

# **Bell's Sports Centre Future Options Report**



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## Contents

	Executive Summary	
1.	Introduction	5
2.	Current Situation	6
3.	Options	21
4.	Options Appraisal	43
5.	Recommendations	46
6.	Appendices	48

## Executive Summary

This report provides a detailed analysis and strategic appraisal for the future of Bell's Sports Centre, considering its current operational challenges, financial performance, and the strategic objectives of Perth and Kinross Council. Following significant flood damage (which is uninsured) and within the scope of the Council's Transformation Review, this appraisal critically examines the centre's viability and explores potential pathways forward.

### Current Situation and Financial Overview:

Bell's Sports Centre has experienced fluctuating financial performance from 2019 to 2023, with a notable decline in income during the 2020-21 fiscal year due to the pandemic, followed by a recovery in subsequent years. The year 2022-23 saw income rise to £793,934, driven by investments in new fitness facilities. However, the Centre also faces challenges, including high staff costs and operational deficits, with the current financial year forecasting a net deficit of £674,875. This is worsened due to the current venue closure.

### Options Appraisal:

Six strategic options are evaluated, ranging from full closure and relocation of fitness services to Dewars Centre (Option 1), to various levels of reinstatement and service reconfiguration (Options 2-6). Each option has been assessed for its financial implications, potential impact on community service provision, and alignment with the Council's strategic objectives.

Option 1 emerges as the most financially viable, promising significant improvements in net expenditure and a three-year return on investment however it comes at a significant cost to community use. This option entails the complete cessation of Bell's operations and the transfer of fitness services to Dewars Centre.

An alternative worth considering is Option 4, which involves a partial reinstatement of Bell's, encompassing 8 – 10 badminton courts and 1 – 2 squash courts, alongside relocating the fitness facilities to Dewars. This approach results in a balanced improvement in net expenditure and a return on investment within thirteen years. Crucially, it enables community groups to resume their activities at Bell's, supporting local events and maintaining usage.

Options 2 through 6 explore a spectrum of reinstatement possibilities, each with unique financial, operational, and community service implications. These range from full reinstatement to partial operations focusing on fitness services, with varying degrees of capital investment and projected returns on investment.

### Recommendations:

Based on the comprehensive analysis, Option 1 is recommended as the primary strategy. This approach offers substantial financial benefits, aligns with the Council's sustainability goals, and ensures the continuity of fitness services within the community. However, Option 1 has the largest negative impact on usage of the six options, coming at a significant cost to community use. Programming and planning at a strategic level across Perth and Kinross would be required to identify appropriate alternative venues for the diverse array of existing Bell's arena users. This includes those involved in both competitive and social sports, individuals with disabilities and a range of community groups spanning from youth to older adults. It necessitates strategic planning to address the displacement of other services and programmes, review of facility booking processes, opening discussions on access to school facilities during the day and a need for clubs to be prioritised. This would include protecting access to current facilities at Bell's for Perthshire Rugby Club.

The secondary recommendation is Option 4. Fitness would be relocated to Dewars and the partial reinstatement of Bell's arena and squash allows community groups to recommence activities. It serves as a viable alternative, offering a blend of financial prudence and community use continuity with a thirteen year ROI but may be impacted by PH<sup>2</sup>O project timescales.

### Conclusion:

The future of Bell's Sports Centre is at a critical juncture. The recommended strategy of full closure and relocation of services presents a financially and strategically prudent path forward. It requires careful implementation, strategic collaboration, community consultation, and alignment with broader council objectives to ensure the continued provision of valuable leisure and fitness services to the Perth and Kinross community.

## 1. Introduction

The strategic future of Bell's Sports Centre is critically assessed within this report, against a backdrop of the Perth and Kinross Council's Transformation Review and the catastrophic impact of a recent flood event. This flood not only inflicted considerable damage on the facility but also acted as a pivotal moment, prompting a re-evaluation of leisure services provision within the wider strategic context of Perth's leisure asset optimisation and sustainability challenges.

### 1.1 Project Description

This appraisal critically examines the strategic options for Bell's Sports Centre, now at a crossroads following the flood damage. The flood event has underscored the vulnerability of ageing infrastructure to environmental risks, intertwining with the broader challenges identified in the Transformation Review. These include financial sustainability, the imperative for energy efficiency, and the potential reclassification of the Centre alongside Perth Leisure Pool as Category B listed buildings, introducing complex layers of regulatory and conservation considerations into future planning.

It explores a spectrum of options, from the full reinstatement of the Centre to its potential closure, framed within the necessity for a consolidated, modernised leisure offering that aligns with community needs, financial viability, and environmental sustainability.

## 2. Current Situation

### 2.1 Summary of Current Position

Bell's Sports Centre closed on the 8<sup>th</sup> of October 2023 due to devastating flood damage. In planning the next steps LAL had also to consider the potential impact of PH20 and whether Bell's will ultimately be closed and the facilities moved to a new development on the existing Dewars site. These challenges add to the financial position and the inability to insure the building. Bell's is currently partially open for fitness classes in two studios while additional classes are delivered at Dewars. The gym, arena and squash courts remain closed.

### 2.2 Financial Summary

#### Historical

- **2019-20:** Bell's reported an income of £511,003 with staff costs at £745,793, the highest for the period. Total net expenditure was £602,182 as can be seen in **Table 2.1** below.
- **2020-21:** Income decreased to £113,643, likely due to external factors including the pandemic. Staff costs were reduced to £567,567 and total net expenditure increased to £709,302.
- **2021-22:** Income increased to £371,396, with staff costs at £601,961 and total net expenditure at £550,527.
- **2022-23:** Income further rose to £793,934, indicating growth from the investment in new fitness facilities and recovery from the pandemic. Staff costs increased significantly to £858,967 with total net expenditure at £570,856.

**Table 2.1** highlights that over these years, Bell's showed a trend of increasing income and fluctuating costs, with a notable decrease in income in 2020-21 due to the pandemic and a substantial rise in income and staff costs in 2022-23 from investment in fitness facilities and services.

