



Report To:	Cabinet
Date:	31 st October 2024
Subject:	Boston Leisure Project and Levelling Up Partnership Funding
Purpose:	To recommend the acceptance of Levelling Up Partnership (LUP) funding from MHCLG towards a number of local projects, including the Boston Leisure Project; and to seek agreement to make the associated revisions to the Boston Leisure Project to enable the much-needed centre investment to be undertaken.
Key Decision:	Yes
Portfolio Holder:	Cllr Sarah Sharpe (Portfolio Holder - Culture & Leisure) Cllr Sandeep Ghosh (Portfolio Holder - Finance)
Report Of:	John Leach, Deputy Chief Executive (Communities)
Report Author:	Mark Humphreys, Head of Special Projects (Leisure)
Ward(s) Affected:	Skirbeck, and All Wards as the town's primary leisure venue.
Exempt Report:	No

Summary

The 'Boston Leisure Project' (BLP) - a major redevelopment of the Geoff Moulder Leisure Complex, and a core project within the Boston Town Deal (TD) programme, has been the subject of affordability challenges since the conclusion of the construction tender exercise in December 2023. Recently MHCLG has formally confirmed a new funding offer to secure the project delivery as part of a Boston Levelling Up Partnership (LUP) programme of project funding. The LUP BLP funding offer requires that, in addition to completing the original TD project, a Community Volunteering & Wellbeing Hub is incorporated to provide additionality to the project in recognition of the new funding being made available.

Cabinet is subsequently asked to note the updated funding package for the Boston Leisure Project, recommend to Council that the LUP funding is accepted with the Capital Programme being amended accordingly to enable all LUP projects to be progressed; and to specifically agree the amended scope of the Boston Leisure Project to enable works to deliver the investment programme to be commenced at the earliest opportunity.

Recommendations

1. That Cabinet agree the amended scope of the Boston Leisure Project to incorporate a Community Volunteering & Wellbeing Hub in accordance with the LUP funding business case;
2. That Cabinet recommend to Council the formal acceptance of the LUP funding from MHCLG, with the Council's Capital Programme being updated accordingly to enable project funds to be allocated; and
3. That Cabinet delegates authority to the Deputy Chief Executive (Communities) in consultation with the Deputy Chief Executive (Finance), the Portfolio Holder for Finance and Portfolio Holder for Culture & Leisure, to agree the final contract sums for phases 1 and 2 of the Boston Leisure Project and for the Deputy Chief Executive (Communities) to award the Phase 1 and 2 contracts provided they are within the revised project budget.
4. That Cabinet delegates authority to the Director of Economic Development in consultation with the relevant Portfolio Holder, to enter into Grant Funding Agreements with external partners for the LUP funded projects.

Reasons for Recommendations

To enable the Boston Leisure Project to be commenced and the additional LUP funded projects to be progressed.

Other Options Considered

Not agreeing the increase in scope of the Boston Leisure Project would jeopardise the LUP funding allocation and subsequently render the project undeliverable in its current form, further delaying its progress and risking the Council's ability to deliver the agreed outcomes of the Town Deal project.

Recommending to Council that it should not accept the LUP funding would similarly jeopardise not only the Boston Leisure Project but also the BBC Community Organisations funding package and PE21 Rosegarth Square funding, and the further five external partner led LUP projects. This in turn would risk significantly damaging the Council's reputation with central government, the local community and the many stakeholders that would be impacted by such a decision.

1. Background

- 1.1 On 30th March 2022, Cabinet agreed the business plan for the Boston Leisure Project as part of the Boston Town Deal programme. This was followed by the agreement of Full Council at its meeting on 6th March 2023, to allocate Council capital finance as match funding to secure the delivery of the project.
- 1.2 The Boston Leisure Project involves the redevelopment of the Geoff Moulder Leisure Centre and adjacent external public realm area. Originally a proposed 2000m² extension, development and refurbishment project including remedial works to

existing plant and equipment, the scheme was subsequently redesigned around the minimum optimum model in early 2023 to address affordability concerns.

