REPORT TITLE: WINCHESTER SPORT AND LEISURE PARK IMPROVEMENTS

17 JUNE 2026

REPORT OF CABINET MEMBER: Cllr Kathleen Becker, Cabinet Member for Healthy Communities

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WARD(S): ALL

PURPOSE

To seek Cabinet approval for an exciting opportunity at Winchester Sport & Leisure Park (WSLP), enhancing and future-proofing the Council's flagship leisure asset to ensure it continues to evolve with changing customer expectations and remains at the forefront of health and wellbeing provision in the district.

Since opening in May 2021, WSLP has become a significant success story for Winchester, welcoming approximately 1.4 million visits annually and establishing itself as a central hub supporting healthier communities, active lifestyles and thriving places. As the centre enters its sixth year of operation, there is now an opportunity to build on this success and respond proactively to rapidly changing trends within the leisure and wellbeing market.

As owner of the asset, Winchester City Council has an important role in ensuring the facility continues to remain commercially competitive, financially sustainable and attractive to residents, visitors and future operators. Continuous investment in the Council's leisure infrastructure is essential to maintaining a modern, high-quality offer that responds to changing participation trends and customer expectations within the increasingly competitive leisure sector.

This report therefore seeks approval for a £740,000 investment through the Community Infrastructure Levy (CIL) programme to deliver a strategic enhancement to WSLP, supporting the continued evolution of the centre and ensuring it remains a modern, commercially resilient and attractive destination for residents and visitors. The proposed investment would transform underutilised space within the centre into a new wellbeing-focused offer including Reformer Pilates, recovery facilities and dedicated wellness warm-up and warm-down spaces, broadening the appeal of WSLP and responding to increasing demand for more holistic approaches to health and wellbeing.

The business case developed by Everyone Active demonstrates that this proposal represents a sound and sustainable investment, generating increased usage, improving the overall customer offer and supporting the long-term financial resilience of the facility. The proposal represents an opportunity not only to enhance the customer experience but also to strengthen the long-term sustainability and attractiveness of the asset, protecting its value and ensuring WSLP remains competitive for both existing and future operators beyond the current contract period ending in 2036.

This investment reflects a forward-looking approach to asset management and supports the Council Plan ambitions by investing in healthier communities, delivering sustainable services and maximising the value and impact of one of the Council's most significant leisure assets.

RECOMMENDATIONS:

Subject to budget approval by full Council as set out below, Cabinet is asked to:

1. **Approve** the allocation of £740,000 of District-wide Community Infrastructure Levy (CIL) funding and associated capital expenditure to deliver improvements at Winchester Sport & Leisure Park (WSLP), subject to Full Council approval of the associated capital budget.

2. **Approve** an exception to the Contract Procedure Rules to enable one of the direct award options set out in section 3.6 of this report.

3. **Delegate** authority to the Strategic Director, to approve minor amendments to the detailed design, specification and scope of the project during delivery, provided such changes remain within the approved budget and do not materially alter the strategic objectives or overall outcomes of the scheme approved by Cabinet.

Cabinet is requested to recommend to Full Council:

4. **Approval** of a capital budget of £740,000 to deliver improvements at Winchester Sport & Leisure Park.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

1.1 The ability to investment directly supports our vision, as stated in the Council Plan, that we will make a real difference to the lives of our residents, the strength of our business and the quality of our environment. The infrastructure project recommended for funding contributes to the Council Plan priorities in the following ways.

1.2 Healthy Communities

1.3 The provision of a varied and accessible range of health and fitness services via our contract with Everyone Active helps to maximise participation in physical activity for all ages and abilities. This proposal would broaden the range of opportunities available at WSLP, directly supporting the council's ambition to enable residents to live active and healthy lives, while also strengthening the commercial performance of the facility.

2 FINANCIAL IMPLICATIONS

Capital

2.1 The cost of the works as estimated by an external leisure supplier to be £630,000. Given the uncertainty of construction costs, a 17.5% contingency has been added to the project. All ongoing revenue costs associated with the with the maintenance, inspection, insurance and repair etc of the new space and installed equipment will be met by Everyone Active.

