



# City of Doncaster Council

## Report

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7<sup>th</sup> February, 2024

To: Cabinet

Report Title: Capital investment & service enhancements at the Doncaster Dome and Thorne Leisure Centre

Relevant Cabinet Member(s)	Wards Affected	Key Decision?
Nigel Ball	All	yes

### EXECUTIVE SUMMARY

1. City of Doncaster Council has over the past 4 years undertaken a programme of significant capital investment to its leisure facility stock with an investment of over £18m across several facilities.
2. Following on from completion of Askern Leisure Centre works are underway to complete phase one of Thorne Leisure Centre and prepare to commencement of phase two the adaptation of sports hall to become leisure and wellbeing facility.
3. To support the refurbishment of Thorne Leisure Centre Sport England are providing funding of £1.210m to enhance the offer with a focus of helping DCLT transition the centre to provide a greater wellbeing and health offer through Physical activity.
4. As part of this approach to the investment in our leisure facility stock, we are proposing we commence refurbishment works at the Dome that will bring much needed investment, support the long-term service provision at this location and in turn the viability of Doncaster Culture and Leisure Trust.
5. The Dome was built in the late 1980's, opening in 1989, at the time being one of the largest leisure facilities in Europe and a corner stone of the development of the 130-hectare airdrome site which is now known as Lakeside.
6. In the mid 1980's Doncaster Metropolitan Borough Council decided that a new approach was needed to help rejuvenate the borough and saw investing in leisure and tourism as a catalyst for regeneration, drawing in people from further



afield, making the town a more attractive location for new business and industry, while at the same time fulfilling a social function by providing new amenities for the local population.

7. Since opening in 1989, the Dome has performed this function, servicing generations of Doncaster residents, as well as acting as key cultural asset through place making, supporting inward investment and development.
8. This report will set out the capital investment and revenue to refurbish and significantly enhance the key service functions of the Dome and Thorne Leisure Centre.
9. The Dome will have particular focus on The Lagoons. In addition, the main entrance and significant elements of the building fabric and mechanical and electrical system that require investment and are therefore in scope at the Dome.
10. Thorne will focus on install of mezzanine to allow build of bowling and leisure offer with upper floor to include wellbeing studio, gym and exercise space
11. The Dome, pre pandemic contributed circa £1.9m, after direct costs to the Leisure Trust, with The Lagoons the main economic driver in the Dome, accounting for £700k of this figure. Meaning the Dome's profits provided operational subsidy to maintain the operation of the remaining community leisure centres in DCLT's portfolio.
12. The achievement of the financial performance of the Dome, supported the other leisure venues in community settings and offset central overheads, meaning the Trust, pre pandemic remained a low-cost operator with a service cost of £250k per annum.
13. Without the surplus's generated at the Dome, or additional revenue support from the local authority, the wider leisure provision would be vulnerable to closure or reduced provision. This is due to the community venues requiring a direct subsidy of £245K, pre pandemic.
14. The Trust employs circa 420 people, with the Dome accounting for 43% of this figure, with additional opportunities for employment arising from the seasonal event programme. The trust has a strong track record of developing its staff retaining skills locally with many of the management team having worked through the structure of the organisation.
15. Currently, 83% of expenditure outside of utilities and payroll, circa £2.7m is spent locally on delivering the services of the Trust, without the Dome this would result in a significant reduction on this figure
16. As with all leisure provision, the cost to deliver the service has increased due to the external impacts of increased utility costs; pre pandemic venue costs for the Dome were circa £600k, 22/23, utilities were £1.8m, the cost-of-living crisis

affecting the ability to fully recover pre pandemic income levels and customer behaviours, particularly in relation to health and fitness.

17. The Lagoons in 23/24, is however exceeding target and the latest projected contribution is £944k, demonstrating the importance of this facility and activity both to the Trust for financial stability, but also to the communities the venue serves, with circa 275,000 visits per annum to the Big Splash
18. The recommendation to include business development within the capital investment scope will see additional footfall of 125k per annum, projected to generate an additional £790k per annum, after direct expenditure into the Trust, which is available to fund the borrowing costs and potentially addressing some of the funding gap being suffered due to the increased utility costs.
19. Previous capital investment works, at the Dome and Adwick Leisure Complex, saw footfall increase by between 12.5% – 23%, and this was without the inclusion of additionality. On a smaller scale, we have seen increased footfall to the aquatic's sessions of 33% at Askern Leisure Centre.
20. This reports focus is on the Dome and Thorne for the reasons outlined within the report. However, as a key part of the Cabinets overall support and commitment to leisure facilities across the City, we will commit to a report to be brought forward outlining the options and feasibility assessment in relation to the pool for Edlington.