**Table 2.1: Financial Performance 2019 - 2023**

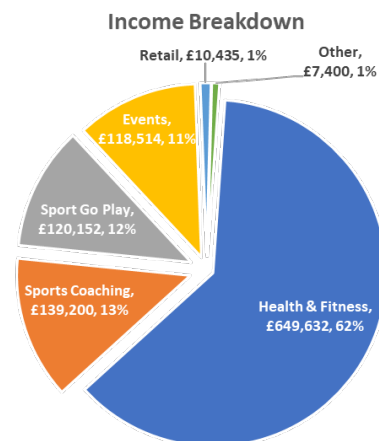
Financial Year	2019-20	2020-21	2021-22	2022-23
Income	-£511,003	-£113,643	-£371,396	-£793,934
Cost of Sales	£280	£0	-£497	-£308
Staff Costs	£745,793	£567,567	£601,961	£858,967
Property Costs	£171,981	£113,494	£151,717	£229,365
Supplies and Services	£195,131	£141,884	£168,742	£276,766
<b>Net Expenditure</b>	<b>£602,182</b>	<b>£709,302</b>	<b>£550,527</b>	<b>£570,856</b>

**August 2022 – July 2023 Baseline**

As requested, the baseline was created for a twelve month period prior to the closure of Bell's. **Table 2.2** below shows that for the financial year August 2022 to July 2023, Bell's reported increased income of £1,045,333. However, a substantial portion of the centre's expenses was tied up in staff costs, which totalled £888,922. Property costs, were also significant, amounting to £238,801. Additionally, supplies and services were £307,869. Consequently, the total expenditure for Bell's during this period was £1,436,289. The net expenditure for Bell's was £390,956. This financial overview, serving as the baseline for the report, underscores that while Bell's generated considerable income, the high expenditure, especially in staff and property costs, led to a significant operating deficit albeit less than previous years.

**Table 2.2: Financial Performance August 2022 - July 2023**

Account Centre	Bell's Sports Centre
<b>Income Total</b>	<b>-£1,045,333</b>
Cost of Sales	£697
Staff Costs	£888,922
Property Costs	£238,801
Supplies & Services	£307,869
<b>Expenditure Total</b>	<b>£1,436,289</b>
<b>Net Expenditure</b>	<b>£390,956</b>



**Bell's Forecast to Year End 2023**

Given the closure of Bell's on October 8th, 2023, the financial forecast for the remainder of the year reflects the impact of this closure shown below in **Table 2.3**.



Originally budgeted to generate £1,001,091, the revised forecast for operating income has been adjusted down to £718,237 a reduction of £282,854.

On the expenditure front, the forecast shows a decrease in staff costs to £836,396 from the budgeted £897,782, a saving of £61,386, attributed to staff reductions and redeployments following the closure. Supplies and services expenses are also projected to drop to £327,359, down from the budgeted £369,207, saving £41,848. Property costs and utilities are forecasted to be lower than budgeted, at £39,038 and £190,319 respectively, due to the decreased operational needs following the closure.

Overall, the total expenditure is forecasted at £1,393,112, which is £127,666 less than the budgeted figure of £1,520,778. Despite these reductions in costs, the forecast still predicts a deficit of £674,875 for the period following the closure until the year's end. This deficit is larger than the budgeted deficit of £519,687 by £155,188, reflecting the significant financial impact of the centre's closure.

**Table 2.3: Bell's Financial Forecast for 2023**

<b>Account Group</b>	<b>Full Year Forecast</b>	<b>Budget</b>	<b>Movement</b>
Operating Income	<b>-£718,237</b>	<b>-£1,001,091</b>	<b>£282,854</b>
Staff Costs	£836,396	£897,782	-£61,386
Supplies & Services	£327,359	£369,207	-£41,848
Property Costs	£39,038	£43,789	-£4,751
Utilities	£190,319	£210,000	-£19,681
<b>Expenditure</b>	<b>£1,393,112</b>	<b>£1,520,778</b>	<b>-£127,666</b>
<b>Surplus/ - Deficit</b>	<b>-£674,875</b>	<b>-£519,687</b>	<b>-£155,188</b>

## 2.3 Membership Performance Aug. 2022 - July 2023

Over the twelve month period from August 2022 to July 2023, LAL experienced fluctuations in Health and Fitness membership sales, cancellations and the resulting net gain. The analysis, including the launch of the new gym at Bell's on 9<sup>th</sup> July 2022, provides valuable insights into the impact of this strategic move. Bell's boasts the highest membership share among LAL facilities, contributing to 61% of gym memberships, 49% for fitness classes and 81% of personal training.

**Table 2.4: LAL Membership position Aug. 2022 – July 2023**

Month	Sales	Cancellations	Net Gain
Aug-22	346	154	192
Sep-22	333	190	143
Oct-22	292	138	154
Nov-22	241	164	77
Dec-22	157	157	0
Jan-23	508	141	367
Feb-23	329	165	164
Mar-23	305	224	81
Apr-23	209	285	-76
May-23	212	272	-60
Jun-23	187	230	-43
Jul-23	237	193	44
Totals	<b>3356</b>	<b>2313</b>	<b>1043</b>

**Sales Overview:** Sales data seen in **Table 2.4** reveals varying monthly figures, with a strong start in August 2022 post Bell's gym opening, generating 346 new members an impressive increase of 253 from August 2021. Robust sales continued through September and October, peaking in January 2023 with 508 new memberships. The twelve month period resulted in a total of 3356 new membership sales, showing a significant positive shift from the previous average of 147 new memberships per month.

Comparatively, the period before Bell's gym opening averaged 147 new memberships monthly, emphasising the substantial impact of the new facility on LAL's membership and business. October and November 2021, with peak sales at 179 and 176, respectively, are surpassed by the monthly average of 280 post Bell's gym launch.

**Cancellations:** The initial seven months of the analysed period exhibited a positive trend in cancellations, indicating a favourable response to the new gym. Lower cancellation figures during this period affirm the positive impact of the facility on member retention. From March 2023 onwards, cancellations increased, with notable peaks in April and May 2023. Further exploration of contributing factors during these months would provide valuable insights.

**Net Gain Analysis:** The overall net gain for the period stands at 1043, highlighting LAL's ability to attract and retain members. Positive net gains in most months demonstrate successful membership growth within the Health and Fitness segment.

**Key Insights:**

- **Successful Launch Impact:** The positive net gain following the new gym's launch indicated a successful integration of Bell's into LAL's membership strategy.
- **Seasonal Variations:** Cancellation peaks in April and May could align with seasonal trends or external factors affecting member commitment. Analysing member feedback and engagement during this period could offer valuable insights.
- **Retention Focus:** While overall net gains are positive, a deeper analysis of cancellations in specific months can inform targeted retention strategies. Understanding member needs during low net gain periods is crucial for sustained growth.

**Conclusion:**

The impressive net gain of 1043 members over the twelve month period not only underscores LAL's successful sales strategies and member retention efforts but also shows the positive impact of the gym at Bell's Sports Centre. The successful integration of this facility into the membership strategy not only surpassed historical performance but became a pivotal driver in achieving sustained growth and heightened satisfaction within the Health and Fitness membership base. This positive impact on membership count and net gain position confirms the importance of fitness provision in future options.

