

The City of Edinburgh Council

10.00am, Thursday, 19 December 2024

Spend to Save Funding – Edinburgh Leisure Projects – referral from the Finance and Resources Committee

Executive/routine
Wards

1. For Decision/Action

- 1.1 The Finance and Resources Committee has referred the Spend to Save Funding – Edinburgh Leisure Projects report to the City of Edinburgh Council for approval to use the Spend to Save Fund for each project.

Dr Deborah Smart
Executive Director of Corporate Services

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Referral Report

Spend to Save Funding – Edinburgh Leisure Projects – referral from the Finance and Resources Committee

2. Terms of Referral

- 2.1 On 19 November 2024, the Finance and Resources Committee considered the Spend to Save Funding – Edinburgh Leisure Projects report. The report requested the use of the Council's Spend to Save Fund for five projects and highlighted that the total value of Spend to Save Fund investments requested is £0.650m, with full repayment to the Fund required within four years.
- 2.2 The Finance and Resources Committee agreed:
 - 2.2.1 To agree the Spend to Save applications submitted by Edinburgh Leisure; and
 - 2.2.2 To refer this decision to Council for approval to use the Spend to Save Fund for each project.

3. Background Reading/ External References

- 3.1 [Finance and Resources Committee – 19 November 2024 - Webcast](#)
- 3.2 Minute of the Finance and Resources Committee – 19 November 2024

4. Appendices

- 4.1 Appendix 1 - Spend to Save Funding – Edinburgh Leisure projects

Finance and Resources Committee

10.00am, Tuesday, 19 November 2024

Spend to Save Funding – Edinburgh Leisure projects

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Executive
All

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 review the Spend to Save applications submitted by Edinburgh Leisure
 - 1.1.2 subject to Committee's approval, refer this decision to Council for approval to use of the Spend to Save Fund for each project.

Dr Deborah Smart

Executive Director of Corporate Services

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Spend to Save Funding – Edinburgh Leisure projects

2. Executive Summary

- 2.1 Edinburgh Leisure has submitted requests for use of the Council's Spend to Save Fund for five projects. The total value of Spend to Save Fund investment requested is £0.650m, with full repayment to the Fund required within four years.

3. Background

- 3.1 Edinburgh Leisure operates over fifty sport and leisure facilities across the city. The range of facilities include sport and leisure centres, swim centres, golf courses, tennis courts, sports pitches, and pavilions. Edinburgh Leisure also deliver coaching activities, health and wellbeing programmes, and initiatives for people of all ages and abilities all of which helps Edinburgh to become an active and healthy city.
- 3.2 Edinburgh Leisure has previously accessed the Council's Spend to Save Fund for project investment where future financial benefit to Edinburgh Leisure has been identified through business cases. In each case, the annual service payment from the Council to Edinburgh Leisure was amended to recover the Council's investment over the agreed payback period.

4. Main report

- 4.1 Edinburgh Leisure has requested the City of Edinburgh Council consider the use of the Council's Spend to Save Fund to support five projects. The total investment requested is £0.650m. A summary of each project is detailed below.

Craiglockhart Leisure and Tennis Centre - Cycle Studio Project

- 4.2 RPM is a group indoor cycling workout. Since fully re-opening after Pandemic lockdown restrictions, Craiglockhart Leisure and Tennis Centre has been unable to provide a full programme due to unsuitable air handling in the existing cycle studio. A partial programme has been relocated to the sports hall, but due to the demands on sports hall space, the RPM programme has only been able to run during the daytime with none of the popular evening classes.

- 4.3 This project is seeking to redevelop an underutilised area of the Tennis Centre to create a new standalone cycle studio to permit a full RPM programme in a new environment.
- 4.4 The investment requested is £0.178m, with repayment to the Spend to Save Fund over three years.

Edinburgh International Climbing Centre – Clip’n Climb Project

- 4.5 Clip ’n Climb was launched at Edinburgh International Climbing Centre in 2017 and currently operates at 90% capacity. This project is designed to add additional capacity and refresh the look of the attraction by adding three new elements and refreshing an existing element.
- 4.6 The investment requested is £0.095m, with repayment to the Spend to Save Fund over four years.

Meadowbank Sports Centre - Inflatable Play Project

- 4.7 Meadowbank Sports Centre’s Hall Three is under-utilised and currently operating at 14% capacity. The Hall was originally intended to be used as a gymnastics hub, but a change in utilisation was made shortly before the opening of the Sports Centre.
- 4.8 This project aims to introduce into Hall Three a modular inflatable fun park and café, designed to attract children and families. This development will allow the space to generate significant income and usage whilst still maintaining the flexibility to use the hall for large events.
- 4.9 The investment requested is £0.122m with repayment to the Spend to Save Fund over two years.