## **EXEMPT REPORT**

This is not an exempt report.

## **RECOMMENDATIONS**

21. To agree capital investment of £14.427m and revenue support of £1.1m to enable refurbishment and enhancement works to take place that will return the Dome to a high-quality leisure offer and at the same time support CDC's ambitions to reduce the service underwriting support moving forward from 2025. Works to include:
  - Lagoons refurbishment and enhancement including all ancillary areas
  - Entrance Refurbishment
  - Building fabric improvements
  - Mechanical and electrical system replacement
22. To agree implementation of the scheme, subject to approval of the capital programme at Full Council on 26 February 2024.
23. To allocate £1.1m from the Service Transformation Fund to provide revenue support whilst the Lagoons is closed.

24. To delegate to the Chief Executive and Chief Finance Officer acceptance of £1.21m grant funding from Sport England to enable phase two of Thorne leisure centre to be completed as intended with works including install of mezzanine floor, bowling alley, soft play facilities and two wellbeing studios, 55 station gym and flexible “bumping space” for local services to use.
25. To receive further reports in relation to the investment requirements for Leisure facilities and the options appraisal in relation to Edlington Pool.

### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

26. Restoration and maintaining the position of the Dome’s original goal of the venue; to provide a premier, place making destination in Doncaster, offering an attraction worthy of a city, retaining, and increasing jobs and employing locally. Meeting the needs of the families and young people with changing social expectations to 30 years ago.
27. Retain the aesthetic of a historic, grade II building, while still addressing energy and carbon emission expectations bringing the running costs down and working to offer attractions and services at reasonable prices.
28. To be a regional destination and attraction to tourists and bring economic inflow to the city, through place making activity and facilities not found elsewhere in the sub region.
29. Doncaster has persistent levels on inactivity which impact on the health and wellbeing of our population. Approximately a third of residents do fewer than 30 minutes of moderate activity each week, which is less than 5 minutes a day. The Dome alone has over 4500 gym members and its wider offer of pool and skate attracts significant numbers of young people improving the health and wellbeing of our residents by extending the wellbeing offer available and providing an environment that fosters physical activity.
30. Thorne’s development will focus on local need and in particular the wellbeing studio and space to be designed to support the community to tackle its local health conditions and issues. This guided and recognised as apriority action within the Boroughs Physical Activity and Sport Strategy “Get Doncaster Moving” allowing this investment to further enhance our community offer.

### **BACKGROUND**

31. City of Doncaster Council has over the past 4 years and continues to undertake and plan a programme of significant capital investment to its leisure facility stock at a time when many local authorities are reducing investment and closing centres,
32. CDC has invested over £18m across several of its facilities across the borough and has an ongoing commitment of investment, enabling Doncaster Culture and Leisure Trust to deepen its work to support the health and wellbeing of the

residents while at the same time providing a leisure offer that is modern and fresh.