### 2.3.1 Membership Performance (Oct. 2023 – Jan. 2024)

The flooding at Bell's on the 8<sup>th</sup> October last year significantly impacted LAL membership dynamics and operational capacity. The entire facility was forced to close. On the 23<sup>rd</sup> October 2023 Bell's partially reopened with fitness classes in two of the three studios, with studio 1 downstairs remaining closed. Unfortunately, the closure of key amenities like the arena, squash courts, and gym persisted, leading to the cancellation of sporting coaching sessions and events that were either cancelled or relocated to other LAL facilities and Perth schools.

This disruption had a noticeable effect on LAL's overall membership performance, as reflected in the following **Table 2.5**:

**Table 2.5: LAL Membership position August 2023 – 22<sup>nd</sup> January 2024**

Month	Sales	Cancellations	Net Gain
Aug-23	271	237	34
Sep-23	226	213	13
Oct-23	138	273	-135
Nov-23	94	363	-269
Dec-23	60	275	-215
Jan-24	111	222	-111

The significant decline in net gain, reaching -730 from October '23 to 22<sup>nd</sup> January '24, reflects the challenges faced by LAL in member retention and acquisition following the facility's closure. The reduced access to key amenities, especially the gym at Bell's, contributed to a decline in sales and an increase in cancellations.

It's essential to highlight that the negative net gain is a direct consequence of the facility's closure due to the flooding incident. The impact is not solely reflected in sales and cancellations but also in the overall member and customer experience, with activities and services no longer available and several that have not been successfully relocated to other facilities.

## 2.4 Bell's Usage (August 2022 – July 2023)

To form a picture of the facilities that could be reinstated, whether at Bell's, Dewar's or elsewhere, it's important to review the average usage (prior to closure) to demonstrate patterns of demand. Bell's had over 250,000 visits in 2022-2023 second only to Perth Leisure Pool with 362,000 visits. These two sites led participation performance in the two previous years.

For Bell's, Sport Go Play made up the majority of participation in 2019-2020 with 69,554 visits, this declined to 40,254 in 2022-2023. Whereas gym participation was only 7235 in 2019-2020 increasing to 70,886 in 2022-2023. During that same time participation in events, fun coached, steps coached and education have all declined. Whereas fitness classes, personal training and non-sport venue hire have all increased demonstrating the change in demands and business focus. Sport Go Play at Bell's has declined by 42% from 2019-2020 to 2022-2023. Across other LAL

venues Sport Go Play has seen growth and decline at different sites with an overall decline of 29%.

**Table 2.6** below shows the total average usage for Bell’s Sports Centre. The table shows that peak usage is Monday to Wednesday from 4 – 9pm and Thursdays and Fridays 4 – 8pm. During the day, the pattern follows usage before work or education, dipping 8 – 10am then increasing at 10am with high usage, especially on Tuesdays with 99.94 average users. Weekend usage displayed a distinct pattern with a notable peak on Saturday mornings and relatively consistent but lower attendance on Sundays.

**Table 2.6: Bell’s Total Average Usage over 12 months**

short day	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00
☐ Mon	16.02	6.43	17.65	79.50	63.22	62.06	37.74	37.24	19.19	62.02	67.50	137.65	82.74	59.56	5.22	0.09
☐ Tue	21.58	6.40	27.74	99.94	52.58	55.92	47.09	40.15	24.15	72.96	88.98	118.09	82.19	30.45	22.09	0.13
☐ Wed	20.45	6.15	26.92	69.55	62.32	68.98	18.42	44.49	16.28	61.28	80.66	155.92	87.85	48.94	14.36	0.08
☐ Thu	18.55	5.34	41.42	63.53	47.25	52.51	50.92	60.04	16.87	47.66	79.02	70.04	84.40	30.83	16.55	0.08
☐ Fri	22.26	7.08	24.68	63.51	55.89	47.28	26.85	34.02	18.47	27.58	41.98	52.75	33.28	14.00	2.62	
☐ Sat	0.02	40.87	36.28	43.94	58.15	18.96	13.66	13.45	17.00	10.15	0.60					
☐ Sun		29.25	28.85	25.43	50.34	14.28	14.81	13.77	14.53	8.28	0.60		1.36	8.15		

The arena has historically been booked for over 40 events per year. The majority with Scottish Gymnastics and also include Scottish Floorball, Scottish Table Tennis, indoor hockey and badminton. The events generate income but also prevent community groups, sports clubs, members and the local public from creating a pattern of regular bookings, usage or community events.

We will now consider each area within Bell’s in turn to build a picture of facility need based on historical usage.

### 2.4.1 Fitness Gym

As detailed in membership performance section of the report the gym at Bell’s opened 9<sup>th</sup> July 2023. The gym usage mirrors that as described for Bell’s overall as it drives the highest use at the centre. Early mornings, 7am, show higher gym usage, indicating a demand for early workout sessions before the workday begins. Then from 10am the gym use is fairly steady until it builds from 4pm through to 9pm on Monday to Wednesdays and 8pm for Thursdays and Fridays. Saturday and Sundays show lower usage that is steady throughout the weekend, the highest weekend use is Saturday 10am-12pm.

## 2.4.2 Fitness Classes

Monday to Thursday evenings at 6pm have the highest class attendance, with 42.22 and 25.87 average users, indicating these are highly popular times for fitness classes.

Mid-morning times on weekdays, particularly from 10am to 12pm, show consistent moderate usage, with the number of average users ranging from 12.23 to 21.26.

Saturday and Sunday classes are popular from 9-11am, attracting similar class attendance as mid-week mornings.

## 2.4.3 The Arena

The programme of bookings at Bell's arena is broad and varied. It enables community interaction and accommodates a diverse range of sports, leisure activities and community groups.

Prior to the flooding, the arena had regular bookings from 26 sports clubs/groups, casual court bookings and hosted national events. These bookings were varied, with the majority of groups attending four times per month, while others scheduled as many as 3 per week. The range of users spanned all demographics, including youth, senior citizens, competitive and social sports, individuals with disabilities and various community groups. The range of activities was equally diverse, featuring sports such as table tennis, squash, netball, football, cricket, and rugby, alongside sessions for disability groups like rebound therapy and the Perth Eagles Wheelchair Sports Club, as well as non-sporting clubs like the Perth Quilters.

In addition, Bell's was the home to the gymnastics programme. There were 34 weekly classes, split into 17 Wee Springers classes, tailored for the younger participants during the daytime and 17 after-school sessions.

The arena was in use throughout the week, with scheduled activities from 10am to 10pm. Notably, weekend bookings were deliberately kept open to accommodate events.

