compliment, not compete with, the other leisure facilities in the city.

The Wonford Community Wellbeing Hub will also play a significant role in meeting the priorities of the Exeter Playing Pitch Strategy, approved by Council in January 2022. New changing rooms will be provided for local football teams playing on the improved grass pitches. There is a programme in place to improve the levelling and drainage of the existing pitches to help attract Wonford-based teams back to the site and grow the local football offer at junior, women & girls and walking football. The Community Wellbeing Hub will provide a social home for those formal and informal teams who can use the facilities and community hub to connect before and after games. This will greater connect the football family with the wider Wonford community and multi-sport offer.

It is expected that the combination of all the above will result in a financially sustainable community & wellbeing hub.

Through the Live and Move programme and longer term partnership with Sport England we will measure these wider outcomes through the evaluation framework, currently delivered by our partner SERIO.

5.2 Project Progress to date and indicative design

Since the budget for design development and planning submission was approved in February 2022, the design team have been appointed, design has developed through RIBA Stage 2 and recently commenced RIBA Stage 3, an extensive legal title/constraints review has taken place and detailed surveys of the site, buildings and services have been carried out.

Engagement with the Community Centre Trustees and Leisure Centre team has been ongoing, ensuring the involvement of the full team in the progress of the new hub. Additional focussed sub-groups have also taken place to discuss specific elements of the proposal, such as youth provision, inclusivity, etc.

Space & Place in their role as Architect have developed the layout of the hub, taking into account the comments and suggestions raised during the various consultations & engagements to date, whilst also working within the constraints of the existing buildings as identified through the various site investigations.

A key aspect of the design and refurbishment at the hub is to include flexibility in all elements. This flexibility will allow the building to provide a wide range of facilities for different users and user groups – catering for a vast array of different functions and differing group sizes, allowing the hub to truly be available for all. Flexibility in design will also allow the hub to adapt to changing uses and habits over the decades to come.

Accessibility has been central to the evolution of the design. Accessibility considerations for disabled users, ethnic group requirements, and gender requirements are evident in the detailed floor plans. Examples of these include a 'Changing Places' space, wheelchair accessible width corridors, alternative access routes to spaces for privacy (& segregation for privacy within spaces), gender neutral changing facility, etc, to name a few.

The building layout has been subject to review and refinement over the past year, with the confirmed layout design shown overleaf.

Proposed Layout / Floor Plan



The interaction of the building with the outside is an important aspect being addressed in the proposed hub. This not only creates a better link to the playing fields and wonderful Ludwell Valley Park behind the hub, it will also enable greater visual connectivity with the activities taking place inside the building – helping to remove physical and psychological barriers to entering the building.

View from the Green Circle



View from the Car Park when approaching from Burnthouse Lane



Finally, the café is a critical element – looking to be the social interaction point for people within Wonford and for those using the green circle which passes outside the hub. It will be the focal point of the new building, promoting use and interaction for all age groups.



The designs are currently being developed suitable for submission of a Planning Application in Spring 2024.

6.0 Arrangements/Forecasts for the Community Wellbeing Hub

6.1 Management Options and Considerations

The future management & governance model is an important aspect of the new hub. Key decisions will need to be made in due course to conclude on the most appropriate form of model in order to maximise the benefit to the community, ensure a robust, thriving management team and ensure the long term financial sustainability of the hub.

In order to commence the process of considering the management & governance structure for the new facility, in January 2023 a report on the potential options available for the management of the new Community Wellbeing Hub was commissioned from Locality. According to their website (<https://locality.org.uk/who-we-are>) *"Locality is the national membership network supporting local community organisations to be strong and successful. We believe in the power of community to transform lives and create a fairer society. Our 1,600 members create the services their community needs most in spaces where everyone belongs. Locality provides specialist advice, peer-learning, resources and campaigns to help every community thrive."*

This independent report outlined 3 main options for the management & governance of the hub :

1. Wonford Community and Learning Centre operates the new Hub
2. Creation of an Exeter City Council initiated Special Purpose Vehicle (SPV) to operate the hub
3. Exeter City Council operates the hub, in partnership with a community-led charitable organisation and other stakeholders in a Steering Group for the facility.

