

SUBJECT: CALDICOT LEISURE CENTRE - FIRST FLOOR FITNESS SUITE INVESTMENT

MEETING: COUNCIL

DATE: 25th JUNE 2026

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

To seek Councils approval for the proposed refurbishment and reconfiguration of the Fitness Suite and associated first floor areas at Caldicot Leisure Centre, and for the associated funding arrangements to enable the scheme to progress through the UK Leisure Framework, subject to final affordability and cost certainty. The purpose of the investment is to modernise facilities, improve customer experience, increase capacity, and protect and grow fitness memberships.

2. RECOMMENDATIONS:

- 2.1 To approve the proposed refurbishment and reconfiguration of the Fitness Suite and associated first floor areas at Caldicot Leisure Centre, as set out in this report.
- 2.2 To approve the proposed allocation of £300,000 of capital match funding and £301,429 of borrowing to support delivery of the scheme, with borrowing costs to be supported through additional income generated within leisure services.
- 2.3 To approve the progression of the RIBA Stage 4 development work and the proposals set out in this report, including delivery of the refurbishment scheme through the UK Leisure Framework, subject to final affordability and cost certainty.

3. KEY ISSUES:

- 3.1 The proposed investment aligns with the Corporate and Community Plan, which highlights the need for improvements at Caldicot Leisure Centre, this facility has received comparatively less investment compared to the other fitness offer across Monmouthshire. Caldicot Leisure Centre is a key leisure asset within the MonLife Active portfolio, which supports a healthy and active Monmouthshire where

loneliness and isolation are reduced, well-being is promoted, and people are safeguarded.

- 3.2 The existing gym and first floor fitness areas are dated and no longer reflect modern customer expectations, limiting the centre's ability to compete with private sector providers and leisure trusts. The fitness equipment at Caldicot Leisure Centre is over 18 years old and no longer fit for purpose. There is a clear need for investment in the facility, which remains necessary to address the condition of the site and to support its longer-term sustainability and service offer.
- 3.3 The Council has previously submitted two Levelling Up Fund bids to support the comprehensive refurbishment of the site, reflecting the longstanding recognition of the importance of investment at Caldicot Leisure Centre. Failure to invest in the fitness suite presents a risk to service sustainability. Outdated facilities impact on member retention, limit growth in fitness memberships, and increase the likelihood of customers choosing alternative private or trust run facilities. Given that fitness memberships represent a significant proportion of leisure income, this presents a direct financial risk to the service.
- 3.4 Evidence of demand is supported by regular monitoring of membership trends and customer feedback. Membership cancellations and engagement with users consistently identify dissatisfaction with the outdated fitness offer, with customers highlighting ageing and unreliable equipment compared to other sites. Wider engagement indicates that a modernised facility would support both improved retention and growth in membership.
- 3.5 Alliance Leisure Services Ltd has undertaken a feasibility assessment for the refurbishment and reconfiguration of the main gym and first floor fitness areas. The proposed scheme includes the creation of a modern 40-station fitness suite, reconfiguration of specialist fitness areas, refurbishment of studios, circulation spaces and toilets, and improvements to mechanical, electrical and plumbing systems.
- 3.6 The scope of works includes: (*Appendix 1*)
- Refurbishment and reconfiguration of the main gym to deliver a 40-station fitness suite.
 - Refurbishment of a smaller gym area (Bio Circuit Strength/Easyline).
 - Refurbishment of first floor studios, multipurpose areas and circulation spaces.
 - Full refurbishment of male, female and accessible toilets.
 - Upgraded flooring, lighting, power, data and decoration throughout.
- 3.7 A high-level indicative capital cost of £601,429 has been identified. This figure will be refined through pre-construction design, surveys and cost planning to provide cost

certainty prior to entering into a construction contract. Identified risks include the presence of asbestos and ageing electrical infrastructure, which have been reflected through specific contingencies.