**Table 2.7** below illustrates a distinct pattern in usage, with morning and evening slots being the most active, pointing to a drop in participation before 9am and in the afternoons. Arenas 1 and 2 exhibit robust evening engagement, with usage rates

between 59.38% and 61.01% across all courts, and similarly substantial morning activity with usage rates from 42.99% to 59.69%. Arena 3 peaks during after-school hours, a time when Arenas 1 and 2 are quieter. Arena 3 has the lowest overall usage as permanently set for gymnastics. Fridays from afternoons onwards throughout the weekend shows limited usage for arena 3 where sessions are not booked to allow for set up of weekend events. This pattern suggests that the breadth of activities traditionally offered in the arena could potentially be consolidated onto 8 - 10 courts, optimising space usage without compromising service delivery.

**Table 2.7: Bell's Arena and Squash Usage**

SiteDescription	Before 09:00	Morning	Afternoon	After School	Evening	Total
<b>Bell's Sports Centre</b>						
<b>Arena 1</b>	35.52%	55.67%	23.47%	20.27%	61.01%	<b>40.04%</b>
<b>B.S.C. Arena Badminton 1</b>	34.46%	55.62%	30.60%	47.24%	45.34%	<b>39.44%</b>
<b>Arena 2</b>	35.42%	49.80%	18.10%	18.60%	63.51%	<b>38.60%</b>
<b>Arena 1 Court 3</b>	21.21%	59.69%	19.11%	17.70%	59.38%	<b>37.79%</b>
<b>Arena 1 Court 2</b>	21.21%	59.05%	19.21%	17.54%	59.47%	<b>37.66%</b>
<b>B.S.C. Arena Badminton 2</b>	35.68%	40.22%	33.64%	42.63%	40.00%	<b>37.44%</b>
<b>Arena 1 Court 4</b>	21.21%	59.69%	14.12%	17.38%	59.38%	<b>35.83%</b>
<b>Arena 1 Court 5</b>	21.21%	59.69%	14.06%	17.38%	59.38%	<b>35.80%</b>
<b>Arena 2 Court 2</b>	21.21%	44.16%	10.81%	11.46%	61.20%	<b>33.08%</b>
<b>Arena 2 Court 3</b>	21.21%	43.67%	10.61%	9.86%	61.20%	<b>32.65%</b>
<b>Arena 2 Court 4</b>	21.21%	43.50%	10.51%	9.54%	61.30%	<b>32.57%</b>
<b>Arena 2 Court 5</b>	21.21%	42.99%	10.61%	9.38%	61.30%	<b>32.49%</b>
<b>B.S.C Squash Court 1</b>	2.42%	18.99%	16.70%	36.67%	40.91%	<b>21.90%</b>
<b>Arena 3 Court 2</b>	20.35%	30.30%	14.81%	34.81%	8.87%	<b>16.86%</b>
<b>Arena 3 Court 5</b>	20.35%	30.24%	14.67%	30.49%	8.87%	<b>16.11%</b>
<b>Arena 3 Court 4</b>	20.35%	30.08%	14.67%	30.49%	8.87%	<b>16.07%</b>
<b>Arena End Segment</b>		26.36%	11.02%	20.67%	5.57%	<b>14.83%</b>
<b>Arena 3 Court 3</b>	20.35%	30.08%	11.62%	23.04%	9.05%	<b>14.51%</b>
<b>B.S.C Squash Court 2</b>	2.35%	8.33%	5.98%	31.13%	33.69%	<b>14.45%</b>
<b>B.S.C Squash Court 3</b>	1.88%	5.13%	4.40%	5.18%	7.55%	<b>4.97%</b>
<b>Total</b>	<b>20.99%</b>	<b>28.26%</b>	<b>13.53%</b>	<b>26.40%</b>	<b>46.60%</b>	<b>21.91%</b>
<b>Total</b>	<b>20.99%</b>	<b>28.26%</b>	<b>13.53%</b>	<b>26.40%</b>	<b>46.60%</b>	<b>21.91%</b>

In conclusion, the comprehensive utilisation of Bell's arena underscores its integral role in fostering a thriving and inclusive community. The extensive range of clubs and groups that called Bell's home demonstrates the centre's unique ability to accommodate a diverse array of activities, catering to a broad spectrum of interests

and needs. The usage patterns reveal that while certain arenas exhibit high engagement during morning and evening sessions, there is potential to reduce the number of courts and still meet usage demands.

## 2.4.4 Squash

Squash usage across the week shows a pattern of predominately under utilised courts as can be seen below in **Table 2.8**.

**Table 2.8: Average Squash Usage across Monday - Sunday**

Squash	Before 9am	Morning	Afternoon	After School	Evening
<b>Court 1</b>	2.42%	18.99%	16.70%	36.67%	40.91%
<b>Court 2</b>	2.35%	8.33%	5.98%	31.13%	33.69%
<b>Court 3</b>	1.88%	5.13%	4.40%	5.18%	7.55%

Court 1 has an average usage of 25% across the week, Court 2 is 18% and Court 3 is 5% as can be seen below in **Table 2.9**. Court 1 peaks on Monday evenings with 55%, followed by 51% after school on Fridays. Similarly, Court 2 peaks on Fridays after school with 71% and 47% on Monday evenings however these peaks are the exceptions. Court 3 doesn't reach an average of 10% on any day across an average week. Wednesday is the busiest for Court 3 at 8%.

**Table 2.9: Squash Court Usage split by day and booking time group**

Description	Booking Time	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Total
<b>Court 1</b>	After School	38%	41%	44%	34%	51%	10%	13%	33%
	Afternoon	11%	20%	19%	13%	18%	18%	19%	17%
	Before 09:00	0%					11%	21%	11%
	Evening	55%	39%	38%	37%	35%			41%
	Morning	22%	12%	20%	10%	11%	29%	29%	19%
<b>Court 1 Total</b>		<b>25%</b>	<b>28%</b>	<b>30%</b>	<b>24%</b>	<b>29%</b>	<b>17%</b>	<b>20%</b>	<b>25%</b>
<b>Court 2</b>	After School	26%	29%	34%	22%	71%	3%	5%	27%
	Afternoon	4%	5%	5%	4%	5%	9%	9%	6%
	Before 09:00						11%	21%	16%
	Evening	47%	31%	30%	29%	30%			34%
	Morning	4%	5%	13%	3%	7%	17%	9%	8%
<b>Court 2 Total</b>		<b>20%</b>	<b>18%</b>	<b>21%</b>	<b>15%</b>	<b>29%</b>	<b>10%</b>	<b>11%</b>	<b>18%</b>
<b>Court 3</b>	After School	4%	1%	13%	2%	9%	4%	2%	5%
	Afternoon	2%	7%	2%	5%	3%	6%	6%	4%
	Before 09:00		4%	6%					5%
	Evening	5%	5%	13%	7%	7%			8%



	Morning	13%	3%	6%	2%	2%	1%	10%	5%
<b>Court 3 Total</b>		<b>6%</b>	<b>4%</b>	<b>8%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>6%</b>	<b>5%</b>

Looking at need, one squash court would be sufficient based on historical usage patterns. Similarly, only one court is required to participate in Squash leagues. Finally, these squash usage figures have also been enhanced through some usage including table tennis which could continue on squash courts or be relocated to the arena.