An outline description of each option has been obtained from the Locality report and is paraphrased below :

1. Wonford Community and Learning Centre operates the new Hub

According to the Locality report and case studies provided within the report, a not-for-profit community anchor that runs multiple health and wellbeing services and activities, and also works in close partnership with a range of health and other bodies, can deliver considerable benefit to their local community. It is a model that is replicated in numerous communities across the country. Because of the nature of health and wellbeing services and sources of funding, most community anchors have a charitable form (either CIO or a company limited by guarantee and also registered charity).

A multi-purpose community anchor usually requires numbers of highly capable staff and will have been significantly enabled through investment over a number of years. They will have become a trusted recipient of funding and a reliable partner for delivery

of contracts. In addition, trustees/directors have gained experience over a number of years, or have been recruited to bring in key skills to the board.

In the case studies provided in the report and as repeated across Locality's membership, the community hub or centre building is usually held by the anchor organisation on a freehold or long leasehold basis, providing a security of tenure for long term development.

Community Anchors work in partnership with a range of bodies and agencies and consideration will need to be given to how this can be enabled. Options include embedding services from other agencies in the hub; strategic partnerships formed with relevant bodies at a senior level (CEO); and a partnership/advisory group formed for Wonford to support the Trust in its work.

WCLC are already in a relevant legal and charitable form and fulfilling some of the functions that would form a part of the lead role. In order to fulfil the maximum potential of this model, WCLC would need to scale up and broaden activities, deepen board skills, develop wider partnerships and attract significant capacity building support and financial investment to take the lead in operating the hub. However, if this option were taken up, a start could be made now to develop the charity, so as to be mostly in place by the time the centre opens. This would require some detailed planning and milestones/timeframes established to ensure it was fully operational by the time the Hub opened.

2. Creation of an Exeter City Council initiated Special Purpose Vehicle (SPV) to operate the hub

The SPV could have individuals on the board from a range of backgrounds with a varied skillset. There could be a place on the board for nominated representatives of WCLC, or else on an advisory/partnership group alongside other health and wellbeing stakeholders.

In terms of potential legal form, a not-for-profit form such as a Company Limited by Guarantee would be quick to set up, and could, if its' objects were wholly charitable, look to register as a charity at a later date. Similarly, a Community Interest Company (CIC) could be quick to set up as well and could be converted to a Charitable Incorporated Organisation (CIO) at a later date.

The entity would face the same issues as option 1 in needing to develop a business plan, grow staff capacity and earned income and funding streams alongside an initial investment in order to be viable and fulfil the potential.

3. Exeter City Council operates the hub, in partnership with a community-led charitable organisation and other stakeholders in a Steering Group for the facility.

In this option Exeter City Council would take a lead role in the new centre, taking responsibility for overheads and the main staff employment. A locally-led charitable organisation (that could be an expanded and enhanced WCLC) would have a role in being part of a steering group for the centre and work in partnership with city council staff to identify additional funding to supplement the activities provided by the Leisure

Services element. These additional activities such as youth activities and other activities identified in the recent consultation could be provided by the charitable arm. Such an arrangement would provide an immediate structure for the Hub to operate under, although the charitable organisation would need some time to develop activities, deepen board skills, develop wider partnerships and attract significant capacity building support and funding for activities and its development. However, a start can be made on this now, so as to be mostly in place by the time the centre opens.

The Locality report was commissioned in December 2022 and was issued in February 2023. A meeting was held with the then Trustees of Wonford Community & Learning Centre during March 2023 to discuss and consider the report. New Trustees were appointed in the summer of 2023 and a meeting was held in September 2023 to discuss the Locality report with the new Trustees.

If the Wonford Community Wellbeing Hub project does proceed beyond planning submission, a significant commitment of effort, time and resource will be required to progress the detailed discussions on the governance arrangements, in order to arrive at a tailored solution which delivers a long term, community focused, thriving Hub which combines and harnesses health, leisure, social, cultural and wellbeing aspects in a collaborative, successful manner.