33. This report as part of our investment approach, is proposing we undertake the following actions that will be outlined in further detail below.
  - Agree capital funding for the Dome.
  - Delegate acceptance of funding from Sport England for Thorne Leisure Centre refurbishment.
  - Undertake and report upon the option appraisal of CDC's in relation to Edlington pool
34. We are proposing through CDC capital investment we commence refurbishment works at the Dome that will bring the facility in line with those that have had investment and ensure long-term viability of Doncaster Culture and Leisure Trust.
35. Options appraisal of a rebuild rather than refurbishment, identified costs of up to £60m. This is based on recent new build leisure complex costs in Exeter and Spelthorne where a wet and dry facility with ancillary features cost between £43.5m - £50m. These venues did not include the same facility mix as the Dome, with both ice-skating pads and events auditoria not part of the build. To achieve the same leisure and place making offer, it is estimated would be circa £10m, hence the projected cost of £60m.
36. Full refurbishment costs for the Dome are, at RIBA stage 2, circa £34.6m, therefore on current market information, rebuilding is nearly 75% more expensive.
37. The Dome was designed, and construction led by Faulkner-Brown Hendy Watkinson Stonor for Doncaster Metropolitan Borough Council, between 1986 and its opening in 1989. The building is considered architecturally import to the nation that it was listed at Grade II in November 2023.
38. The Dome is regarded as an architecturally striking and inventive building for its time. Ambitious both in scale and appearance, and at the time of construction demonstrating an innovative and modern design through the use of High-Tech structural steel frame.
39. At the time of construction, it was the largest leisure centre in Europe, widely published both nationally and internationally, and winning awards from RIBA (1991) and the International Olympic Committee and International Association for Sports and Leisure Facilities (1993).
40. On opening the Dome attracted over a million visitors in its first year and has continued to have footfall, pre pandemic of between 1.05m and 1.3m, dependant on event activity and in 2023 attracting 724k visitors.

41. Between 1989 and 2011 the Dome was run as a stand-alone leisure trust managed on behalf of Doncaster Council. In 2011 all CDC facilities, the Dome, and Dearne Valley Leisure trust were merged into one overall charitable trust, Doncaster Culture and Leisure Trust (DCLT) to operate the stock of facilities.
42. This provided a uniformed service across the borough and enabled operational economies resulting in pre-pandemic, DCLT being in receipt of £250,000 revenue funding for the whole leisure portfolio, and achieving a 98.2% recovery ratio, one of the best financial performances in the UK. Capital monies were allocated on an annual basis, determined by health and safety or operational need, meaning the delivery of a low-cost Trust.
43. The achievement of this position was in the main, due to the success of the Dome and the contribution of surpluses to support the community leisure venues and offset central overheads.
44. The cost-of-living crisis is affecting the ability to recover fully pre pandemic income levels which is further exasperated by the aging and worn offer provided by the lagoons entrance and system failure of the mechanical and electrical systems.
45. The last significant investment into the Dome was in 2013, where air handling units were installed in The Lagoons and The Ice Caps, the venue is now in a critical position with regard business continuity of key profit centres, particularly The Lagoons. Recently the venue has experienced issues with heat to the Lagoons area, resulting in a daily loss of income of circa £7.5k.
46. These failures of mechanical systems are partly due to having to prioritise maintenance meaning nonessential systems are not replaced. Surveys conducted by Faithful & Gould in 2021, identified that the Dome would require circa £23m just to undertake essential condition survey works that enabling the building to continue to operate. Further assessments have been undertaken and the most recent RIBA Stage 2 report has noted a sum of £40m to bring the Dome modern standard that provides a wellbeing and leisure offer fit for future generations.
47. As highlighted previously, the Lagoons is the main profit centre for the Dome and Trust, therefore possessing the most significant risk to improving DCLT's financial position and maintaining a viable operator for all our leisure centres. The key risks would be if we are required to close The Lagoons due to significant failure of systems or the offer continues to fall short of what is expected in an ever-pressured leisure market with competing offers to attract the leisure pound.
48. Therefore, it is recognised a phased approach must be taken to ensure the fabric of the building while at the same time maintaining the viability of the operator. It is through this investment, and by prioritising the areas mentioned for investment in this phase.