## 2.5 Bell’s Usage Since Partial Closure on 7<sup>th</sup> October

Prior to the flooding, the arena had 26 distinct clubs and groups scheduled, projecting a monthly attendance of 1,921 individuals, not accounting for casual court bookings, events, and educational utilisation of the facilities.

The daytime bookings, predominantly utilised by seven groups, have unfortunately not found alternative locations, which is partly attributed to restricted daytime access to school facilities. Of the 19 groups that utilised the evening slots, 8 have transitioned to new venues, these have been met with challenges which are seen as temporary short term compromises while Bell’s remains closed. The Fair City Rollers, Roller Derby club, face unique challenges in finding a suitable venue due to their specific flooring requirements. Similarly, the Rebound Therapy group that use trampolines while working with users with additional needs, has been impacted by the lack of an appropriate space for their large equipment, which is particularly problematic because they traditionally met during the day.

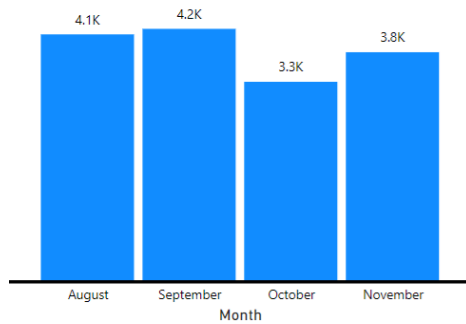
The gymnastics programme, with its 34 weekly classes, has been significantly disrupted. The Wee Springers classes are still seeking a new home. While the after-school and evening classes have been accommodated by a school court, the relocation is not without its challenges. Bell’s was a preferred venue for over 20 annual Scottish Gymnastics events, a choice made due to its capacity, storage for specialist equipment, and experienced staff. Scottish Table Tennis and Badminton also valued Bell’s for its facilities, numerous courts, and competition-standard lighting, a testament to the centre’s high-quality provisions.

The closure has significantly disrupted the routine of numerous groups, highlighting the centre’s contribution to community wellbeing.

As the gym at Bell’s remains closed the members may have chosen to join other operators in the meantime. A reduced programme of fitness classes restarted on the

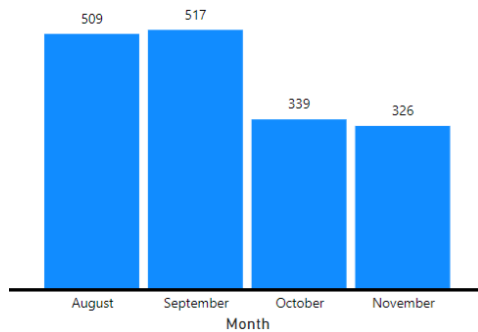
23<sup>rd</sup> October from Bell's, Dewars and North Inch. As can be seen in **Table 2.10** below, the usage numbers for fitness classes drop from 4.2K to 3.3K in October when Bell's closes and then increase to 3.8K in November 2023.

**Table 2.10: Fitness Class Usage Bell's and Dewars Aug - Nov 2023**



Likewise, **Table 2.11** below shows the number of classes drop from 517 in September to 339 and 326 in October and November respectively. In November 41 classes were offered at Dewars and 5 at North Inch.

**Table 2.11: Number of Fitness Classes at Bell's and Dewars Aug - Nov 2023**



## 2.6 Customer Usage and Staff Optimisation

Optimising staffing is crucial for achieving operational efficiency and enhancing customer and staff satisfaction at Bell's. By aligning staffing levels with customer needs and operational demands, service quality can be enhanced, efficiency improvements made, and ultimately drive business success.

On reviewing the Bell's baseline staffing structures, against usage figures, there is some correlation between the number of staff on duty and the number of users at the centre. However, the data suggests that they are not consistently aligned and offer opportunities for cost optimisation.

Table 2.12 was previously shown in section 2.4 to highlight usage, it is repeated here to compare with staffing levels and costs.

**Table 2.12: Bell's Average Usage over 12 months**

short day	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00
Mon	16.02	6.43	17.65	79.50	63.22	62.06	37.74	37.24	19.19	62.02	67.50	137.65	82.74	59.56	5.22	0.09
Tue	21.58	6.40	27.74	99.94	52.58	55.92	47.09	40.15	24.15	72.96	88.98	118.09	82.19	30.45	22.09	0.13
Wed	20.45	6.15	26.92	69.55	62.32	68.98	18.42	44.49	16.28	61.28	80.66	155.92	87.85	48.94	14.36	0.08
Thu	18.55	5.34	41.42	63.53	47.25	52.51	50.92	60.04	16.87	47.66	79.02	70.04	84.40	30.83	16.55	0.08
Fri	22.26	7.08	24.68	63.51	55.89	47.28	26.85	34.02	18.47	27.58	41.98	52.75	33.28	14.00	2.62	
Sat	0.02	40.87	36.28	43.94	58.15	18.96	13.66	13.45	17.00	10.15	0.60					
Sun		29.25	28.85	25.43	50.34	14.28	14.81	13.77	14.53	8.28	0.60		1.36	8.15		

Table 2.13 below shows the number of staff on duty, when compared to the usage patterns opportunities can be seen. The highest staff levels can be seen highlighted in red showing Tuesday 4pm and Monday 9am have the highest number of staff across the week. There are areas where staffing mirrors usage and others, such as Monday at 9am, where there is opportunity to better align staff to usage.

**Table 2.13: Bell's Staff on Duty averaged over 12 months**

short day	06:00	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00
Mon	5.25	7.00	8.00	12.50	11.75	9.00	9.00	9.00	9.00	10.25	11.50	10.00	10.00	10.00	9.50	3.50	1.00
Tue	4.25	6.00	6.50	9.50	8.75	8.00	9.00	9.50	10.00	10.25	13.00	12.00	11.00	10.50	8.50	3.50	1.00
Wed	4.25	6.00	7.00	11.50	10.75	9.00	9.00	10.00	10.00	10.25	11.50	10.00	9.00	9.00	7.50	2.50	1.00
Thu	4.25	6.00	6.50	9.00	7.75	7.00	7.50	9.00	10.00	9.25	11.00	10.00	10.00	10.00	7.50	2.50	1.00
Fri	4.25	6.00	7.00	12.00	10.75	9.00	9.50	10.00	9.00	10.00	10.00	9.00	9.00	9.00	8.50	4.00	4.00
Sat		4.50	6.50	8.00	8.00	6.50	5.25	5.75	5.50	4.00	4.00	2.50	2.00	2.00	2.00	2.00	1.00
Sun		4.00	6.00	8.00	8.00	6.00	5.50	5.00	5.50	4.00	4.75	3.50	3.00	3.00	3.00	3.00	1.00

Layering the staffing onto the usage it's key to consider the staff costs per hour as seen in Table 2.14. The staff costs per hour range from £10.26 to £149.49. The average weekly staff cost from the baseline expenditure model is £9,963.