Royal Commonwealth Pool - Café Project

- 4.10 The Royal Commonwealth Pool Cafe is the most popular café within an Edinburgh Leisure facility. This project is looking to improve the visitor experience by creating specific zones within the café area. This includes a coffee lounge, bench seating, planters used to identify the zones, improved entrance to Clambers, new flooring and upgraded furnishings.
- 4.11 The development will create a more welcoming environment, make more effective use of the space and generate additional income.
- 4.12 The investment requested is £0.143m, with repayment to the Spend to Save Fund over four years.

Tumbles - Café Project

- 4.13 Soft play generates an income surplus in the three Edinburgh Leisure venues where it is currently operated. Soft play at Tumbles is a key contributor to this position. The play frame is now ten years old and is due to be replaced.

- 4.14 The occupancy of the frame is dictated by the number of tables in the cafe area. Currently the cafe is unable to manage demand at peak times, leading to waiting lists and lost business.
- 4.15 Re-developing the cafe seating area, soft play reception and party rooms would create additional capacity and allow the venue to better accommodate the demand.
- 4.16 The investment requested is £0.112m with repayment to the Spend to Save Fund over three years.

5. Next Steps

- 5.1 Following review by Finance and Resources Committee and subject to Committee's approval, refer the decision to Council for approval for use of the Spend to Save Fund for each project.

6. Financial impact

- 6.1 The projects present opportunities to develop Edinburgh Leisure's external income. Business cases have been developed requiring initial investment to realise increased income in future years and improve the sustainability of Edinburgh Leisure. If Spend to Save funding is not approved, the projects will not be progressed until such time as Edinburgh Leisure's cash projections support a self-funding approach.
- 6.2 The total value of Spend to Save Fund investment requested is £0.650m, with full repayment to the Fund required within four years. The table in Appendix One provides a summary of the Spend to Save Fund application.
- 6.3 The total cost of each project includes:
- 6.3.1 additional staff costs, where required to operate the improved facility
 - 6.3.2 additional annual operating costs for each project including energy, marketing, maintenance and catering supplies for café projects.
- 6.4 The additional costs identified at paragraph 6.3 are not included in the Spend to Save Fund investment requirement. Each Edinburgh Leisure business case requires these costs to be met from additional income generated by the investment.
- 6.5 A contingency is included in each project's business case. Edinburgh Leisure has assessed the financial risk of each project to be low and will manage the financial risk within Edinburgh Leisure's existing financial resources.
- 6.6 The Council's Spend to Save Fund as a whole is fully committed. Based on an updated assessment of the timing of these expenditure commitments and repayments from previously supported projects, however, up to £0.650m of support may be made available from the Fund, with this contribution subject to onward ratification by Council.

- 6.7 If Spend to Save investment is approved, the annual service payment from the Council to Edinburgh Leisure will be amended to recover the Council's investment over the agreed payback period.
- 6.8 For 2024/25, the Council has paid Edinburgh Leisure an annual service payment of £10.985m, which included one off revenue funding of £3.2m to address forecast budget pressures including payment of the Real Living Wage from April 2024. The service payment also includes the final year of COVID support funding of £1m.
- 6.9 Conditions for payment of the one-off revenue funding include a requirement for Edinburgh Leisure to pay employees at least the Real Living Wage, keeps all leisure centres open, and to work with Council officers to conduct an efficiency review during 2024/25.
- 6.10 Edinburgh Leisure is progressing a review 'Fit for the Future'. It is anticipated that findings from the Review will be reported to Edinburgh Leisure's Board on 16th December and be shared with Council officers immediately thereafter.

7. Equality and Poverty Impact

- 7.1 There are no equality, human rights (including children's rights) and socio-economic disadvantage implications arising as a consequence of this report. Continuing investment in the city's sporting infrastructure contributes positively to the promotion of active and healthy lifestyles. Edinburgh Leisure delivers programmes that aim to improve equality of access and support those on low income.

8. Climate and Nature Emergency Implications

- 8.1 Edinburgh Leisure work in partnership with the Council to improve the energy efficiency of its estate and contribute to the city's Net Zero targets.

9. Risk, policy, compliance, governance and community impact

- 9.1 The Spend to Save business cases have been reviewed by Council officers.
- 9.2 Edinburgh Leisure bears the risk of achievement of expenditure and income estimates in each business case and repayment of Spend to Save funding. The business case for each project includes an element of contingency.

10. Background reading/external references

- 10.1 There are no background papers.

11. Appendices

11.1 Appendix 1 – Summary of Spend to Save Applications

Appendix 1

Summary of Spend to Save Applications

Venue	Project	5-Year Profile			
		Investment Required	Total Cost	Additional Income/savings	Spend to Save Payback
		£'000	£'000	£'000	years
Craiglockhart Leisure and Tennis Centre	Cycle Studio development	178	273	420	3
Edinburgh International Climbing Arena	Clip N Climb expansion	95	109	175	4
Meadowbank Sports Centre	Hall Three Inflatable Play	122	736	1,050	2
Royal Commonwealth Pool	Cafe redevelopment	143	594	650	4
Tumbles at Portobello	Cafe redevelopment	112	344	592	3
		650	2,056	2,887	