49. As works would require specialist knowledge and skills CDC procurement supported the appointment of Alliance Leisure a national development partner, specialising in leisure and hospitality construction as employing agent. The process to appoint provide confidence that market was tested ensuring best value.
50. Working with Alliance Leisure, we have prepared a scope of works for the Dome, which address the following principles:
- Condition survey work, addressing building fabric and health and safety
  - Refurbishment work, addressing customer facing areas such as toilets and changing rooms
  - Development work, addressing the ambition to reduce the service fee currently in place to support the recovery of the Trust in the services they deliver
51. The works would include:
- replacement of pool filtration plant, utilising energy saving micro filtration, also resulting in increased water quality meaning reduced use of chemicals, which improve the customer experience
  - replacement of electrical systems resulting in improved functionality of the systems and ability to monitor applications reducing usage
  - replacement and upgrade to heating systems
  - replacement and upgrades to lighting
  - completed glazing replacement, resulting in energy savings
  - roof replacement and where possible introduction of improved thermal insulation
  - improvements to heating, air and ventilation systems to better respond to seasonal changes, resulting in improved management of utility unit usage
52. This work will significantly upgrade the building providing longevity to its future while at the same time utilising modern systems and materials that will reduce energy consumption and carbon emissions, while at the same time improving the environment for all in the building. Further works would include:
- refurbishment and repair of structural steelwork
  - replacement and upgrades to changing cubicle and locker systems
  - pool lining refurbishment
  - wall and flooring fabric refurbishment
  - enhancements to entrance atrium
  - addition of concierge pod to front of house
  - improved food and beverage offer
  - addition of 2 new flumes and associated plant
  - addition of external 'splash pad area'
  - digital entrance kiosk station
53. These works alongside the mechanical and electrical would return the areas to their former glory as well as introducing new exciting offers that will once again position the Dome's lagoons as one of the premier regional if not national leisure pools.

54. The programme of works has been costed at RIBA stage 2 and will require an investment of £14.427m. A breakdown is shown below:

	<b>£m</b>
Building & Construction (e.g., roofs, walls & windows)	£4.929
Mechanical & Electrical (e.g., pool plant, heating)	£2.867
Equipment	£2.850
Overheads	£3.781
<b>Total</b>	<b>£14.427</b>

55. The works are projected to take up to 12 months and require the Lagoons to close, along with the main entrance and associated secondary spend areas. This will affect the Trust's revenue position for 2024/25, by circa £1.1m. However, the projected operational recovery figure once reopened, would support CDC's ambitions to reduce the service fee underwriting moving forward.

56. It is to be noted that all other services will remain open while the works are undertaken including skating, gym, events etc.

57. The £14.427m of works will be funded from £10.108m from a reserve set aside in the 2023/24 budget to support the capital programme and £4.319m of borrowing, further details are provided in the financial implications.

58. Once these works are complete, further Cabinet reports will be brought forward outlining the required works, business justification and resourcing.

59. Thorne leisure centre was built in in 1967 including 4 lane, 25-meter pool and 4 court badminton hall. In 2004 further investment was made with refurbishment of changing rooms and install of small gym. Following these works very little further work has taken place to maintain or enhance the offer.

60. As part of the review of our leisure stock, works were undertaken to re view the service offer at Thorne and align better to local need while also at the same time improving viability of the facility and ensuring the building and services were fit for purpose. It was decided a two-phase approach be taken with phase one being

- Refurbishment of building fabric and new thermal roof.
- Complete refurbishment of all mechanical and electrical systems as well as new fully integrated building management system.
- Introduction of hybrid air source and gas back up heating system.
- Complete refurbishment of pool changing rooms pool hall and pool tank.
- Install of changing places.
- Install of new reception area and viewing gallery



61. Phase two of the work at Thorne Leisure Centre would focus on reconfiguring the sports hall to provide a wider offer that would support residents' health and wellbeing as well as building on its leisure offer. To achieve this construction of mezzanine floor would allow the hall to become a two-floor facility with lower floor including:

- Bowling alley
- Soft play area
- Food and beverage offer,
- Bumping spaces for use by local and borough wide services

Upper floor would contain:

- 2 wellbeing studios
- Consultation space
- Dry side changing rooms
- 55 station gym

62. Cost of phases 1 and 2 are £8.4m of which £7.2m is provided by CDC and £1.21m is Sport England grant funding subject to the completion of an Exchequer Funding Agreement (EFA) between Sport England and the Council. The Council has not had sight of the EFA yet, however Sport England have allocated this funding specifically for Thorne Leisure Centre to further enhance the refurbishment with a focus on health and well-being. It is to be noted that new build costs would be circa £22m, making refurbishment a cost-effective route to providing a wellbeing and leisure offer for Thorne, Moorends and the wider communities.

63. Edlington Pool has been closed since March 2020 and was programmed for refurbishment. Following surveys, it was identified that economic repair was not viable and new build option was costed and subsequent bid as part of the Governments Levelling Up Fund 2 were made to finance the capital cost. Unfortunately, the bid was unsuccessful and was not supported in round 2 or 3.