6.2 Financial Matters

Following the completion of the RIBA Stage 2 design, the financial position of the new hub in its first five years of operation has been estimated. It is expected that the hub will reach a mature and consistent financial position by the fifth year – which will be indicative of the ongoing long term financial position of the facility.

The estimated incomes and expenditures have been created based on detailed discussions with the leisure centre, community centre and external specialists. The figures take into consideration a detailed review of existing incomes & costs, and predicted changes for the new hub.

The overview position is contained in a table on the following page, the estimating notes for the table are as follows:

1. Income from Health & Fitness memberships are a significant contributor to the finances of the hub, a detailed note on the estimated incomes for this item is contained in Appendix B.
2. Income from 'casual' use of the Health & Fitness facilities is based on a leisure industry rule of thumb of 5% of the memberships income.
3. Community Centre hire / functions income is based on keeping the existing pricing & rates charged for the current hall, with the estimated income being based on the pre-covid income for the hall plus 10% for increased use / bookings in the new hub environment.
4. Estimated income from Youth Groups replicates the pre-covid income level received by WCLC.
5. Income from the café is based on an average total sales of circa £30 an hour when open. (including events, functions, etc)
6. An allowance (deduction) has been included in the figures for 'free to use' activities which will promote engagement, use and ownership of the new hub. The free to use activities include 3 nr 1 hour sessions a week in each of the MUGA, Climbing Wall and studio.
7. The cost of energy in the new hub is based on the predicted energy usage as forecast at RIBA Stage 2 and the energy prices (£/KWh) forecast from ECC Energy team.
8. A staffing structure has been designed for the new hub. For the purposes of the business plan, this structure has been costed on ECC pay grade rates.
9. Certain activities are deemed included within the corporate ECC function (HR, legal, finance) and therefore not costed. Depending on the management & ownership model for the hub, these costs might be added, with the staffing structure (item 8) no longer being ECC pay grade and a lower 'commercial' rate applied – releasing costs to pay for the previously corporate activities.
10. The new hub will require volunteers from the community – to assist with the café, social activities, groups, functions, etc.
11. It is expected that the gym equipment will be leased.
12. The Business Rates estimate is based on current Business Rates charges, plus an estimated increase for the new hub facility. This item is costed at the moment however its inclusion will depend on the management/ownership structure of the hub and the District Valuer.
13. Food & Beverage costs at the café are based on the industry rule of thumb = 52% of sales.
14. A sizable allowance of £10k is included for marketing & advertising costs – to promote use, inclusion and participation at the new hub.
15. Inflation of 4% per year has been included to incomes and costs from Year 2 onwards.
16. Any costs associated with repayment of capital borrowing required to fund the buildings works has not been included.

Estimated financial operating position of the new hub :

INCOMES						
Item	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	
	26/27	27/28	28/29	30/31	31/32	
Health & Fitness - memberships	£ 360,126	£ 580,564	£ 680,950	£ 702,794	£ 734,017	
Health & Fitness - casuals	£ 18,006	£ 29,028	£ 34,048	£ 35,140	£ 36,701	
Sports Hall, MUGA & Studio Hire	£ 50,000	£ 52,000	£ 54,080	£ 56,243	£ 58,493	
Group Exercise / clubs	£ 5,000	£ 5,200	£ 5,408	£ 5,624	£ 5,849	
Community Centre Hire / functions	£ 42,361	£ 44,055	£ 45,818	£ 47,650	£ 49,556	
Incomes from Youth Group	£ 13,341	£ 13,875	£ 14,430	£ 15,007	£ 15,607	
Predicted income from Café	£ 100,000	£ 104,000	£ 108,160	£ 112,486	£ 116,986	
Income from Climbing Wall	£ 2,000	£ 2,080	£ 2,163	£ 2,250	£ 2,340	
Grants and external 3rd party support	£ 5,400	£ 5,616	£ 5,841	£ 6,074	£ 6,317	
Allocation of 'free' activities in the model. For activities provided free to participants (list below) :						
Climbing Wall : 1 hr for 3 evenings per week	-£ 7,650	-£ 7,956	-£ 8,274	-£ 8,605	-£ 8,949	
MUGA pitch : 1 hr for 3 evenings per week	-£ 6,750	-£ 7,020	-£ 7,301	-£ 7,593	-£ 7,897	
Studio time for social clubs / social interaction activities : 1 hr for 3 days per week	-£ 5,040	-£ 5,242	-£ 5,451	-£ 5,669	-£ 5,896	
Total Incomes	£ 576,794	£ 816,201	£ 929,870	£ 961,401	£ 1,003,124	