- 3.8 The scheme includes improvements to accessibility beyond compliance, including increased space between equipment, provision of inclusive and adaptable equipment, and layout changes to support wheelchair users and those with mobility needs. Trained staff and tailored programmes will be available to support inclusive use of the facility.
- 3.9 From a financial perspective, the proposal is intended to protect existing leisure income and generate additional recurring income to support the borrowing required. However, the current estimate remains indicative, and the financial case is dependent on the achievement of projected membership growth following completion of the works.
- 3.10 The affordability case should therefore be read on the basis that the income assumption will continue to be tested through the next stage of the project. Prior to any final commitment to construction, updated costs, borrowing implications and the latest assessment of membership growth, retention and wider income performance will need to be reviewed. If the projected income uplift is expected to be delayed or lower than forecast, mitigating actions would need to be identified and managed within the Leisure and Wellbeing service or brought back for further consideration as part of the final decision-making process.
- 3.11 The proposal aligns with the Council's strategic objectives around promoting healthier communities, protecting income streams, and ensuring leisure facilities remain fit for purpose, attractive and financially sustainable.
- 3.12 This investment would complement the site's existing outdoor facility improvements, including the replacement Multi-Use Games Area (MUGA), a new 3G facility, sports pitch LED lighting, the spin studio, alternative chemical dosing systems and swimming pool covers, and upgrades to the entrance and reception area, £500,000 of which was funded through an external grant.
- 3.13 The investment would also support a wider package of works proposed for Caldicot, including a replacement skate park, a replacement water recovery system, and completion of the multi-user route through the country park, alongside work with Caldicot Town Council as part of the development of the new placemaking plan, including proposals for quick-win public realm improvements in the town centre to test ideas and address issues identified by local stakeholders and communities.
- 3.14 The proposed investment plan would improve the facilities at Caldicot Leisure Centre and promotes healthy and active lifestyles for residents and visitors in accordance with the objectives and actions in the Community and Corporate Plan.

3.15 **People Scrutiny 28th May 2026**

People Scrutiny considered the proposals on 29 May 2026 and raised questions on demand and consultation, local competitiveness, inclusivity, attracting new users, financial viability and risk, accessibility, the wider strategic fit across leisure centres, digital inclusion, and specific design and community equity issues. Officers advised that demand is evidenced through user feedback and membership trends, with dissatisfaction linked to outdated facilities; that modernisation would improve competitiveness and increase footfall, drawing on comparable schemes; and that the scheme is intended to benefit a broad and diverse user base through accessible equipment and improved layouts. Concerns about funding and affordability were addressed by confirming that capital funding would be secured, subject to Cabinet approval, with contingencies and income projections supporting the borrowing case. Accessibility concerns were met with legislation and a fully inclusive design approach, alongside staff support. Issues relating to promotion, digital exclusion, and strategic positioning were addressed through a blended engagement and marketing approach, together with an emphasis on the centre's wider offer. Full minutes of the People Scrutiny discussion are included at Appendix 2.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING): INTEGRATED IMPACT ASSESSMENT, (includes equality, future generations, social justice, safeguarding and corporate parenting).

- 4.1 An Integrated Impact Assessment has been completed as part of the development of this proposal. The project supports a Healthier Wales by improving access to modern fitness facilities, a More Equal Wales through inclusive design including accessible toilet provision, and a Prosperous Wales by protecting and growing income that supports service sustainability. (Appendix 3)

5. OPTIONS APPRAISAL

Option	Benefit	Risks	Comments
Do Nothing	None	Retaining the existing facilities: • would increase the risk of declining memberships • loss of income, • reputational damage and would not address the ageing condition of the fitness areas.	Does not progress the ambitions set out in the corporate and community plan and may result in reduction of membership and customer dissatisfaction.