**Table 2.14: Bell's Staff costs per hour**

short day	06:00	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00
Mon	£52.68	£69.97	£84.69	£145.93	£139.73	£112.30	£112.30	£111.80	£114.72	£126.94	£134.73	£102.47	£102.47	£102.47	£97.85	£35.15	£10.26
Tue	£41.98	£59.27	£67.46	£112.35	£106.14	£99.22	£109.87	£114.70	£122.95	£124.52	£149.49	£123.77	£113.12	£107.79	£84.78	£35.15	£10.26
Wed	£41.98	£59.27	£73.99	£135.23	£129.03	£112.30	£112.30	£122.45	£125.37	£127.78	£135.57	£103.31	£92.66	£92.66	£74.97	£25.34	£10.26
Thu	£41.98	£59.27	£67.46	£107.03	£95.49	£88.57	£93.90	£109.38	£122.95	£114.71	£129.03	£103.31	£103.31	£103.31	£74.97	£25.34	£10.26
Fri	£41.98	£59.27	£73.99	£140.56	£129.03	£112.30	£117.62	£122.95	£112.30	£122.11	£119.75	£92.81	£92.81	£92.81	£88.19	£43.39	£43.39
Sat		£44.29	£66.30	£83.00	£83.00	£69.16	£56.56	£61.88	£59.24	£44.23	£44.23	£27.05	£20.51	£20.51	£20.51	£20.51	£10.26
Sun		£38.96	£60.98	£83.00	£83.00	£64.54	£59.22	£53.89	£59.24	£44.23	£51.15	£36.27	£29.74	£29.74	£29.74	£29.74	£10.26

Moving on to then consider the staff costs per customer in Table 2.15 below is where it's clearer to see the picture and opportunities. The lowest staff costs per

customer are highlighted in yellow at 6-7pm Monday to Wednesday, through to the highest costs in red. The cost per customer ranges from £0.59 for Wednesdays 6-7pm up to £60.31 per customer on Monday at 6am.

**Table 2.15: Bell's Staff costs per customer**

short day	06:00	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00
Mon	£60.31	£4.37	£15.47	£8.57	£1.90	£1.78	£1.81	£3.23	£3.63	£6.99	£2.48	£1.52	£0.74	£1.24	£1.72	£7.66	£20.51
Tue	£49.61	£2.75	£11.83	£4.24	£1.18	£1.89	£1.96	£2.54	£3.57	£5.46	£2.22	£1.39	£0.96	£1.38	£2.94	£1.81	£20.51
Wed	£49.61	£2.90	£14.42	£5.22	£2.02	£1.80	£1.63	£7.20	£3.06	£8.29	£2.53	£1.28	£0.59	£1.05	£1.63	£2.10	£20.51
Thu	£49.61	£3.20	£14.17	£2.58	£1.68	£1.87	£1.89	£2.35	£2.23	£7.23	£2.98	£1.31	£1.48	£1.22	£2.58	£1.82	£20.51
Fri	£49.61	£2.66	£12.54	£5.70	£2.21	£2.01	£2.60	£4.58	£3.30	£6.61	£5.23	£2.21	£1.76	£2.79	£6.63	£16.55	£43.39
Sat		£49.61	£2.03	£2.29	£1.89	£1.27	£3.40	£4.72	£4.80	£2.60	£4.36	£33.58	£20.51	£20.51	£20.51	£20.51	£20.51
Sun		£38.96	£2.84	£2.88	£3.26	£1.28	£4.52	£3.64	£4.69	£3.04	£6.45	£42.81	£29.74	£21.89	£3.65	£29.74	£20.51

### New Staffing Model

The following models aims to adjust the staffing structure to better match the user demand while maintaining the right staff in the right areas to deliver high levels of service.

**Table 2.16** shows the staffing structure for where Bell's is in full operation. The principles behind the model are consistent across all options. As can be seen staffing levels range from two when closing the centre in the evening to nine for peak times 5 – 8pm Monday to Friday.

**Table 2.16: Bell's revised number of staff on duty**

short day	06:00	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00
Mon	2.75	5.00	5.00	7.00	7.75	7.00	7.00	6.50	5.50	5.00	7.50	9.00	9.00	9.00	6.00	1.00	
Tue	2.75	5.00	5.00	7.00	7.75	7.00	7.00	6.00	5.00	5.00	7.50	9.00	9.00	9.00	6.50	2.50	1.00
Wed	2.75	5.00	5.00	7.00	7.75	7.00	7.00	6.00	5.00	5.00	7.50	9.00	9.00	9.00	6.50	2.50	1.00
Thu	2.75	5.00	5.00	7.00	7.75	7.00	7.00	6.00	5.00	5.00	7.50	9.00	9.00	9.00	6.50	2.50	1.00
Fri	2.75	5.00	5.00	7.00	7.75	7.00	7.00	6.50	5.50	5.00	7.50	9.00	9.00	9.00	6.00	1.00	
Sat		2.50	5.00	5.50	7.00	6.50	7.50	7.00	6.50	5.50	4.50	1.00					
Sun		0.50	3.00	5.50	7.00	7.00	8.00	7.00	6.50	5.50	4.50	1.00					

The reductions are reflected in the reduced staff costs per hour in **Table 2.17**. Costs start with £10.26 and £11.44 for the closing period of the centre where there are two staff members finishing on the half hour. The highest costs are £92.76 for 5 – 8pm Monday to Friday.