COSTS						
Item	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	
	26/27	27/28	28/29	30/31	31/32	
Energy						
Projected Gas & Electricity Consumption	£ 88,710	£ 92,258	£ 95,949	£ 99,787	£ 103,778	
Staffing						
Create new staffing model for the hub - including :	£ 394,037	£ 409,798.48	£ 426,190.42	£ 443,238.04	£ 460,967.56	
Manager (s)	Included above	Included above	Included above	Included above	Included above	
Reception						
Cleaning						
Café Staff						
Fitness Manager						
Fitness Instructors (Wellbeing Consultants)						
Recreation Assistants						
Maintenance Manager	Corporate	Corporate	Corporate	Corporate	Corporate	
Human Resources support	Corporate	Corporate	Corporate	Corporate	Corporate	
Legal support	Corporate	Corporate	Corporate	Corporate	Corporate	
Finance & Accountancy	Corporate	Corporate	Corporate	Corporate	Corporate	
Repairs and Maintenance						
Allowance for repairs and consumables, general maintenance & annual H&S Testing	£ 85,512	£ 88,932	£ 92,490	£ 96,189	£ 100,037	
General / other						
Gym equipment : annual lease	£ 80,000	£ 83,200	£ 86,528	£ 89,989	£ 93,589	
Business Rates (NNDR)	£ 67,240	£ 69,930	£ 72,727	£ 75,636	£ 78,661	
Alarms and CCTV	£ 14,044	£ 14,606	£ 15,190	£ 15,798	£ 16,429	
IT : software and hardware - phones, internet, bookings system, TV screens, etc	£ 10,000	£ 10,400	£ 10,816	£ 11,249	£ 11,699	
Food & Beverage at Café	£ 52,000	£ 54,080	£ 56,243	£ 58,493	£ 60,833	
Cleaning equipment	£ 4,763	£ 4,954	£ 5,152	£ 5,358	£ 5,572	
Marketing & advertising Costs	£ 10,000	£ 10,400	£ 10,816	£ 11,249	£ 11,699	
Insurances	£ 1,500	£ 1,560	£ 1,622	£ 1,687	£ 1,755	
Subscriptions to virtual classes, etc	£ 6,000	£ 6,240	£ 6,490	£ 6,749	£ 7,019	
Total Costs	£ 813,806	£ 846,358	£ 880,213	£ 915,421	£ 952,038	
Operating Position	-£ 237,012	-£ 30,158	£ 49,658	£ 45,980	£ 51,086	

As can be seen from the above table, the estimated position forecasts losses in the first two years of opening, and then a positive annual position from year 3 onwards.

The estimated trading position of circa £50k profit per annum is a betterment of the current trading position of the existing leisure centre and community centre which has a combined deficit of circa £220k per annum.

It should be noted that the demolition and building works will impact on the incomes / costs of the existing leisure centre and community centre, with the most notable loss being the demolition of the existing gym. The trading position for a 'Year 0' (2025/2026) is forecast to be in the region of circa £350k deficit (instead of the existing trading position of circa £220k deficit).

7.0 Project Control and Programme

Project Control

The project will be managed in a controlled manner, with clear and defined 'Project Control Points' established throughout the delivery programme. These Control Points are gateways in the project sequence where the key fundamentals of the project are reviewed & considered by Exeter City Council before approving the commencement of the next stage of the project.

At each Control Point, a report and presentation will be provided by the delivery team which includes :

1. Updated quality and specification matters
2. Updated forecast Capital Cost
3. Any materials changes to the Business Case (particularly those resulting from changes in specification &/ or capital cost)
4. Updated Delivery Programme
5. Updated Risk Register
6. Confirmation that the expected / forecast benefits are still on course to be achieved.