2.2 It is proposed that WCC District CIL be used fund the works. Therefore, approval for £740,000 CIL allocation, establishment of budget and capital expenditure is requested.

2.3 Since the report to Cabinet in March 2026 when the latest round of CIL allocations was considered, additional CIL funds have been collected and the total fund available now stands at over £2.2m.

CIL Funds	Health, Community active travel and transport	District	Total
Remaining to be allocated	£1,036,526	£131,740	£1,168,266
Collected during 25/26	£405,039	£607,558	£1,012,597
Collected to date in 26/27	£16,654	£24,981	£41,635
Current sum for allocation in 2026/27	£1,458,219	**£764,279**	£2,222,498

2.4 Of this, c.£740k is ring-fenced in the strategic fund for use on council projects. Therefore, there are sufficient funds available for the proposed investment.

Revenue

2.5 There will not be an immediate direct impact on council income. However, the surplus share arrangement within the contract presents the possibility for the council to see increased income in future years as a result of the increased revenue generated by this new facility.

2.6 The greater financial value resulting from the proposal will be on the long-term profitability of WSLP, maintaining the financial performance of the facility to secure maximum value of the subsequent contract when the existing one comes to end in nine and a half years. This is vital, as the council will rely on sustained income levels from the subsequent contract to continue to service the borrowing.

2.7 Everyone Active has shared indicative financial modelling with the council which demonstrates that the proposal represents a prudent and sustainable investment into the council's leisure asset, supporting increased usage, improved customer offer and long-term commercial resilience.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 The Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 as amended (including by the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019) allow charging authorities to collect funding from qualifying developments in their area, which must be used to support or mitigate the effects of development. It can be used flexibly to fund any infrastructure as defined within the legislation.

3.2 To ensure transparency and accountability, a mechanism to identify and prioritise schemes on which spending is required to support development in the district was agreed by Cabinet in June 2016 (CAB2807). This spending protocol was updated in September 2018 (CAB3071) and again in March 2021(CAB3292) to reflect the updated CIL Regulations and Government guidance. A further review of CIL was conducted in 2023, which resulted in a recommendation to ring-fence the district CIL into three distinct funds reflecting the priorities of the Council Plan.

3.3 Approved council-led schemes will be procured in accordance with the council's Contract Procedure Rules and the Procurement Act 2023 (PA23) with guidance from Procurement, Finance and Legal as required.

3.4 A separate report to this meeting of Cabinet is seeking approval for the council to progress an Agency Variation to the council's leisure management contract with Everyone Active. Should that be approved, it would establish a different relationship with Everyone Active that would allow them to procure and manage these works on behalf of the council, as our agent. This is the simplest route to delivering the scheme and would make best use of the opportunity presented by the new agency model.

3.5 In any event, an exception to the Contract Procedure Rules will be required, as the works contract is outside the scope of the Everyone Active contract. The below is the hierarchy of preferred procurement routes, all of which would require an exception to the CPRs to be approved by Cabinet. The exception is required as there is not sufficient time in the programme to carry out a competitive tender exercise.

a) Option 1 (preferred) – Everyone Active procure the works as our agent. Any agent acting on behalf of the council is bound by its CPRs, as such Everyone Active would be required to either conduct a formal competitive Open tender or direct award to their supply chain with an exception.

b) Option 2 – Everyone Active be directly awarded the works contract and utilise their supply chain (liable to incur additional project management / professional service costs).

c) Option 3 – WCC direct award to a contractor within Everyone Active's supply chain (liable to incur additional project management / professional service costs).

3.6 Owing to the value of the works in question, an exception to the Contract Procedure Rules is required and approval needed from Cabinet, in accordance with CPR 52.1 d).

4 <u>WORKFORCE IMPLICATIONS</u>

4.1 There are minimal workforce implications associated with the preferred option 1 for procurement (see 3.6 above).

4.2 In the event that options 2 or 3 for procurement are required, we are liable to incur additional project management / professional service costs and legal, finance and procurement team resources will be needed.