- 1.3 Now consisting of 1500m² frontage remodelling and new extension, incorporating new entrance, reception, large modern 'village style' pool changing area, separate male and female fitness change rooms to the ground floor; with new 90 station fitness suite spin studio and a multipurpose studio on the first floor; the scheme also includes work to create a shared public realm plaza area between the Leisure Centre and the Boston College Mayflower development.
- 1.4 Collectively the Boston Leisure and Mayflower projects offer the potential to derive significant positive outcomes for people in educational attainment, place-making, health and well-being, and skills, creating a unique leisure and educational space, intrinsically designed to be linked together via a central public open space plaza.
- 1.5 Planning permission for the Leisure scheme was granted at the end of July 2023, leading to construction tenders subsequently being invited in September 2023. The outcome of that process resulted in the lowest value bid, which was also the highest combined score bid, creating a project affordability gap.

2. Report

Boston Leisure Project

- 2.1 In working to address the project affordability gap, an appraisal was undertaken to identify the options available to potentially secure additional funding to safeguard the project's delivery.
- 2.2 After considering several options, the opportunity to include a proposition as part of an invited Boston Levelling Up Partnership (LUP) programme with the then Department for Levelling Up, Housing and Communities (DLUHC) - now Ministry for Housing Communities and Local Government (MHCLG), was progressed.
- 2.3 Government department made clear that the criteria for any LUP proposition must include additional project elements and outcomes. The concept of a 'phase 2' for the Boston Leisure Project was developed into a £7m funding request. This based on providing funding to bridge the affordability gap of the original 'phase 1' plus additional funds to enable the incorporation of a new Health and Wellbeing Hub consisting of additional complementary facilities and services including Assisted Exercise Studio, Consultation Rooms, and including changes to the new reception area to create a 'coffee shop' type servery area.
- 2.4 In developing the LUP programme, Government Department approached many local stakeholders to seek their ideas and proposals for consideration as part of a Boston Levelling Up Partnership programme. Subsequently, and as noted below, a number of projects form part of MHCLG's Boston LUP funding programme.
- 2.5 The Lincolnshire Community and Voluntary Service (LCVS) were one such stakeholder who, through discussion with Officers, subsequently presented a proposal for a co-located Community Volunteering Centre as part of a potential 'phase 2' of the Boston Leisure Project. Government Department representatives

liked the LCVS proposal and subsequently guided Officers to present a proposition for a combined Community Volunteering and Wellbeing Hub. The business case with associated outcomes that was prepared at the time is included at Appendix 1.

- 2.6 Government department informally released confirmation of Boston LUP funding in May this year with formal confirmation of the award being received in September. Further details of the full LUP programme are outlined below. An award of £7m capital funding to the Boston Leisure Project has been secured.
- 2.7 In order to ensure that the overall project delivery programme is optimised, and phase 2 design is value engineered through its development, it is proposed to provide the new Hub space as an addition to the main leisure pool building, extending onto the Maud Foster Drain side of the pool building. Doing so enables the existing rear fitness suite space to continue to be used throughout the works programme and avoids the need to wait until phase 1 is completed and fitness suite relocated before commencing the phase 2 Hub development. The current fitness suite area will become vacant and be subsequently demolished as part of the phase 2 project. This is the preferred and recommended approach, but the option to redevelop the existing space at the rear remains should the preferred solution not be affordable.
- 2.8 The Community Volunteering and Wellbeing Hub has, so far, been developed as a RIBA Stage 1 concept. The concept as shown at Appendix 2, involves a redesign of the phase 1 reception area to create public access through to the new Hub extension and enable the provision of a 'coffee shop' type servery area. The Hub concept allows for a total 600m² across two storeys of new community space including co-located community volunteer space, small expo/event space, shared meeting spaces, shared consultation/therapy rooms, Assisted Exercise suite, shared community kitchen, and separate admin offices. Provision to retain or replace the spa facilities that are accessed from poolside is also included.
NB. The stage 1 design proposal for the Community Volunteering and Wellbeing Hub is concept only and may be subject to change to ensure it is affordable. The alternative solution will be to reconfigure the existing rear space that will become vacant as phase 1 is completed.
- 2.9 An initial cost estimate assessment is being undertaken with design works soon to be progressed to RIBA Stage 3 in preparation for a submission to the local planning authority. The design solution that is eventually taken forward will be one that is affordable within the overall project budget.
- 2.10 Additionally, and concurrently, the preferred project construction partner for 'phase 1' (Pulse Design and Build), has been commissioned through a Pre-Construction Services Agreement (PCSA) to undertake a Value Engineering redesign of identified areas, predominantly the Mechanical, Electrical and Plumbing design solutions.
- 2.11 The PCSA Value Engineering redesign works were completed on 8 October and have been reviewed and validated by the Council's advisor team. A revised cost for the 'phase 1' works are expected to be received early November. Para 2.14 below outlines the full project details including a summary estimate of the expected revised cost estimate for phase 1.