The Project Control Points are an integral part of the delivery programme. The full draft Delivery Programme is included in Appendix A, whilst the key Milestones have been captured in the table on the following page.

Programme

The delivery programme (& associated Milestones) follow a project approach whereby the design is progressed to RIBA Stage 3 and then a Planning Application is submitted. During the planning determination period, the RIBA Stage 4a technical design is developed, with contractor tender information / documents also drafted. The programme allows for the Planning Conditions to be included in the tender exercise.

It is envisaged that the procurement of the contractor will be a Design & Build single stage tender exercise. This may involve the use of a framework or be an open procedure. The formal Procurement Approach will be developed during RIBA Stage 3 – this will outline the intended procurement route, market engagement, and contract strategy.

Once appointed, it is expected that the contractor will have a mobilisation period (to mobilise site resources, order materials / equipment and discharge pre-commencement planning conditions), following which site establishment, demolition and new build works will commence. Initial discussions have been held with the Leisure Centre and Community Centre

to start exploring measures that can be implemented during the demolition / new build stage to minimise disruption on operations at both centres during the construction period. Initial plans for temporary arrangements will be developed during RIBA Stages 3 & 4a and will then be detailed fully when the building contractor is appointed.

Milestone Schedule

Activity	Forecast Timescale
Issue of Concept Design Report by Architect (RIBA Stage 2 report)	November 2023
Project Control Point 1 : Review and approve commencement of next design stage	January 2024
Architect undertakes Developed design (RIBA Stage 3)	Jan – April 2024
Includes formal Public Engagement / Feedback session	7 th , 8 th & 9 th March 24
Project Control Point 2 : Review and approve submission of Planning Application & commencement of next design stage	Mid April – Early May 24
Architect undertakes Technical design (RIBA Stage 4a) whilst awaiting the Determination of the Planning Application [including developing tender documents for contractor procurement]	May – August 2024
Project Control Point 3 : Review and approve commencement of procurement exercise for contractor	Sept 2024
Procurement exercise for contractor appointment	Sept 24 – Feb 25
Project Control Point 4 : Review and approve award of the Contract to the successful contractor	Feb 2025
Appoint Contractor	Feb 2025
Start on site	April 2025
Demolition and Construction Works	April 25 – April 26
Project Control Point 5 : Handover	April 2026
12 months Defects Period	April 26 – April 27
Project Control Point 6 : End of Defects and Project Review	April 2027

The draft delivery programme and above Milestone Schedule are based on initial estimates of the sequencing and timescales required on the project. The level of surety in the estimates is greater on the short-term activities & timescales, however they become less certain as the project evolves and timescales are determined by third parties (for example the allowance for Planning Determination period, and the allowances for the mobilisation, demolition and construction periods required by the contractor, etc). However, for the purposes of this Business Case, the programme provides an indicative timeline for the required activities and overall project duration.

It is noted at the time of drafting this Business Case that funding has not yet been secured to progress the project beyond Control Point 2 (submission of the Planning Application). If funding is not in place to seamlessly progress after Control Point 2, this will change the timeline of activities outlined in the Milestone schedule.

8.0 Capital Cost

A Preliminary Cost Estimate has been produced by a Professional Quantity Surveying practice. The Cost Estimate is based on the RIBA Stage 2 design and takes into account the layout of the proposed hub, the accommodation schedule, a measure of the new building works, a measure of the refurbishment works, and findings from the building surveys undertaken to date.

The total forecast cost to progress the scheme from Planning application submission to opening of the facility is **£7,000,000.***

The Preliminary Cost Estimate includes the following cost items:

1. Demolitions
2. Temporary works
3. Foundations for the new build element
4. Structure for the new build element (Frame, roof, walls)
5. Windows & Doors (new build and refurbished areas)
6. Internal walls & partitions (new build and refurbished areas)
7. Floor finishes (new build and refurbished areas)
8. Wall finishes (new build and refurbished areas)
9. Ceiling finishes (new build and refurbished areas)
10. Fixtures & fittings (new build and refurbished areas)
11. Sanitaryware (new build and refurbished areas)
12. Heating & air treatment
13. Water & drainage installations
14. Electrical system alterations and installation
15. Communication system, security, and access control
16. Solar Photovoltaics installation
17. External works (surfaces & fittings)
18. Contractor Overheads, Profit & Risk
19. Contractor Preliminaries
20. Professional Fees
21. Risk Allowances & Contingency
22. Construction Inflation