5 <u>PROPERTY AND ASSET IMPLICATIONS</u>

5.1 WSLP is a council asset and is leased to Everyone Active (or licence to occupy under the Agency model) to manage and operate the centre and associated assets on behalf of the authority, based on the facilities and layouts that existed at the point the contract was awarded. The contract does not place responsibility on Everyone Active to independently redesign, reconfigure or significantly develop council-owned assets.

5.2 Decisions around capital investment, changes to building layouts, expansion of facilities or wider service transformation remain matters for the council, as asset owner and strategic authority. The strongest schemes tend to be those developed collaboratively between the council and operator (as in this case), with the council leading on strategic investment decisions and the operator supporting the business case, operational design and delivery implications.

5.3 Investment in new space configuration and the installation of equipment falls within the council responsibilities. The new assets will remain the property of the council and at the end of the contract, or their end of life or at such time as they are no longer required they will be disposed of as appropriate. Everyone Active will maintain, inspect, repair and replace any equipment at their cost over the life of the assets.

5.4 The project costs include the disposal of the current changing room fixtures and fittings which would not be retained, although some parts will be kept onsite as spares (i.e. shower parts).

5.5 None of the work associated with this project will require planning permission, as the works are internal only and do not involve the movement of supporting walls or joists.

6 <u>CONSULTATION AND COMMUNICATION</u>

6.1 The need to review and make changes to the type of facilities at WSLP was raised by EA during 2025 and has been discussed at the Advisory Board in February 2026. At the time this covered the planned works to replace the climbing wall with a soft play area. This triggered further discussion on other potential areas there were for improvement and change and which present opportunities for the centre to remain current and competitive. The options presented here have been discussed in consultation with the Cabinet Member for Healthy Communities and the preferred option identified.

6.2 In April a more detailed proposal and business case were considered through council's normal internal project management process and was given support to progress.

6.3 The informal CIL Panel considered the proposal on 22 May 2026 and endorsed the proposal for CIL funding in line with the recommendation in this report. As part of the CIL application process, ward members for St Michael ward were asked to confirm their support for the scheme and two have done so to date, with one further response awaited.

6.4 Earlier in June, Everyone Active began to survey current users of WSLP to understand the extent of any impact on them from the proposed changes. In particular, this will involve users of the gym and group exercise studios, who are those most likely to be affected by the loss of changing space on the first floor. This engagement with users will continue as the detailed design process proceeds, through a co-design approach, to ensure that the final design and resultant changes meet the needs of the wider user base at the centre.

7 <u>ENVIRONMENTAL CONSIDERATIONS</u>

7.1 The procurement contract for reconfiguration works, and the specification for new equipment, will include environmental consideration on matters such as materials, energy use and supply chain.

7.2 Some material will be reused from the fixtures being removed. Disposal will be by a regulated waste management company.

7.3 Removal of showers and toilets will lead to a reduction in water use, although this will be minimal due to the current low use.

8 PUBLIC SECTOR EQUALITY DUTY

8.1 The council's duty under the Human Rights Act 1988 and the Equalities Act 2010 is considered and an equality impact assessment has been completed. There is no identified adverse impact through the allocation of CIL funding to anyone with protected characteristics under the Equalities Act 2010, or with regards to human rights (see appendix 1).

8.2 Many projects allocated CIL funding seek to improve accessibility to facilities and improved infrastructure for all. These will have a positive impact upon the council's duties under the Human Rights Act 1088 and the Equalities Act 2010. Future funding priorities will continue to provide improved facilities at both a local and district wide level to enable more inclusive communities and better health and well-being for all.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

Risk	**Mitigation**	**Opportunities**
Financial Exposure Scheme delivery cost exceeds budget.	Costs estimates provided by a contractor known to Everyone Active. 17.5% contingency has been included. Allocation of a set CIL budget and accounting for this retrospectively after proof of expenditure minimises occurrence of any cost overruns.	The proposed scheme is forecast to generate additional revenue so is expected to improve the financial viability of WSLP.
Exposure to challenge		