2.12 In securing LUP funding, the revised project budget is summarised below:

• Town Deal funding (original)	£ 2,425,092
• Town Deal funding (plaza)	£ 574,566 (inc. £74,566 community art project)
• LUP funding	£ 7,000,000
• <u>BBC Capital funding</u>	<u>£ 4,720,731</u>
Total project funds	£14,645,823 (exc. art project funding)

2.13 Project spend to date equates to approx. £884,295 leaving a balance of approx. £13,761,528 to complete the delivery of the project.

2.14 In reviewing the required project deliverables, it is intended that the project will ensure the delivery of:

- Boston Leisure Project (Est £10.34m inc. contingency and client-side costs)
- Project Fitness Equipment (Est £250k)
- GMLC Capital Renewal Items (details being confirmed)
- Community Volunteer and Wellbeing Hub (using balance of available funding)

2.15 The community art project, linked to the plaza public realm investment, has been commissioned through Transported Art. Transported is a strategic, community-focussed programme to get more people in Boston participating in arts activities. It is overseen by the Centre of Culture and Creativity at the University of Lincoln and is funded by the Creative People and Places fund from Arts Council England (ACE). Transported aim to secure match funding from ACE towards the plaza community art project.

2.16 The current indicative programme timeline for the Boston Leisure Project is outlined below:

- **November 2024** – Confirm revised VE cost for project Phase 1 delivery
- November/December – Develop Phase 2 scheme to RIBA 3 Stage
- November/December – Award of Contract for Phase 1 works (*subject to agreement of contract figure*)
- December – Phase 2 RIBA Stage 3 costs received for consideration
- December – Agree procurement approach for Phase 2 works
- December – Phase 1 works mobilisation/lead-in period
- **January 2025** – Site set-up and start Phase 1 works
- January – Main entrance and leisure pool closed. Fitness suite remains operational. Training Pool becomes primary pool and temp pool entrance point
- January – Submit planning application for Phase 2 scheme
- March/April – Phase 2 application determined
- May – Finalise contract sum for Phase 2 works
- May – Phase 2 works commence
- **July 2026** – Phase 1 complete
- September 2026 – Phase 2 open to public (indicative worst case)

NB. Given that phase 2 is only at RIBA stage 1 currently, the timeline for that element is subject to change. Delivery strategies will be optimised to improve the overall completion timescales for both phases.

Levelling Up Partnership funding

2.17 In early 2024 Boston Borough Council (BBC) was invited to work alongside Government Department to develop a series of capital projects, to support Boston's economic resilience and growth. The [Levelling Up] Partnership was developed to bring the collective power of Government to provide bespoke place-based regeneration in areas with the greatest need.