**Table 2.17: Bell's revised staff costs per hour**

short day	06:00	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00
Mon	£26.82	£49.46	£49.46	£80.78	£89.77	£82.85	£82.85	£78.74	£69.21	£63.86	£88.94	£92.76	£92.76	£92.76	£62.85	£11.44	
Tue	£26.82	£49.46	£49.46	£80.78	£89.77	£82.85	£82.85	£72.20	£62.68	£63.86	£88.94	£92.76	£92.76	£92.76	£67.68	£27.71	£11.44
Wed	£26.82	£49.46	£49.46	£80.78	£89.77	£82.85	£82.85	£72.20	£62.68	£63.86	£88.94	£92.76	£92.76	£92.76	£67.68	£27.71	£11.44
Thu	£26.82	£49.46	£49.46	£80.78	£89.77	£82.85	£82.85	£72.20	£62.68	£63.86	£88.94	£92.76	£92.76	£92.76	£67.68	£27.71	£11.44
Fri	£26.82	£49.46	£49.46	£80.78	£89.77	£82.85	£82.85	£78.74	£69.21	£63.86	£88.94	£92.76	£92.76	£92.76	£62.85	£11.44	
Sat		£25.02	£50.05	£54.95	£70.51	£65.89	£76.07	£70.51	£65.18	£54.95	£45.22	£10.26					
Sun			£25.02	£54.95	£70.51	£70.51	£80.69	£70.51	£65.18	£54.95	£45.22	£10.26					

This staffing model combined with the customer usage shows the weekly cost is £7,228. **Table 2..18** below reflects the new model and the impact on staff costs per customer. Opening the centre continues to be the highest cost time, this has reduced from £60.31 on Mondays to £39.80 Monday to Friday, still allowing key staff to set up operations for the day. Throughout the day the staffing flexes alongside the customer usage.

**Table 2.18: Bell's revised staff costs per customer**

short day	06:00	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00
Mon	£39.80	£3.09	£7.70	£4.58	£1.27	£1.31	£1.34	£2.52	£2.00	£3.33	£1.51	£1.37	£0.67	£1.12	£1.21	£4.38	
Tue	£39.80	£2.29	£7.73	£2.91	£1.01	£1.58	£1.48	£1.74	£1.86	£2.64	£1.28	£1.04	£0.79	£1.13	£2.37	£1.47	£22.88
Wed	£39.80	£2.42	£8.04	£3.00	£1.46	£1.33	£1.20	£4.45	£1.68	£3.92	£1.53	£1.15	£0.59	£1.06	£1.48	£2.27	£22.88
Thu	£39.80	£2.67	£9.26	£1.95	£1.59	£1.75	£1.58	£1.61	£1.24	£3.79	£1.96	£1.17	£1.32	£1.10	£2.34	£1.97	£22.88
Fri	£39.80	£2.22	£6.99	£3.27	£1.60	£1.48	£1.75	£3.54	£2.19	£3.46	£3.39	£2.21	£1.76	£2.79	£5.16	£8.73	
Sat		£50.05	£1.22	£1.65	£1.60	£1.21	£4.79	£5.16	£5.24	£3.52	£4.93	£20.51					
Sun		£9.81	£1.71	£2.07	£2.77	£1.40	£7.01	£4.76	£5.12	£4.12	£6.04	£20.51					

In conclusion, optimising staffing allows for operational efficiency and enhancing customer and staff satisfaction. The model looks to align staffing with customer needs and operational demands, to enable enhanced service quality, efficiency improvements, and drive business success. The model reduces weekly staff costs from £9,963 to £7,228. These new models show the staffing for the full reinstatement of Bell's. The principles for the models are consistent across all six options.

### 3. Options

There are 6 options under consideration for this project. Each option is appraised against the baseline financial and usage performance of August 2022 to July 2023.

**Option 1 - Full Closure of Bell's and Relocation of Fitness to Dewars Centre:**

This option explores the complete closure and stopping of all activities at Bell's Sports Centre with the gym and group exercise classes being relocated to the Dewars Centre.

**Option 2 - Reinstate Bell's in Full:**

Under this proposal, Bell's Sports Centre would be fully restored to its pre-closure operating status. All areas and facilities would be reinstated and be fully operational as they were prior to the flood.

**Option 3 - Reinstate Bell's in Part:**

This option proposes the partial reinstatement of Bell's Sports Centre. The gym and fitness classes would be fully reinstated at Bell's. The Arena would be partly reinstated with 8 – 10 courts. Squash would be retained with 1 - 2 courts.

**Option 4 – Reinstate Bell's in Part with Relocation of Fitness to Dewars Centre:**

This option considers relocating the gym and fitness classes to the Dewars Centre. The main arena at Bell's would be partly reinstated with 8 – 10 courts. Squash would be retained with 1 - 2 courts.

**Option 5 – Wild Card: Reinstate Bell's in Part with Relocation of Fitness to a non-LAL facility:**

This approach suggests locating fitness facilities at a non-LAL facility, presenting a unique set of logistical and partnership considerations. The main arena at Bell's would be partially reinstated, similar to other options, with 8 to 10 courts and Squash would be retained with 1 - 2 courts.

**Option 6 – Reinstate Fitness Only at Bell's:**

The final option focuses solely on the reinstatement of the gym and studios for fitness classes at their existing locations within Bell's Sports Centre.

### 3.1 Option 1 - Full Closure of Bell's Sports Centre and Relocation of Fitness to Dewars Centre

#### Impact on Income

With the full closure of Bell's, all income and costs are zeroed, fitness is moved to Dewars along with the associated income and costs. As the arena and squash courts would remain closed, Sport Go Play income of £216,941 is removed as clubs and activities cannot be relocated to Dewars. The events income of £118,514 also stops as events will not continue. The full income for gym provision, fitness classes, personal training and wellbeing move to Dewars. Since the closure of Bells, the membership has declined by 20%, therefore all six options show membership income at 80% due to the reduced membership count, this reduces it to £441,202. These substantial streams, along with smaller ones create an overall forecasted drop in income of £473,253. The combined Income of Bells and Dewars would reduce from £1,318,685 to £845,432 shown in **Table 3.1**.

**Table 3.1: Financial Baseline compared to Option 1**

Account Centre	Aug 22 - July 23 Baseline		Option 1	
	Bell's	Dewars	Bell's	Dewars
<b>Income Total</b>	<b>-£1,045,333</b>	<b>-£273,352</b>	<b>£0</b>	<b>-£845,432</b>
Cost of Sales	£697	£0	£0	£697
Staff Costs	£888,922	£308,855	£0	£637,770
Property Costs	£238,801	£229,869	£0	£251,493
Supplies & Services	£307,869	£78,424	£0	£368,403
<b>Expenditure Total</b>	<b>£1,436,289</b>	<b>£617,148</b>	<b>£0</b>	<b>£1,258,362</b>
<b>Net Expenditure</b>	<b>£390,956</b>	<b>£343,796</b>	<b>£0</b>	<b>£412,930</b>
<b>Combined Net Expenditure</b>	<b>£734,752</b>		<b>£412,930</b>	
<b>Baseline Comparison</b>			<b>£321,822</b>	

#### Impact on Expenditure

Expenditure at Bell's drops to zero, Dewars incurs increased costs, albeit not to the level previously experienced at Bell's. No mothballing costs are assumed for Bell's. There is a significant decrease in expenditure, with most notable reductions in staff costs which are nearly halved from £1,197,777 to £637,770 in part due to the arena closure.