Proposals are challenged through the planning system.	Informal discussion indicates that no planning application is required.	
<u>Innovation</u> The innovation in new space and equipment is short lived and does not create the returns envisages.	The current changing rooms are inflexible and offer no commercial space. The new space is flexible and can be adapted to other health and fitness activities as may be demanded in the future.	
<u>Reputation</u> The centre users do not support the changes and criticises the council for its investment and disruption to centre use.	Users have been engaged and their views sought on the changes. If approved EA will provide information about the changes through regular communications with users across it various channels, including notices within the centre.	
<u>Achievement of outcome</u> The new space does not achieve the project's objectives of: • Increased offer and programme to residents • Increased footfall at WSLP • Increased income • Enhancing skilled workforce CPD for staff • Increased commercial attractiveness for the life of this contract and for future operators	EA has significant experience across its wide portfolio of leisure facilities, and the proposal is informed by this experience.	
<u>Property</u>		

Future cost implication of equipment maintenance, repair and replacement.	Maintenance and lifecycle replacement within the contract will sit with the operator in line with the existing maintenance responsibility matrix in the contract.	The predicted increase in revenue should enable the operator and/or council to increase future investment in the onsite facilities.
Community Support		
<u>Timescales</u> The project is not delayed or is not delivered to time.	Seeking approval for the CIL allocation, budget and for capital expenditure enables the project team to plan for the procurement, commissioning installation and of the works. The ensure there is sufficient time to plan the necessary resources to deliver the project and time them for the more convenient period in the centre's sport / health programme.	
<u>Project capacity</u> Lack of capacity to deliver project on time.	The recommended procurement approach would place minimal resource requirement on the council, as the works would be commissioned and managed by EA.	
<u>Local Government Reorganisation</u> Government approval is required, following the making of the Structural Change Order.	Guidance indicates that the threshold for entering capital contracts is likely to be those in excess of £1,000,000.	The proposed Agency Variation to the council's leisure management contract creates an opportunity for Everyone Active to procure the contract.

11 SUPPORTING INFORMATION:

Background

11.1 WSLP opened in May 2021 as the council's flagship leisure facility and is now entering its sixth year of operation, attracting approximately 1.4 million visits annually. As the contract matures, the council's focus is on ensuring the centre continues to deliver against our Council Plan priorities, supporting healthy communities, contributing to thriving places, and operating on a financially sustainable footing.

11.2 The site is operated under the council's long-term leisure contract with Everyone Active, which runs until April 2036. Over the rime that the centre has been open time health and fitness trends have changed and customer expectations for the sort of facilities they are seeking has shifted. Fitness has broadened into more holistic wellbeing (mental health, recovery, sleep, nutrition), not just physical activity. Therefore, it is essential that the council continues to invest strategically in the asset to maintain its quality, relevance, and commercial attractiveness over the long term.

11.3 Based on its experience across a national portfolio, Everyone Active has identified an opportunity to reconfigure underutilised space and create a new commercial offer that aligns with a growing demand in the market and would keep WSLP at the forefront of local leisure provision.

11.4 The space in question currently contains the first-floor changing rooms, compromising:

a) Female changing: 7 toilets; 11 showers; 101 lockers; open changing space and 5 cubicle changing spaces.

b) Male changing: 4 toilets, 4 urinals; 11 showers; 122 lockers; open changing space and 5 cubicle changing spaces.

11.5 The current floor plan of the area in question is shown at appendix 2.

11.6 Anecdotally, the sports hall and first floor changing spaces are rarely crowded, with limited but steady numbers using the space, primarily for the toilet and locker facilities. Everyone Active has begun to survey current users of WSLP to understand in more detail the extent of any impact on them from the proposed changes.