Limited Refurbishment – Equipment only	Provides some improvement through replacement equipment and may extend the life of the existing gym offer in the short term.	Would not address the wider condition, layout and customer experience issues and therefore: • may limit the impact on membership growth and retention • could require further investment in the short to medium term • would leave ageing infrastructure and associated maintenance risks largely unchanged.	May offer a lower initial cost, but it would not deliver the full service, income and customer experience benefits required.
Preferred Option –Full Refurbishment and Reconfiguration	Delivers a modern, competitive and accessible fitness offer, improves customer experience, supports membership growth and retention, and protects future income.	Key risks include cost pressures identified through detailed design and surveys, temporary service disruption during the works, and the need to achieve projected income growth to support borrowing costs.	PREFERRED OPTION The investment would deliver the greatest alignment with the corporate and community plan and support Caldicot Leisure Centres longer-term sustainability and service offer to the benefit of customers.

- **EVALUATION CRITERIA**

6.1 The success of the investment will be monitored through:

- Fitness membership growth and retention to increase income performance sufficient to support the financing costs, with mitigating actions identified where performance is below forecast
- Usage levels of the gym and studios
- Customer satisfaction
- Delivery of the project within the approved capital budget

- **REASONS:**

- 7.1 To modernise Caldicot Leisure Centre's fitness facilities to attract and encourage, protect and grow income, improve customer experience, and ensure the long-term sustainability of leisure services in the south of the county.

- **RESOURCE IMPLICATIONS:**

- 8.1 The indicative capital cost of the project is £601,429, subject to refinement through pre-construction work, surveys, design development and finalisation of RIBA Stage 4 cost certainty. The current estimate includes allowance for identified risks and contingencies, including asbestos and ageing electrical infrastructure, but this will need to be validated through the next stage of the project before any construction commitment is made.
- 8.2 The current funding proposal is to allocate £300,000 of capital match funding in 2026/27, together with £301,429 of borrowing. The expectation is that the borrowing costs would be supported through increased income generated within the Leisure and Wellbeing division. From a finance perspective, this requires a prudent assessment not only of the scale of the projected income increase, but also of the timing of delivery, the extent to which it represents net additional income, and the service's ability to manage any shortfall should performance not materialise as forecast.
- 8.3 The £301,429 borrowing would be repaid over a 10-year period, with estimated annual repayment costs of £40,000. The current modelling assumes that an additional 100 memberships across all facilities would generate approximately £41,400 of income per annum. Whilst review of previous membership trends following facility investment indicates that this level of growth may be achievable within 12 months of project completion, this remains a planning assumption rather than a guaranteed outcome. The final decision-making stage should therefore include an updated assessment of affordability, including sensitivity to lower or slower membership growth, clarification of whether the estimated income represents a gross or net contribution, and confirmation of the mitigating actions available if the forecast income uplift is not achieved in full. (Appendix 2)
- 8.4 Funding arrangements will be confirmed as part of the next stage of the project once RIBA Stage 4 cost certainty has been completed. No decision to proceed to construction should be taken until affordability, funding, projected revenue implications and the approach to managing any downside income risk are fully confirmed. Should final costs increase materially, or the income case weaken, the proposal should be brought back for further consideration before any contractual commitment is entered into.

- **CONSULTEES:**

- People Scrutiny
- Chief Officer for Place and Community Wellbeing
- Head of Service Leisure and Wellbeing
- Performance, Finance and Resources Manager
- Health, Fitness and GP Referral Manager
- HR Business Partner
- S151 Officer
- Head of Finance
- Strategic Leadership Team
- Cabinet Member for Equalities and Engagement

APPENDICES:

Appendix 1	Caldicot LC Fee Proposal and outline designs Appendix 1 - Caldicot Project Fee Proposal .docx
Appendix 2	Membership and Fitness Numbers across all facilities Appendix 2 Leisure Memberships.xlsx
Appendix 3	Integrated Impact Assessment IIA Caldicot Leisure Centre Investment .docx
Appendix 4	People Scrutiny Meeting Minutes People minutes 28th May 26.docx

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