64. We are now reviewing our approach and as part of the wider Regenerative Edlington work we wish to reassess our approach and to maximise opportunities to support the health and well-being of residents including maintaining access to a pool in Edlington.

65. City Doncaster Council will progress this work and bring to Cabinet an option appraisal in relation to Edlington pool for consideration and approval in the context of the wider plan for the area

**OPTIONS CONSIDERED**


- 66. To provide capital investment and underwriting or the Dome to allow works to be undertaken to refurbish and improve the areas mentioned in point 7 of this report
- 67. To accept offer of Sport England grant monies to support Thorne Leisure Centres refurbishment.
- 68. To undertake options appraisal for consideration by cabinet of our approach to Edlington pool
- 69. Not to provide capital investment and revenue underwriting to allow works to progress to improve Dome the areas highlighted in point 7 of this report.
- 70. Not accept offer of grant monies for Thorne leisure centre resulting in not achieving the full wellbeing offer needed by the community.
- 71. Not agree to undertake options appraisal for Edlington pool resulting in inability to progress development of the pool.

**REASONS FOR RECOMMENDED OPTION**

- 72. The recommendations paragraphs 21 -25 are based on securing and maintaining the position of DCLT to deliver the leisure service for the City of Doncaster Council.

**IMPACT ON THE COUNCIL’S KEY OUTCOMES**


73.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 <b>Tackling Climate Change</b>		✓		
<p>Comments: Leisure facilities those that have pools tend to be one of the largest individual consumers of energy that Local authorities own. The Dome is a significant consumer of both gas and electricity to heat the pool and warm the building. At the time the building was designed (1986) climate emergency was not concept taken into account and therefore the dome is not the most efficient building to manage.</p>				


It has therefore been central to the design of the works and additions that they are as efficient as possible reducing consumption and prolonging life of the equipment resulting less waste.

We need to recognise that it is difficult to mitigate all wastage of energy due to the initial building design and as the buildings heating systems are gas operated, we won't be able to eliminate carbon emissions fully, but will be able to better manage system and reduce usage.

In addition, we need to recognise as a regional facility any improvement will generate interest, meaning increase journeys from the public to use the new features. We have and will strength our active travel plans to help mitigate some of these additional journeys and have already installed EV points to support travel by electric vehicles.

 <b>Developing the skills to thrive in life and in work</b>	✓			
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Comments: DCLT have a developmental programme for their workforce offering apprenticeship opportunities to upskill and develop our team. We recognise that an apprenticeship offers a holistic approach and bridges skills gap that colleagues may have from academic studying and prepares them with confidence to grow within the company. DCLT pride their selves on developing their team and many of their leadership today have grown within the organisation and DCLT will continue to develop and support this. Having positive role models to mentor and support employees.





 <b>Making Doncaster the best place to do business and create good jobs</b>	✓			
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Comments: Once the project is complete, we will ensure that that we have recruitment activity that engages the whole community within Doncaster. Focusing on with people who may need training and additional skills and recognising the potential skills people can bring to enhance our team.

We will offer free training to armed forces community to train as a lifeguard as we recognise the vast number of skills and knowledge they can bring to our workforce.


DCLT have strong relationships with the local job centre and work to provide opportunities for people to join our growing workforce. We offer programmes with support and training, with an onsite coaching and mentoring work placement opportunities.

We will engage schools to provide opportunities to young people to gain employment, with free training. We will continue to work to offer meaningful work experience to provoke interest in the leisure sector and begin developing our future workforce.