The proposal

11.7 It is proposed to reconfigure the changing room space on the first floor of WSLP into a dedicated Pilates studio, with associated recovery rooms and warm-up, warm-down space. This space currently generates no income, and the proposal represents an opportunity to introduce a new, commercially viable offer, aligned to strong and growing demand in Winchester for health and wellbeing activities. This would comprise:

a) A new 20-bed Reformer Pilates studio.

b) 3 new individual recovery rooms with cryo and hydro massage beds.

c) A wellness space for warm-up, warm-down, stretching and mobility.

d) Male and female toilets (4 of each) retained along with 48 lockers.

11.8 The proposed new space would create a calm, modern and premium wellbeing environment within WSLP, complementing the centre's existing fitness and sports offer. The reformer Pilates studio would provide instructor-led sessions focused on strength, posture and flexibility and low-impact conditioning, while recovery rooms would offer a bookable treatments and self-guided recovery experiences designed to support muscle recovery, relaxation and overall wellbeing. The warm-up, warm-down space would provide a dedicated area for stretching, mobility work and preparation before or after exercise. Together, these elements would reflect changing customer expectations in the leisure market, where users increasingly look for facilities that support recovery, holistic wellbeing and a broader lifestyle offer, rather than traditional gym provision alone. At present, WSLP has a strong fitness, swimming and sports offer, but limited provision specifically focused on wellbeing and recovery, outside of the hydrotherapy pool. The proposed reconfiguration would therefore address a clear gap in the current offer, helping the centre remain competitive, broaden its appeal and attract both existing users and new customer groups.

11.9 The proposed floor plan of the area in question after the changes is shown at appendix 3 and some indicative images are shown at appendix 4 of what a Reformer Pilates studio, recovery rooms and associated equipment might look like.

11.10 Customers who currently use the showers would be directed to use the sports hall changing rooms on the ground floor, which host six showers in both the male and female changing rooms, 65 lockers and four toilets in each space – all of a similar quality to the facilities that would be lost. Customers could also choose to use the ground floor changing village, which hosts 75 cubicles, 629 lockers, and a further 26 showers.

Conclusion

11.11 The proposed scheme would enhance the overall offer at WSLP, protecting the long-term value of the asset and ensuring the site remains competitive in a competitive market and attractive to future operators beyond 2036. In doing so, it supports both our place-based ambitions and our responsibility to manage assets in a financially responsible and forward-looking way.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 The council could choose not to invest in the site's infrastructure at this time, choosing to keep the changing room in-situ and to keep the user experience and offer exactly as it is now. However, the 'no change' option would mean a missed opportunity to increase footfall onsite and income generation that would make the site more profitable, encouraging the operator to sustain their investment in the site as the contract progresses. Lack of ongoing investment could also impact the commercial attractiveness of the site, resulting in a less beneficial contract from 2036.

12.2 Everyone Active also presented an enhanced scheme that would also relocate a spin studio and increase gym provision. This enhanced scheme had an estimated cost in excess of £1.3m, which could not currently be met from the available CIL fund. It was felt that this did not offer such good value for money, so this option was discounted.

12.3 We considered other areas within WSLP that could be adapted, but there is no obvious alternative location for a Reformer Pilates studio. The group exercise provision on the same floor comprises three studios and is used at 74% occupancy, which is considered within the industry to be high performing. Group exercise sees a steady monthly footfall of c.10,000 visits and is a unique selling point against commercial competitors, who offer gym-only experiences.

12.4 The works could be procured and managed by the council instead of by Everyone Active. However, achieving this via a competitive tender or through a framework would delay the council's decision on the scheme until a contractor was identified and would present significant time challenges in context of LGR. The option of Everyone Active procuring and managing the works is therefore the preferred option.

12.5 We could seek full or partial funding from Everyone Active in recognition of the benefit to the operator that the new facility would bring. However, there is no contractual basis for this and Everyone Active is already committed to funding another enhancement to WSLP this year – the £200,000 conversion of the climbing area to a new soft play facility.

