POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Corporate Performance Panel		
DATE:	20 July 2026		
TITLE:	Review of Consultant Expenditure Relating to Lynnsport Proposal		
TYPE OF REPORT:	Notice of Motion Response		
PORTFOLIO(S):	Deputy Leader and Business – Cllr Simon Ring		
REPORT AUTHOR:	Honor Howell – Strategic Advisor to the CEO and Leader		
OPEN/~~EXEMPT~~		WILL BE SUBJECT TO A FUTURE CABINET REPORT:	~~Yes~~/No

<u>REPORT SUMMARY/COVER PAGE</u>

PURPOSE OF REPORT/SUMMARY:
In January 2026, a Notice of Motion was presented to full Council. "This Council notes the work undertaken in relation to the proposed redevelopment of the Alive Leisure Lynnsport facility, including plans to relocate the St James Pool as part of a scheme reported to be in the region of £49 million. This Council further notes that approximately £2 million of public funds were incurred through the use of external consultants in developing this proposal, and that the scheme was later deemed unaffordable by the Section 151 Officer. This Council is concerned that significant expenditure was incurred before affordability concerns resulted in the project being halted. This raises questions regarding financial oversight, governance, and value for money in the development of major capital projects. Given the importance of protecting public funds and maintaining public confidence in the Council's financial management, this matter warrants further scrutiny". Council resolved to: 1) Request that the Corporate Performance Panel reviews the decision making and governance processes relating to the use of external consultants in the development of the Lynnsport and St James Pool proposal 2) Request that the Corporate Performance Panel considers whether appropriate affordability checks and financial controls were applied at an early stage. *3)* Require that the findings and any recommendations are reported back to Full Council.
KEY ISSUES:
Consideration of the Notice of Motion.
OPTIONS CONSIDERED:
RECOMMENDATIONS:
Corporate Performance Panel are requested to consider the report and to make any recommendations to Full Council.

REASONS FOR RECOMMENDATIONS:
To respond to the Notice of Motion.

Review of Consultant Expenditure Relating to the Lynnsport Proposal

1. Introduction

1.1 In January 2026, the following Notice of Motion was submitted to Full Council.

1.2 "This Council notes the work undertaken in relation to the proposed redevelopment of the Alive Leisure Lynnsport facility, including plans to relocate the St James Pool as part of a scheme reported to be in the region of £49m.

This Council further notes that approximately £2m of public funds were incurred through the use of external consultants in developing this proposal, and that the scheme was later deemed unaffordable by the Section 151 Officer.

This Council is concerned that significant expenditure was incurred before affordability concerns resulted in the project being halted. This raises questions regarding financial oversight, governance and value for money in the development of major capital projects.

Given the importance of protecting public funds and maintaining public confidence in the Council's financial management, this matter warrants further scrutiny.

This Council resolves to:

1. Request that the Corporate Performance Panel reviews the decision making and governance processes relating to the use of external consultants in the development of the Lynnsport and St James Pool proposal

2. Request that the Corporate Performance Panel considers whether appropriate affordability checks and financial controls were applied at an early stage.

3. Require that the findings and any recommendations are reported back to Full Council".

1.3 Council agreed that the matter should proceed to Corporate Performance Panel for further scrutiny.

2. Background and Timeline

2.1 The initial work on the leisure projects in 2024 assessed leisure performance collectively and reviewed at the facilities in King's Lynn, Downham Market and Hunstanton. Recommendations from this report were presented to the Joint Panel in December 2024. St James Swimming Pool in King's Lynn opened in 1975 and Oasis Leisure Centre in Hunstanton in 1984. Both facilities are at the end of their economic lives and both facilities have prohibitively high energy costs due to their design and require significant capital investment to remain open and operating. The feasibility work concluded that the council should develop a capital investment plan to renew its swimming pools and leisure centres.

2.2 This work also utilised analysis of catchment populations being served by the existing and proposed centres; previous needs assessment work carried out by the council; analysis of competing provision; usage levels for different activities within the venues and 'market penetration' rates in order to calculate 'latent/potential' future demand and evidenced the strategic need for leisure investment.

2.3 A report was submitted to Cabinet on 10 December 2024 outlining four options.

2.4. **Option 1** Replace and relocate St James Pool with a new 25m x 6 lane pool and learner pool at Lynnsport or an alternative town centre location.