2.18 All LUP funding proposals required a business case, which have been developed with civil servants and approved by MHCLG and His Majesty's Treasury. MHCLG has worked with BBC and external project leads to produce project business cases. Details of the agreed eight LUP projects can be found at Appendix 3. and the table below provides a short summary:

LUP Policy Component Project <i>[Project Lead]</i>	FY24/25		Total
	Revenue	Capital	
Boston Leisure Centre <i>[Boston Borough Council]</i>	£0.1m	£7m	£7.1m
Boston Utd Football Sports Complex & Affordable Homes <i>[Chestnut Homes/Boston Utd FC CIC]</i>	£0	£3.205m	£3.205m
Haven Wharf <i>[Boston College]</i>	£0	£2.8m	£2.8m
PE21 Rosegarth Square (Site purchase & prep) <i>[BBC]</i>	£0	£2.3m	£2.3m
Community organisations package <i>[BBC]</i>	£0.02m	£0.69m	£0.71m
Boston Connected <i>[Destination Lincolnshire]</i>	£0.12m	£0.571m	£0.691m
Boston Community Research Project <i>[LCVS/UoL]</i>	£0	£0.37m	£0.37m
St Botolph's Church Visitor offer <i>[St Botolph's]</i>	£0	£0.05m	£0.05m
Total	£0.24m	£16.986m	£17.226m

2.19 A total of £17.226m of LUP funding has been awarded to Boston projects. LUP funds will be awarded to the accountable body, in this case Boston Borough Council, under a Section 50 grant. Accountable bodies are responsible for ensuring the delivery of the programmes in accordance with the funding conditions issued by MHCLG.

2.20 A Memorandum of Understanding (MoU) was received on 11 September 2024 with an immediate return deadline. The MoU is not legally binding and has been completed and returned to MHCLG in accordance with their requirements. The funds are due to be received in full in October.

2.21 In order to formally accept the funding and progress the Boston Leisure and other LUP projects noted above it is necessary for Full Council to agree to receive the funding and to amend the Capital Programme accordingly.

3. Conclusion

3.1. To address the Boston Leisure Project affordability gap, two key strands of work have been undertaken, being i) the submission to MHCLG for LUP funding and ii) a project Value Engineering exercise.

3.2. The LUP funding has now been formally confirmed and the Value Engineering exercise completed with revised phase 1 project cost expected early November.

- 3.3. In order to deliver the planned Boston Leisure Project investment and commence the project at the earliest opportunity, Cabinet is asked to recommend to Full Council, at its meeting on 11th November 2024, that the LUP funds are formally accepted; and approve the revision to the Boston Leisure Project to incorporate the provision of a Community Volunteering and Wellbeing Hub as outlined at 2.8 above.
- 3.4. As the revised cost for the phase 1 element is nearing finalisation, delegated authority is requested for the Deputy Chief Executives in consultation with relevant Portfolio Holders to agree the award of contract to Pulse Design and Build to enable works to commence at the earliest opportunity.
- 3.5. Similarly, the same delegated authority is requested to enable phase 2 detailed designs, cost estimates, planning permission and project delivery to be achieved, with the agreed revised project budget envelope.
- 3.6. Delegated authority is also requested for the Director of Economic Development to enter into LUP Grant Funding Agreements with external partners.

Implications

South and East Lincolnshire Councils Partnership

This report supports the ambitions and objectives outlined in the sub-regional strategy 2024/25-2028/9, specifically the ambitions to deliver growth and regeneration to the area; to...offer residents...the best value for money from its existing services and delivery; and to develop the leisure and culture offer for the benefit of residents.

Corporate Priorities

Additionally in terms of the local priorities and deliverables for Boston contained within the Partnership Alignment and Delivery Plan 2024/25, this report directly links to the Leisure Centre delivery project action.

Staffing

None.

NB. Parkwood Leisure's current workforce at GMLC will be required to service the facilities that are remaining operational whilst the leisure pool is closed. Parkwood Leisure have confirmed that where required staff can be redeployed to the Princess Royal Sports Arena to support operations there.

Workforce Capacity Implications

None

Constitutional and Legal Implications

Constitutionally, it is Full Council who must make the decision to formally accept the LUP funding and agree the associated amendments to the Capital Programme.