BACKGROUND DOCUMENTS:

Previous Committee Reports:

None

Other Background Documents:

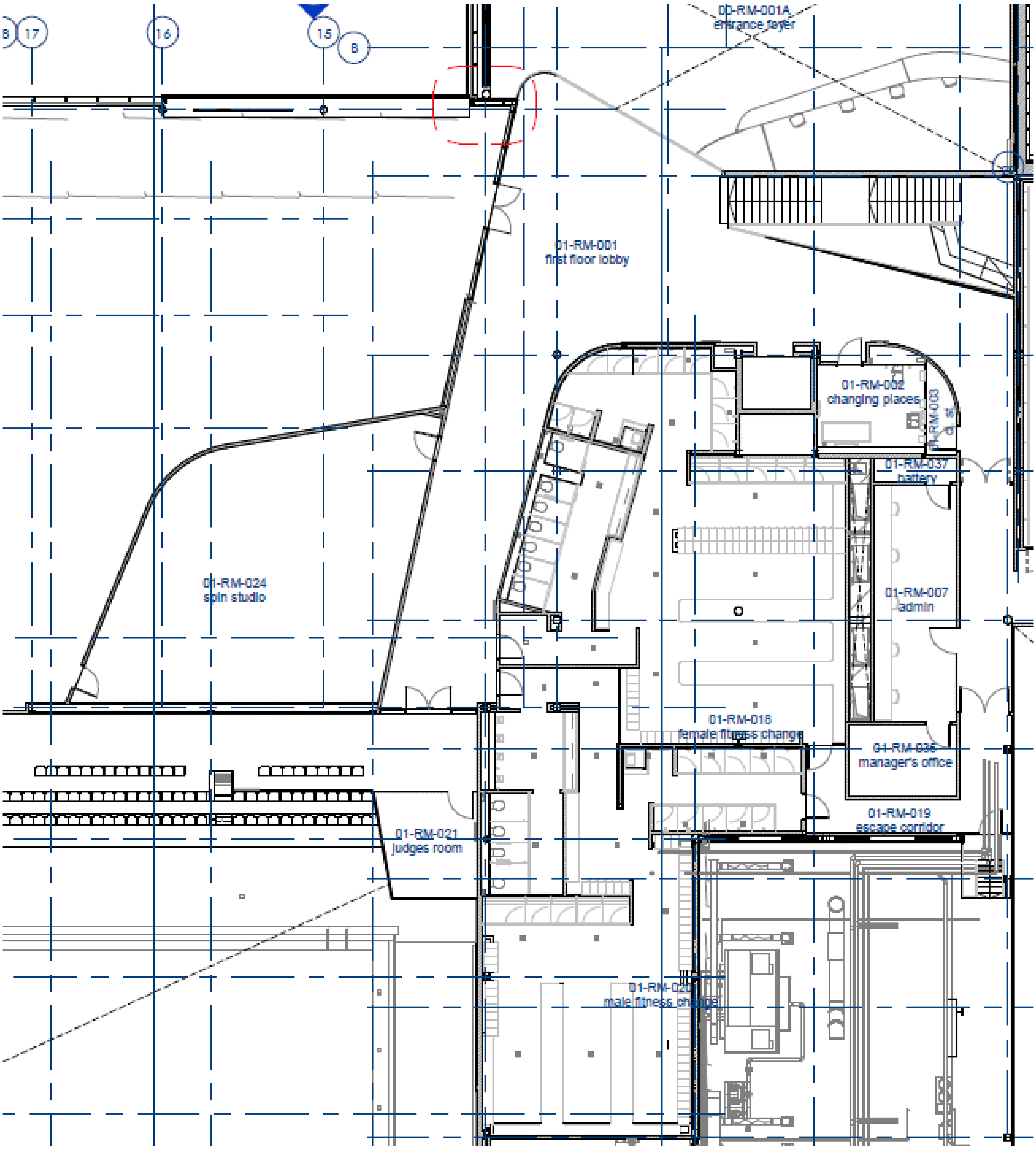
None

APPENDICES:

1. Equality impact assessment
2. Current floor plan – WSLP first floor
3. Proposed floor plan – WSLP first floor
4. Indicative images