2.5 **Option 2** Replace Oasis at an existing or alternative site in Hunstanton.

2.6 **Option 3** Redevelop the existing 'dryside' facilities at Lynnsport either at the same time as the new pool or as a later second stage development.

2.7 **Option 4** Provide additional fitness facilities (enlarged gym and extra studio) and general refurbishment at Downham Market Leisure Centre.

2.8 The officer recommendation to Cabinet was that the council consider adopting a phased approach to the options to secure the strategic priority of delivering a network of sustainable pools within the context of an inevitably challenging funding environment.

2.9 In December 2024, Cabinet considered and approved a report recommending the use of an established construction framework to progress feasibility and design work to RIBA Stage 2 for leisure projects at Lynnsport (King's Lynn) and the Oasis Centre (Hunstanton).

The report explicitly set out that frameworks provide a fully compliant procurement route, offering efficiency, cost savings, pre-tendered expertise, and reduced programme timescales.

2.10 Cabinet approved the recommendation following endorsement from the Joint Panel

3. Mini Competition Within the Framework

3.1 Following Cabinet approval, the Council undertook a mini competition in December 2024 between three suppliers. Each was required to respond to 13 structured questions covering team composition, leadership, scope of RIBA Stage 2 work, approach to consultation, cost certainty, programme, leisure expertise, social value and references.

3.2 Formal interviews were held on 4 December 2024 with the Procurement team, ensuring appropriate governance and challenge.

4. Rationale for Selecting the Successful Consultants

4.1 The consultants were selected based on the outcome of the mini competition, not by direct award.

Key factors informing the decision included:

- Offering a consultant led, multi-disciplinary team aligned to RIBA Stage 2 (Supported by Sport England)
- Continuity from earlier Stage 1 work, reducing risk and duplication
- Provision of project management support, addressing limited client-side capacity
- Early, proportionate contractor engagement to test capital costs realistically
- A fixed, competitive fee with a defined contingency.

4.2 Alternative bids were less suitable. One proposed a contractor led approach, more appropriate for later stages and did not provide cost certainty.

5. RIBA Stage 3

5.1 Following receipt of the RIBA Stage Two reports and the recommendations, a report was considered by Cabinet and Council in July 2025, recommending that the option to move the pool to Lynnsport, together with a wider refurbishment project to accommodate the new pool was progressed to RIBA Stage 3. This report staged "during the next phase the funding options and affordability will be considered. Work is also underway to identify potential sources of funding",

5.2 Due to some uncertainty around the urgent coastal defence works and the work in progress on the Hunstanton Masterplan, it was recommended that the Oasis project did not proceed at this stage.

5.3 Members are asked to note that, although the redevelopment of Oasis has been paused, pending further consideration of the issues outlined in 5.1, the work completed to RIBA Stage 2 represents a valuable and necessary investment.

The design and feasibility work undertaken has established a robust evidence base for the project, including the development of the preferred concept design, technical assessments and initial cost planning. This work provides a significantly advanced starting point for any future delivery programme and will reduce the time, cost and risk associated with recommencing the project.

Importantly, the outputs from RIBA Stage 2 will remain relevant to any future authority structure. By progressing the project to this stage, the Council has ensured that a successor authority will inherit a mature and well-developed scheme.

5.4 The cost to progress Lynnsport to RIBA Stage 3 was £1.4m. At this point, the estimated cost of the project was circa £45m. This recommendation was endorsed by Cabinet on 25 July 2025 and by Full Council on 31st July 2025.

5.5 The RIBA Stage 3 work included highways impact, environmental assessments and mechanical/electrical (M&E) strategies together with a comprehensive consultation and engagement process. This included staff, clubs, including swimming, gymnastics, bowls, schools, national governing bodies, as well as engagement with members and users of the facilities. This feedback was analysed, and the plans were adapted in response to the consultation.

5.6 It is important to note that when the initial report was taken to Council, the Government had not issued its white paper on English Devolution and Local Government Reorganisation, therefore the project was not, at that point, considered against the proposed changes to the model of local Government or the establishment of the Mayoral Combined Authority.