*The Preliminary Cost Estimate is based on the programme contained in Section 7.0 of this report. If the works are delayed beyond the timescales outlined in the programme, the cost of the works are likely to increase. The extent of any delay and the prevalent conditions in the construction industry at that time will determine the extent of the change in cost.

9.0 Risk Management and Risks

As is normally expected on a development / redevelopment project, this scheme has a number of risks. The actual risks, their 'risk rating' and the ability of the team to influence them will constantly change as the project progresses through the development process.

The project keeps a 'Risk Register' which identifies the risk, then assesses its potential impact and probability of occurring to arrive at a 'Risk Rating' for each risk. The 'Risk Rating' helps prioritise the importance of the risks for that particular stage of the project. The strategy to deal with each risk is identified and owners / actions detailed. The risk register is a live document.

On this project, the team also utilises a 'Pertinent Matters Schedule' which captures the key actions across the project (including risk actions) and is reviewed at each project team meeting. This schedule ensures the key actions (& risks) are being managed and progressed throughout the duration of the project.

For the purposes of this Business Case, the 5 key Risks for the project can be summarised as follows :

1. **Lack of capital funding** : Capital funding for the amount set out in Section 8 is required to progress this project beyond the Planning Application Submission stage. Without further funding approval, the project will not be delivered.
MITIGATION : ECC Officers are exploring all potential sources of funding, including national government agencies such as Sport England.
2. **Delay in capital funding approval** : Securing the funding and approvals associated with such can take many months. The programme in Section 7 is based on continuous project delivery activity. If the project is paused whilst awaiting funding, this will alter the timeline set out in Section 7.
MITIGATION : This risk is accepted and its impact cannot be known until the point at which funding is secured / approved.
3. **Capital Cost overrun** : The actual capital costs experienced on the project are higher than the total cost forecast in Section 8 of this report.
MITIGATION : A Professional Quantity Surveying practice has been employed to provide a detailed Cost Estimate at this stage. The estimate is based on the design & works envisaged, with allowances for inflation and further contingency for unknown items. In addition, a formal Change Control Process is in place on the project. This manages & controls any potential changes in scope (& costs) during the design stage and will also manage any changes to the works (& cost) once the building contractor is appointed.

4. **Annual Business Plan trading position is not achieved** : The forecast annual trading position in Section 6.2 is not achieved and the facility is not financially sustainable. This could result in cuts to services, requirement for subsidy or even closure of the facility.

MITIGATION : Forecasts used in the business plan are based on a high level of prudence. Many of the incomes are benchmarked on current actual figures with prudent allowances for growth, whilst many costs are based on current actuals with reasonable allowances for cost increases and cost inflation. The most significant income stream – gym membership – has been subject to a separate, detailed assessment by a specialist consultant. This is included in Appendix B.

5. **The benefits of the project are not realised** : The expected benefits of this project are set out in Section 5.1. There is a risk the new Hub is not fully embraced by the community therefore does not improve the physical, social, mental and emotional wellbeing of the people of Wonford & beyond.

MITIGATION : Community Engagement on the project has been ongoing since 2019 to understand what the people of Wonford want. This has been captured in the evolved design to date.

Looking ahead, a large focus in the year leading up to opening the new facility will be on community activities, securing volunteers, arranging / organising social & wellbeing events, etc – all to build momentum and interest at the facility as soon as it opens. It will be important to launch and establish important support groups, services and community volunteers to promote a strong community hub during the first year – which will help promote the long term success of the hub. Additionally, the business plan includes ‘free to use’ sessions built into the financial modelling, to help promote community use and engagement with the facility once it is open. These sessions are detailed in Section 6.2.

