

SUBJECT: CALDICOT LEISURE CENTRE - FIRST FLOOR FITNESS SUITE INVESTMENT

MEETING: PEOPLE SCRUTINY COMMITTEE

DATE: 28TH MAY 2026

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

To update the Committee on the proposed refurbishment and reconfiguration of the Fitness Suite and associated first floor areas at Caldicot Leisure Centre, and to invite the Committee to consider and comment on the proposal to progress the scheme through the UK Leisure Framework. 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 consider the report and comment on the proposed refurbishment and reconfiguration of the Fitness Suite and associated first floor areas at Caldicot Leisure Centre.
- 2.2 To undertake pre-decision scrutiny of the funding proposals set out in this report, and to make any recommendations to Cabinet in relation to the proposed allocation of £300,000 of capital match funding and £301,429 of borrowing, to be supported through additional income generated within leisure services.
- 2.3 To note that, subject to the outcome of scrutiny, Cabinet will be asked to consider and approve
 - the progress of the RIBA Stage 4 development work and the proposals set out in this report, including the delivery of the refurbishment scheme and the associated funding arrangements, 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 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.
- 3.5 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.
- 3.6 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.

- 3.7 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.
- 3.8 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.
- 3.9 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.
- 3.10 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.
- 3.11 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.
- 3.12 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.

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 considered 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.

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
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 as it delivers the greatest alignment with the corporate and community plan and service ambitions, subject to final affordability, cost certainty, prudent management of delivery risks, and a clear plan to manage any income underperformance should membership growth fall below forecast.

- **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:**

- 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
- 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

- **BACKGROUND PAPERS:**

- **AUTHOR:**

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