 <b>Building opportunities for healthier, happier and longer lives for all</b>	✓			
<p>Comments:</p> <p>The pivot of the Trust to wellbeing from merely just a leisure service will see improved access to health and wellbeing services at the Dome. This investment will be a catalyst for closer working with local health care providers, building on the Choose brand across fitness, cycling and aquatics.</p> <p>Access to more facilities for young people and families will promote healthier lifestyles increasing physical activity and supporting mental health for the future generations of the city. Encouraging the young people to engage in the recommended 60 physical activity guidelines.</p> <p>The pivot of DCLT from a leisure provider to a health and wellbeing service will see the Dome at the heart of this strategy. Strategically placed centrally, the venue has good transport links with access both locally and regionally, enabling cohorts to attend services easily. DCLT are currently positioned to pilot a cancer pre and rehabilitation hub at the Dome, which if successful will serve the wider borough and South Yorkshire Mayoral Combined Authority. The deepening of wellbeing in the Trust's strategic plan will also be extended across the borough, with the Dome hosting the central support functions.</p>				
 <b>Creating safer, stronger, greener and cleaner communities where everyone belongs</b>				✓
<p>Comments: The development works will allow for refurbishment of assets and will promote the Trust's environmental and sustainability programme in the reduced use of chemicals and energy units</p>				
 <b>Nurturing a child and family-friendly borough</b>	✓			
<p>Comments: The Dome has been a family destination for fun and enjoyment since opening in 1989, seeing local, regional, and National visitors. It provides opportunities for the whole family to spend quality time, at affordable prices. Within the Dome, we offer family activities that allow family to include physical activity and enjoyment into adulthood. We are offering a pricing structure that is affordable for families and our programming offers all year-round family enjoyable fun.</p>				
 <b>Building Transport and digital connections fit for the future</b>				✓

Comments:  
 We will use technology to control the management of pool area. This will be a central system that allows for efficiencies with management of the pool.

Our digital platforms for booking allow us to build a journey for the customer including offers, visit planning and management.

 <b>Promoting the borough and its cultural, sporting, and heritage opportunities</b>	✓			
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Comments: As previously mentioned in the mid 1980's Doncaster Metropolitan Borough Council decided that a new approach was needed to help rejuvenate the borough and saw investing in leisure and tourism as a catalyst for regeneration, drawing in people from further afield, making the town a more attractive location for new business and industry, while at the same time fulfilling a social function by providing new amenities for the local population.

Over the 33 years since the Dome opened it has provided one of the central cultural and sporting assets not only for the borough but in the region.

With the recent listing as a grade 2 building the Dome has formally become part of our and the nations architectural heritage making us the custodians of this asset for all.

The works planned will not only secure the buildings future but once again bring it to a standard that Doncaster can be proud of and introduce new generations to the Dome, restoring the place making, destination making driven premise the building was originally conceived to deliver.

<b>Fair &amp; Inclusive</b>	✓			
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Comments: DCLT actively work to ensure that Doncaster is fair and inclusive place to live and work. We ensure that within our workforce staff are treated fairly and that everyone is treated with respect. We extend our expectation to our customers and have an etiquette we expect from our visitors. DCLT have supported the local 'Choose Kindness' movement and pledged this to be a key message for our organisation. We will continue to engage with the local authority to ensure that we are collectively creating City that is inclusive and that people feel they are fairly treated and offer compassion and respect to others.

**Legal Implications [Officer Initials: SRF | Date: 23.01.24]**

- 74. The Council may use its power under Section 1 of the Localism Act 2011, which provides the Council with the general power of competence, allowing them to do anything which a person, may generally do.
- 75. S111 Local Government Act 1972 states that a local authority shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated

to facilitate, or is conducive or incidental to, the discharge of any of their functions.

76. In accordance with Section 19(1) of the Local Government (Miscellaneous Provisions) Act 1976 “A local authority may provide, inside or outside its area, such recreational facilities as it thinks fit....”
77. Section 19(3) further provides that “A local authority may contribute— (a) by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing any recreational facilities which the authority has power to provide by virtue of subsection (1) of this section” In this statute “voluntary organisation” means any person carrying on or proposing to carry on an undertaking otherwise than for profit, which would include DCLT.
78. Contracts for any works or services in relation to this project must be procured in accordance with Contract Procedure Rules and appropriate legislation as well as the requirements of any external funder. Legal advice will be required in relation to the Funding Agreement and it is essential that the lead officer for the project is fully aware of the terms of that agreement and that the project is delivered accordingly.