10.0 Other Matters to Consider

The project includes many complex matters which need to be addressed at appropriate stages during the delivery of the scheme. To keep a log of these matters, a 'Pertinent Matters Schedule' is held on the project. This ensures the items are captured, reviewed and progressed at the most suitable & appropriate time. This schedule is reviewed during the project delivery stage and also at the Project Control Points.

The pertinent matters appropriate to highlight at Business Case level are :

Pertinent Matter	Comment
Disruption & potential closures of the community hall and sports hall during the building works.	The redevelopment will facilitate both halls generally remaining open. However, the nature of the works (including refurbishment works in the halls) will require closures and disruption at some time. The full extent, timing and durations will be established when a building contractor is appointed.
Formal agreement will be required from DCC in relation to the current lease arrangement for the Pheonix Centre. (ECC lease the premises to DCC, who lease it to WCLC)	A new facility for youth services will be provided within the hub. The creation of the new hub will require the demolition of the existing Pheonix Centre to build the central core of the new hub, which will require agreement to terminate leases, etc.
Charity Commission engagement and agreements.	Depending on the management & ownership structure of the new hub, the WCLC Trustees are likely to require advice from and agreements with the Charity Commission.
Trustees support and capacity – including any specialist advice & skills.	Depending on the management & ownership structure of the hub, WCLC Trustees may require capacity building and / or specialist skills and advice to support their involvement in the new hub.
Renegotiation / cessation of leases.	In addition to the DCC lease noted above, there will be the requirement to renegotiate leases, create new leases and / or terminate leases affecting ECC and WCLC, depending on the management & ownership structure of the new hub.

11.0 Next Steps

It is understood this business case will be presented to ECC Executive and Full Council during April 2024. It is also understood this document will be shared with Sport England, for comment and information

As outlined in Section 2 of this document, the main objective of this Business Case is to provide decision makers and key stakeholders with the information required to consider whether the proposed Community Wellbeing Hub should proceed beyond the Planning application submission stage.

The key aspects to consider in this process were noted as:

- 1) Will the new facility be commercially viable in the short, medium and long term?
- 2) Can it provide the benefits and outcomes desired by the Trustees and Exeter City Council.
- 3) Will the new facility be affordable to customers, particularly local residents.
- 4) Can the proposed facility ensure a long-term legacy for the commitment and dedication shown by the Community Centre and Leisure Centre teams over many decades.

If the decision makers and key stakeholders consider that the project should proceed beyond the planning application submission stage, a strategy, approach and timeline for securing the necessary £7m capital funding will be required.