There are no legal implications from this report. The MoU between BBC and MHCLG in respect of the LUP funding is not legally binding on either party.

Data Protection

None

Financial

In accepting the LUP funding, it will be necessary for the Capital Programme to be amended to reflect the associated allocation of capital funds to the Boston Leisure Project and other LUP projects.

The capital budget details linked to this report are outlined in paragraphs 2.12, 2.13, 2.14 and, in terms of the overall Boston LUP allocation, at paragraph 2.18.

According to the MoU it is necessary for the LUP funds to be defrayed by 31st March 2026. Town Deal funds must also be defrayed by end March 2026. Steps are being taken to ensure that these project obligations are met.

Risk Management

None

Acceptance of the LUP funding and agreement to revise the Boston Leisure Project will mitigate the risk of the project not being delivered.

Stakeholder / Consultation / Timescales

The revised project proposals have been discussed with lead stakeholders including the Leader of the Council (who is also the Ward Member), Portfolio Holder for Finance, Portfolio Holder for Culture & Leisure, Boston Town Deal Board, CEO Lincolnshire CVS and Parkwood Leisure Ltd.

Reputation

The reputational implications flow from not adopting the report recommendations as outlined in 'Other Options Considered' section above.

Contracts

Delegation of authority to Deputy Chief Executives will provide for the necessary contracts to be awarded to enable the Boston Leisure Project to be completed.

Crime and Disorder

None.

The Design Out Crime Officer with Lincolnshire Police will be engaged in supporting the project design development.

Equality and Diversity / Human Rights / Safeguarding

The incorporation of the Community Volunteering and Wellbeing Hub within the project will ensure that additional health, wellbeing and volunteering opportunities are provided to support the whole Boston community.

Health and Wellbeing

The incorporation of the Community Volunteering and Wellbeing Hub within the project will ensure that additional health, wellbeing and volunteering opportunities are provided to support the whole Boston community, including those within the community that are most in need of physical and mental health intervention.

Climate Change and Environmental Implications

Where necessary and practicable, the mechanical, electrical, heating, air handling and plumbing system solutions that are deployed will be as sustainable as can reasonably be afforded within the constraints of the capital investment budget, and in mind of lifetime revenue budget implications.

Acronyms

ACE	Arts Council England,
BBC	Boston Borough Council,
BLP	Boston Leisure Project,
CEO	Chief Executive Officer,
CIC	Community Interest Company,
DLUHC	Department of Levelling Up, Housing and Communities,
GMLC	Geoff Moulder Leisure Complex,
LCVS	Lincolnshire Community and Voluntary Service,
LUP	Levelling Up Partnership,
MHCLG	Ministry for Housing, Communities and Local Government
MoU	Memorandum of Understanding
PCSA	Pre-Construction Services Agreement,
RIBA	Royal Institute of British Architects
TD	Town Deal
UoL	University of Lincoln

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1	BBC LUP Delivery Plan Marsh 2024 – Boston Leisure Centre
Appendix 2a	CV&WHub Concept – Proposed ground floor
Appendix 2b	CV&WHub Concept – Proposed first floor
Appendix 3	BBC LUP Project details Sept 2024

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

Boston Leisure Project, Full Business Case for Towns Fund – Cabinet, 30th March 2022
[Budget & Medium-Term Financial Strategy 2023/24 – Full Council, 6th March 2023]

Report Approval

Report author: Mark Humphreys, Head of Special Projects (Leisure),
mark.humphreys@e-lindsey.gov.uk

Signed off by: John Leach, Deputy Chief Executive (Communities),
john.leach@boston.gov.uk

Checklist – Complete before submission to Democratic Services

S151 Officer / CEO consulted on financial implications:	Yes
Monitoring Officer consulted on legal and constitutional implications:	Yes
Have PSPS been consulted in regard to any aspect of this report that might require action on their part?	Yes
Portfolio Holder consulted:	Yes
Ward Member consulted:	Yes