5.7 Following a review of the capital programme by the Section 151 Officer in autumn 2025, it was noted that during 2025, additional pressures from other capital projects would impact on the affordability of the new swimming pool at Lynnsport. These included:

- The Guildhall Project
- The Flood Defence work at Hunstanton
- The Asset Management Plan

5.8 These additions to the capital programme, along with the still high cost of borrowing would impact on the affordability of the Lynnsport project. Financial modelling revealed a significant disparity between borrowing for a new build versus a refurbishment. Public Works Loan Board (PWLB) borrowing must be repaid over the life of the asset, whilst a new build allows for a longer repayment term. As a refurbishment project, this carried a much shorter maximum borrowing term. The project at that point relied heavily on refurbishing and co-locating within an existing building; the reduced repayment window resulted in higher annual revenue costs compared to a standalone new build.

5.9 At the same time, the feedback received through the consultation and engagement process demonstrated that the proposed new facilities would not provide enhanced facilities at Lynnsport due to the space constraints. Whilst upgraded facilities were welcomed, it was apparent that both the swimming and gymnastics clubs would not be able to grow their clubs within the constraints of the new development.

5.10 Compounding this point was the major concern expressed by stakeholders on the extensive disruption and impact on existing service users. In terms of the business case, relocating the swimming pool into Lynnsport gave the best return on investment. However, the consultation responses demonstrated an unacceptable level of service disruption, which contributed to the decision to pause the project, which was carried out via a Delegated Decision by the Portfolio Holder.

5.12 The project to relocate St James Swimming Pool to Lynnsport and to improve the facilities at Lynnsport (which are ageing and non-DDA compliant in some areas), has been progressed to provide our residents and communities with an improved facility. The project has been ‘pivoted’ following a review of affordability and expected benefits as a response to our residents and stakeholder views and aspirations. The re-scoping and re-defining of this project in an agile manner demonstrated that members and officers reviewed the project and were prepared to adapt the project against the backdrop of external factors, consultation responses, the economic climate and the wider changes around local government reform.

5.13 Whilst the work is not progressing, the work undertaken to develop the project to RIBA Stage 3 has delivered significant value and should not be regarded as abortive expenditure. The detailed design process has provided the council with a much greater understanding of the existing leisure centre building, including its structural characteristics, condition and operational constraints. This level of technical knowledge would be required for any significant refurbishment or redevelopment proposal and now forms a valuable evidence base for future decision making.

5.14 The RIBA Stage 3 work has substantially improved the councils’ understanding of the existing asset and created a body of technical evidence that will inform and de-risk any future investment in the site.

6. Issues for the Panel to Consider

6.1 The Panel is asked to consider the report presented against the questions posed in the Notice of Motion. Namely:

- Request that the Corporate Performance Panel reviews the decision making and governance processes relating to the use of external consultants in the development of the Lynnsport and St James proposal.

- Request that the Corporate Performance Panel considers whether appropriate affordability checks and financial controls were applied at an early stage.
- Require that the findings and any recommendations are reported back to Full Council.

6.2 The timeline demonstrates that the Council followed a fully compliant and transparent procurement process, combining Cabinet-approved use of a construction framework with a competitive mini-procurement, which directly informed the appointment of the consultants.

6.3 To progress the Lynnsport/St James project to RIBA Stage 3, in July 2025, Cabinet recommended to Council the allocation of £1.4m. Council approved Cabinet's recommendation on 31 July 2025. For continuity, the existing consultants were appointed via an Access Agreement to carry out this work.

7. Financial Implications

7.1 There are no financial implications in relation to this Notice of Motion.

8. Any other Implications/Risks

8.1 Not applicable to this report.

9. Equal Opportunity Considerations

9.1 Not applicable to this report.

10. Environmental Considerations

10.1 Not applicable to this report.

11. Consultation

11.1 None for this Notice of Motion

12. Conclusion

12.1 The review of expenditure and decision making regarding the Lynnsport and St James Pool proposal demonstrates a robust application of governance. The investment in professional fees was a phased, democratically sanctioned requirement to provide the technical due diligence necessary for a project of this scale. The specialist/technical work from ground surveys through to complex market modelling provided the council with essential information that internal resource could not produce and which now remains a corporate asset that has and will continue to inform our leisure development work at Lynnsport and, most importantly, enabled us to evolve the project to be responsive to our communities aspirations and feedback.

13. Background Papers

Recommendations to Cabinet from the Joint Panel
Cabinet Report
Recommendations to Cabinet from the Corporate Performance Panel
Cabinet Report
Recommendations to Council
Council Minutes