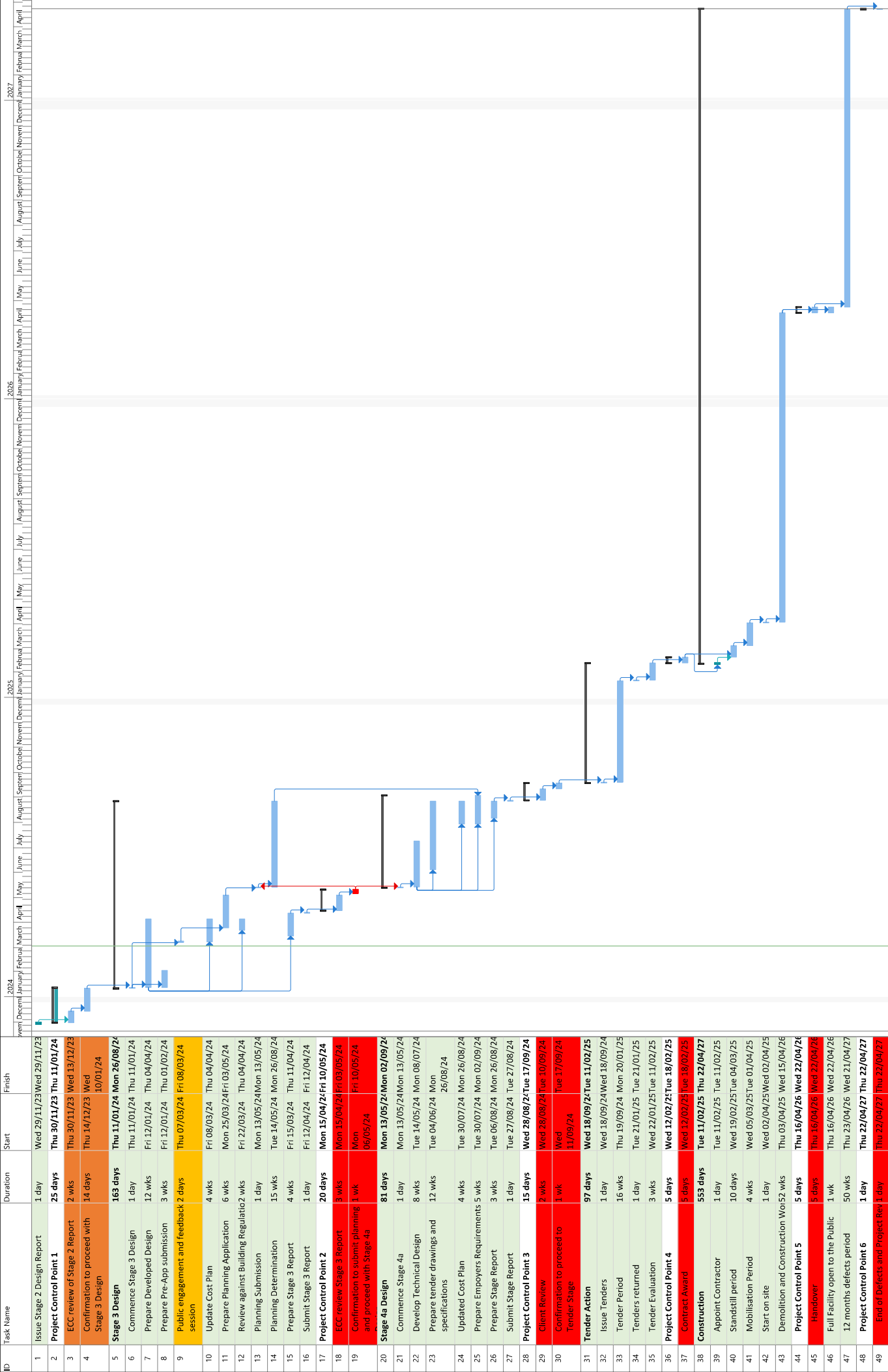
It is understood the strategy could include exploring a mix of funding which potentially includes CIL, government agency funding (such as Sport England), built facilities strategy review outcomes (& any financial implications / opportunities), community fundraising activities, and the like.

At present the project will stop once the Planning Application has been submitted.

Appendix A

Delivery Programme

Wonford Community Wellbeing Hub : Delivery Programme



Appendix B

Health & Fitness Memberships Note

Wonford Community Wellbeing Centre

Health & Fitness Memberships note

Date: 8th January 2024

The predicted start date of the new gym opening at Wonford Sports Centre would be April 2026.

It would be anticipated that the club live membership total pre-opening plus the sales for the month would be:

Club Live at the beginning of the month: 500

Sales for the month in April: 150

Attrition for the month: 5%

Club live at the end of the month: 625

The new gym is a 242sq m gym excluding changing areas, which will allow 60.5 pieces of kit at 4m per piece of kit. The make up of kit between cardio-vascular, variable resistance and functional are to be decided.

Generally speaking we would aim for 32 members per piece of kit which is in line with our current facilities at Riverside and Isca, this would equate to a membership maximum of 1,936 members.

By year 5 we are predicting a growth to 1,897members which equates to 31 members per gym station, - which is within the maximum number of 1,936 potential.

Year 1 Income: £360,126

Year 2 Income: £580,564

Year 3 Income: £680,521

Year 4 Income: £702,794

Year 5 Income: £734,017

These predicted annual income figures are based upon a Year 1 - Year 5 monthly average yield of £33. The current yield for Wonford Sports Centre is running at approximately £31 per month.

Should we wish to increase any of the total annual income figures there would be a need to review yield over the five-year period.

The monthly sales targets and attrition targets are in line with current predicted trends and produce a road map which is achievable with the resources identified to support its growth.

Appendix C

Photographs of the current building