#### **Financial Implications [Officer Initials: MS \_\_ | Date: 24/01/2024]**

79. As stated above the cost of the capital works is £14.427m. The works can be funded from £10.108m that was set aside in the 2023/24 budget to support the capital programme. This was referred to in the 2023/24 revenue budget report approved by full Council on 27 February 2023.
80. The balance of £4.319m will be funded by borrowing. The cost of borrowing will be £0.312m per year
81. It has been assumed that the works will have a useful economic life of 40 years and that interest will be payable at 4.73% (based on PWLB rates at the time of writing).
82. The borrowing can be funded from the additional net income of £0.791m which is anticipated to be achievable once the works are complete. The additional income will mean the subsidy the council pays to DCLT can be reduced. The Council has been paying additional subsidy to DCLT since the onset of COVID. In 2025/26 the subsidy planned within the Council's Medium-Term Financial Strategy is £0.882m, so there is scope to reduce this. The project will generate additional net income in excess of the borrowing costs (£0.791m less £0.312m = £0.479m). This surplus could be used to fund the additional works at the Dome which are not covered by this report.
83. The project cannot be implemented, and no expenditure can be committed, until the capital programme is approved at full Council on 26 February 2024.

84. As stated above whilst undertaking the works the Lagoons will be closed and therefore there is a net cost of £1.100m to DCLT's revenue budget. This can be funded by additional subsidy from CDC paid from the Council's Service Transformation Fund (STF). The fund has an uncommitted balance of over £7m so is sufficient to meet the costs.
85. The STF was established to target investment that will deliver future cost benefits, be it savings, better value for money, increased income or reduced costs and cost pressures. There is a finite resource available and therefore the fund needs to be prioritised and should be only accessed as a last resort after considering other options, starting with the effective use of staff resources.
86. The Council's approved capital programme currently includes a £7.417m budget for phase 1 and 2 works at Thorne Leisure Centre which spans three financial years 2022/23 – 2024/25. The £7.417m is predominantly funded from corporate resources with a minor allocation of £33k from the Changes Places Grant. The total cost for both phases is now expected to be £2.5m for phase 1 and £5.9m for phase 2. The council has received communication from Sport England that a conditional award of £1.210m has been approved for Thorne Leisure Centre. Before this funding can be released City of Doncaster Council and Sport England must formally agree and execute an Exchequer Funding Agreement (EFA), which includes a number of conditions. At the time of producing this report the Council has not had sight of the EFA. Once formally agreed the Council will need to ensure the conditions of the funding are adhered to ensure there is no clawback. The Council's capital programme will also need to be updated to include the increased cost and additional funding.
87. As stated above the total cost of the work is expected to be £8.4m and the funding available is ££8.630m (including the existing £7.417m budget plus the additional Sport England grant of £1.210m), that means £200k of the existing budget may not be needed.

#### **Human Resources Implications [Officer Initials: SB | Date: 19/01/2024]**

88. There are no direct human resource implications in relation to this report.

#### **Technology Implications [Officer Initials: PW | Date: 18/01/24]**

89. There are no technology implications in relation to this report.

#### **RISKS AND ASSUMPTIONS**

90. As with any major project full risk register and strategy will be developed prior to the onset of the programme. Through this process the following key risk will be considered in more detail.
91. Listing of the building precludes development works requiring significant redesign of the works. Discussion with English heritage and CDC heritage officer

have already commenced to ensure clear and timely communication and approvals are provided.

92. Build costs increase following onset of construction resulting in budget pressures to the programme. Contingencies will be built into the costings and tight management will be undertaken to manage to avoid the need of value engineering to maintain financial envelope.
93. Revenue allocation has been predicted on a 12-month closure of the lagoons and impact on associated income streams. The management of the works programme will be delivered through strong governance and management procedures involving DCLT. CDC external support from agencies such as Sport England capital programme Specialists and Alliance Leisure.

## **CONSULTATION**

94. Consultation has been undertaken with the following:
  - Mayor
  - Portfolio holder for Public Health, Communities, Leisure and Culture
  - Director of Corporate Resources
  - Assistant Director, Chief Executives
  - Interim Director of Public Health
  - Assistant Director, Corporate Resources

## **BACKGROUND PAPERS**

95. Outside Design Visuals Dome

## **GLOSSARY OF ACRONYMS AND ABBREVIATIONS**

96.
  - DCLT Doncaster Culture and Leisure Trust
  - CDC City of Doncaster Council

## **REPORT AUTHOR & CONTRIBUTORS**

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