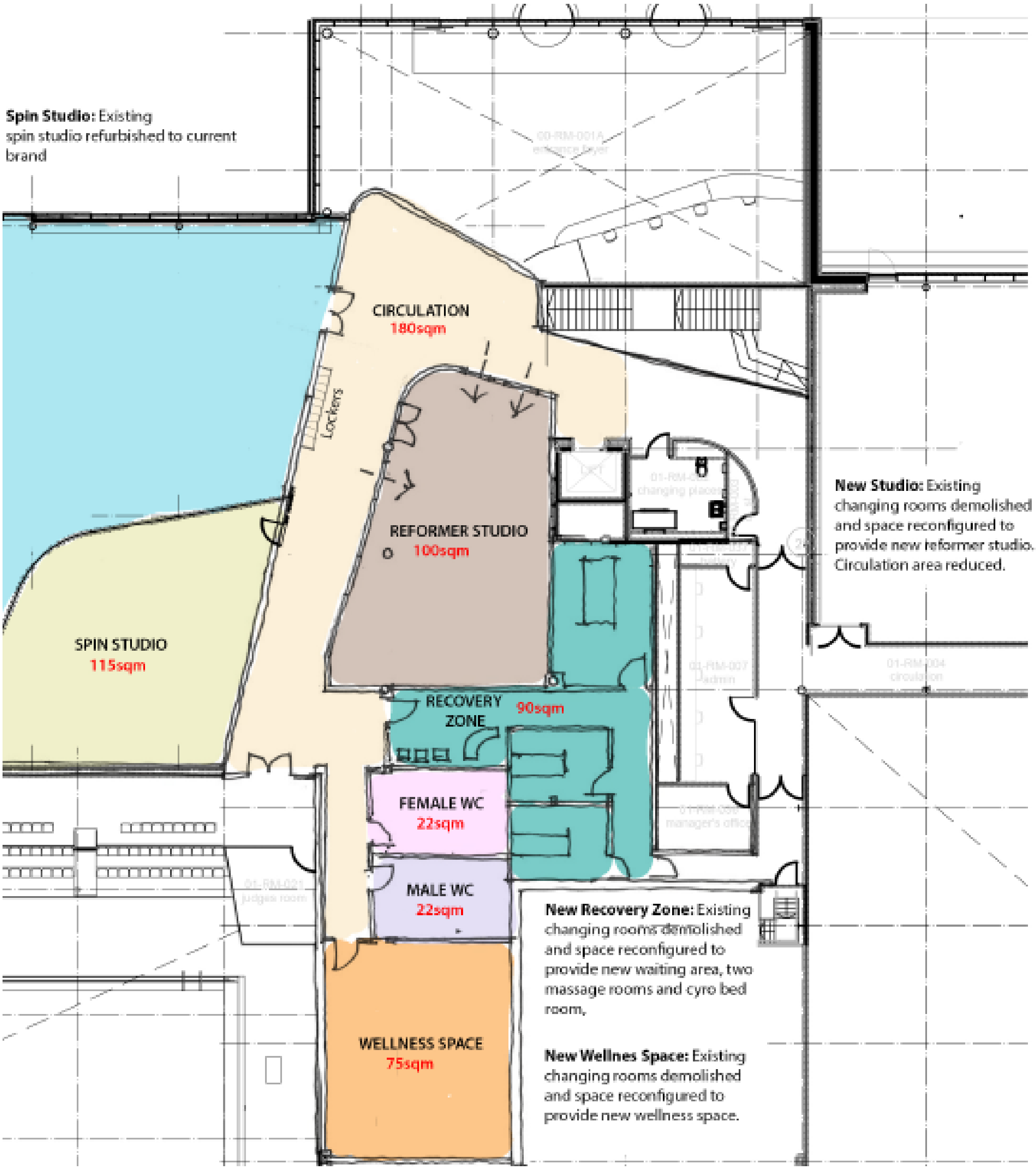
Appendix 2

Current floor plan – WSLP first floor



Appendix 3

Proposed floor plan – WSLP first floor



Appendix 4

Indicative images

Reformer Pilates studio

Cryotherapy bed

Hydromassage bed