



CABINET – 19TH MARCH 2025

SUBJECT: CAERPHILLY LEISURE AND WELLBEING HUB

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval for additional financial support to the Caerphilly Leisure and Wellbeing Hub project

2. SUMMARY

- 2.1 The Council has secured £20m from UK Government's Levelling Up Fund towards the Caerphilly Leisure and Wellbeing Hub. Cabinet previously approved match funding of £13.6m. Costs for the project have increased since the original estimates in 2022 and an additional allocation of funding of £0.549m from the Community Infrastructure Levy and £0.770m from the capital programme contingency on a contingency basis is sought.

3. RECOMMENDATIONS

- 3.1 That Cabinet approve a further allocation to the Caerphilly Leisure and Wellbeing Hub of £0.549m from the Community Infrastructure Levy.
- 3.2 That Cabinet approve an allocation of £0.780m from the capital programme contingency on a contingency basis should the funding requirement not be addressed from other sources.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To enable the Caerphilly Leisure and Wellbeing Hub project to progress to construction.

5. THE REPORT

- 5.1 Investment has been secured from UK Government's Levelling Up Fund to build the Caerphilly Leisure and Wellbeing Hub. The new facility will be a vital community asset that will act as a catalyst for improved health and wellbeing, enhanced community resilience and ultimately improved living standards and increased life expectancy.
- 5.2 The Caerphilly Leisure and Wellbeing Hub will be a new, financially sustainable and accessible facility for the people of Caerphilly county borough and beyond. Built as a replacement for the ageing Caerphilly Leisure Centre it will offer:
- A six-lane community swimming pool with pool pod access, learner pool, leisure pool with flumes and interactive water features.
 - Express wellness spa including spa pool and heat treatments.
 - Children's adventure soft play integrated with sensory components.
 - Tag Active Arena
 - 4 court multi – purpose sports hall.
 - 2 squash courts.
 - 110-station fitness suite.
 - Multi-purpose community room (for multi-agency working, community events, children's parties etc.).
 - Future studio/group exercise studio, cycling studio, Innerva suite and consultation rooms.
 - Village changing rooms,
 - Café providing community space.
- 5.3 A bid to the UK Government Levelling Up Fund for £20 million was submitted in 2022 with agreed match funding from the Council totalling £13.6m made up of £10.6m from the Council's Wellbeing and Place Shaping Framework Earmarked Reserve and £3m from the Community Infrastructure Levy fund. Levelling Up funding of £20m was confirmed in October 2023 towards a total estimated project cost of £33.6m.
- 5.4 The design phases progressed well through 2024 with planning permission being obtained in June 2024. Unfortunately, the proposed main construction contractor who had been scheduled to start works on site in September 2024 went into administration shortly beforehand. Consequently, a new contractor has been engaged, and they have been undertaking a pricing exercise whilst some enabling works have been carried out on site allowing the project to progress, whilst ensuring that potential additional costs are not incurred. There has been nearly £4 million of expenditure on the project to date with a further £1.5 million committed to complete the current phases of work.
- 5.5 Total costs to deliver the facility have increased over the course of the project and a shortfall of £3.2 million remains following the completion of the latest pricing exercise. The increase in cost is due to a combination of factors including construction industry inflation, time delays, and design changes. The project team have been working to address the funding requirement.

Discussions have been held with Welsh Government over the use of monies freed up by a successful European submission that will be targeted towards the implementation of projects in Caerphilly Town. In principle, Welsh Government are content that these monies, which equate to £0.900m, can be used towards the Leisure and Wellbeing Hub development. The Shared Prosperity Fund Programme Board have endorsed the allocation of £0.971m of uncommitted funds in the 2024/25 Shared Prosperity Fund budget to the Caerphilly Leisure and Wellbeing Hub.

- 5.6 There is currently £0.549m available in the Community Infrastructure Levy fund and Cabinet are asked to approve the allocation of the full amount to the Caerphilly Leisure and Wellbeing Hub project. As summarised below, this would bring the approved additional project funding to £2.42m leaving a remaining funding requirement of £0.780m:

Source	£
Welsh Government Regeneration funding	£0.900m
Shared Prosperity Fund	£0.971m
Community Infrastructure Levy	£0.549m
Total	£2.42m

- 5.7 There are other opportunities to bridge the funding gap such as Welsh Government's Low Carbon Heat Grant, but this is not open for applications currently. Cabinet are asked to approve an allocation of £0.780m from the capital programme contingency on a contingency basis only i.e. to be drawn down only if it proves impossible to address the funding requirement from other sources. The total funding for the project needs to be in place to enable contract award.

Conclusion

- 5.8 Cabinet are asked to approve the funding arrangements as detailed above to allow this exciting project to enter the construction phase.

6. ASSUMPTIONS

- 6.1 Total project costs are based on the latest pricing exercise. There is a client contingency sum of £0.82m within the total project costs currently and it is assumed that this will be retained for the time being and will be reviewed as the construction phase of the project progresses.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An Integrated Impact Assessment was undertaken in connection with the original project proposal.

8. FINANCIAL IMPLICATIONS

- 8.1 The Caerphilly Leisure and Wellbeing Hub has an approved budget of £33.6m, this is funded by £20m UK Government Levelling Up Fund and £13.6m from Caerphilly Council funds.
- 8.2 The total cost has increased by £3.2m, a total of £1.871m funding has already been secured, £0.900m through Welsh Government funding and £0.971m through the Shared Prosperity Fund Programme. This leaves a funding gap of £1.329m.
- 8.3 It is recommended Cabinet approves £1.329m funding from Council funds to address the funding gap, £0.549m from the Community Infrastructure Levy and £0.780m from the capital programme contingency.
- 8.4 If the recommendations in this report are approved this would increase the Caerphilly Leisure and Wellbeing Hub budget to £36.8m. Funding would be £20m from the UK Government Levelling Up Fund, £0.900m from Welsh Government, £0.971m from the Shared Prosperity Fund and £14.929 from Caerphilly Council funding. External funding sources will continue to be explored where applicable to reduce the call on Caerphilly Council funding.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications

10. CONSULTATIONS

- 10.1 The consultees listed below have been consulted on this report and their views have been incorporated accordingly.

11. STATUTORY POWER

- 11.1 Local Government (Miscellaneous Provisions) Act 1976

Author: Robert Hartshorn, Head of Public Protection, Community and Leisure Services

Consultees:

Councillor Chris Morgan, Cabinet Member for Waste, Leisure and Green Spaces
Councillor Andrew Whitcombe, Chair Housing and Environment Scrutiny Committee
Councillor Shane Williams, Vice Chair Housing and Environment Scrutiny Committee
Richard Edmunds, Chief Executive
Mark S Williams, Corporate Director for Economy and Environment
Jeff Reynolds, Sport and Leisure Facilities Manager
Jared Lougher, Sport and Leisure Development Manager

Sue Richards, Head of Education Planning and Strategy and Programme Director
Place Shaping
Robert Tranter, Head of Legal Services and Monitoring Officer
Lynne Donovan, Head of People Services
Stephen Harris, Head of Financial Services and Section 151 Officer
Leanne Sykes, Deputy Head of Financial Services and Section 151 Officer
Allan Dallimore, Regeneration Services Manager
Ryan Thomas, Planning Services Manager
Ian Evans, Procurement and Information Manager

Background papers: **Report to Cabinet 29th June 2022 – “UK Government Levelling Up Fund Update”** and **relevant minute of meeting.**