A proportion of property costs; electricity, repairs and maintenance and cleaning, which allow for the gym and fitness classes to be delivered are transferred to Dewars. 79.3% of supplies and services costs are moved to Dewars including the full corporate services recharge of £245,377, fitness class delivery, equipment, membership expenses, printing and subscriptions and licencing.

### Impact on Net Expenditure

Net Expenditure, when compared to the baseline (**Table 3.1**), shows a £321,822 saving. **Option One presents the most significant saving across all options.**

### Impact on Staffing Structures

The Bell's management structure is reduced, and a Deputy Manager is added at Dewars to continue community hall management and to manage the team that will service customers of the gym and fitness classes. As the arena and squash remain closed the structure doesn't include leisure staff. Fitness staff move to Dewars, following the same labour optimisation principles that are detailed within Section 2.6, which reduces staffing in-line with customer usage. The staffing structure flexes to mirror fitness user patterns with a fitness team member opening the gym, an additional team member joining prior to the morning increase in usage and then further increases from 4pm to accommodate the evening peaks in demand.

### Impact on Usage and Demand

Option 1 has the largest negative impact on usage of the six options. Relocating fitness to Dewars would entail the complete cessation of bowling as the gym would be location in the current bowling hall location.

**Members:** Due to the decrease in membership since the closure and the assumption that some of these members will now have formed new routines the predicted demand shows a drop of 20%. However, the new gym and fitness classes at the central location of Dewars could deliver stronger membership demand and growth that predicted. There is potential to recover lost members and attract new ones at Dewars.

Usage at Bell's for August 2022 to July 2023 was 310,274 for all areas and activities as can be seen in **Table 3.2** below.



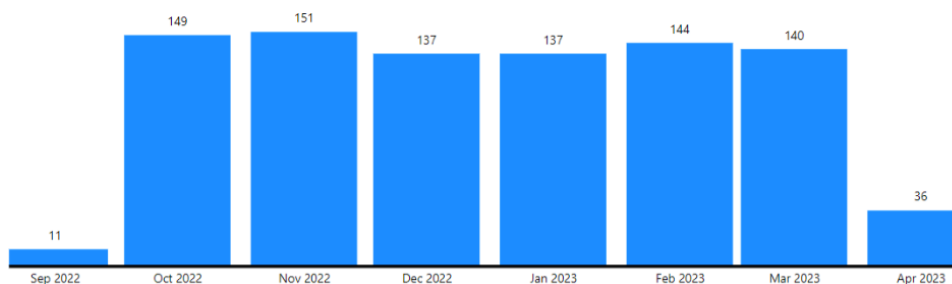
**Table 3.2: Usage comparison for Baseline and Option 1**

Usage	Aug 22 - July 23 Baseline		Option 1	
	Bell's	Dewars	Bell's	Dewars
Education	15,124	1,138	-	1,138
Events	45,897	-	-	-
Fitness Classes	47,534	-	-	42,781
Fitness Gym	107,349	-	-	96,614
Fitness Personal	1,812	-	-	1,631
Fun Coached	18,237	502	-	9,621
Miscellaneous	25	-	-	-
Non Sport Venue Hire	13,728	16,473	-	7,773
Sport Go Play	40,790	22,344	-	22,344
Steps Coached	13,797	5	-	5
Wellbeing	5,981	-	-	5,981
<b>Usage Total</b>	<b>310,274</b>	<b>45,462</b>	<b>-</b>	<b>187,887</b>
<b>Combined Usage</b>	<b>355,736</b>		<b>201,587</b>	
<b>Usage Variance</b>			<b>-162,849</b>	

**Clubs:** In addition to the complete cessation of bowling, the closure of Bell's arena would mean 162,849 annual uses from the 26 clubs, groups, casual bookings and events would be looking for new locations to continue their activities. In the time that Bell's has been closed a small number of clubs have been temporarily rehomed to other locations. The impact on these clubs and their customers would be significant. Full closure of Bell's has the largest negative impact on usage of the six options. The meeting rooms at Dewars would be converted to studios for fitness classes, therefore impacting use by clubs.

The usage for bowling at Dewars is, on average, 143 unique users each month during the bowling season as can be seen in **Table 3.3** below. Bowling would not continue with Option 1.

**Table 3.3: Bowling Unique Users September 2022 - April 2023**



Perthshire Rugby Football Club use of Bell's as a clubhouse and the changing facilities would require to be considered.

**Events:** Due to the closure of Bell's in Option 1, events would move elsewhere and no usage is forecasted for events at Bell's. Annual events are held in the two halls at Dewars that the relocation of fitness there would impact. In line with baseline dates the income generated was £21,821, of the 10 events, 6 are not returning for 2024/25. If fitness were at Dewars the income from these events would be £5,222. As noted, when considering Clubs, the meeting rooms would be converted to studios therefore impacting bookings for events.

### Capital Costs

Capital costs for relocation of the gym and fitness classes to Dewars are forecasted as £902,277. No mothballing costs are assumed for Bells.

**Table 3.4: Capital Costs for Option 1**

	Option 1	
	Bell's	Dewars
All Areas		
Main Arena		
Main Gym		£302,277
Build Costs		£600,000
		<b>£902,277</b>
<b>Total</b>		<b>£902,277</b>

The capital costs include converting the bowling hall at Dewars into a gym, the conversion of the first floor meeting rooms into three fitness studios and the updating and refurbishment of the male and female changing rooms. Creating a new home at Dewars for the fitness members.

## 3.2 Option 2 – Reinstate Bell’s in Full

### Impact on Income

The full reinstatement of Bell’s shows a forecasted 20% drop in income from £1,045,333 to £899,478 as seen in **Table 3.5** below.

The events income has reduced by 30% from £118,514 to £82,960. The assumption is that some events will have arranged new locations and would return at a rate of 70%. As with all options the membership income is forecasted to reduce by 20% from £551,503 to £441,202. All other income streams are assumed at pre-closure levels.

**Table 3.5: Financial comparison of Baseline to Option 2**

Account Centre	Reinstate Bells in full			
	Aug 22 - July 23 Baseline		Option 2	
	Bell’s	Dewars	Bell’s	Dewars
<b>Income Total</b>	<b>-£1,045,333</b>	<b>-£273,352</b>	<b>-£899,478</b>	<b>-£273,352</b>
Cost of Sales	£697	£0	£697	£0
Staff Costs	£888,922	£308,855	£756,004	£308,855
Property Costs	£238,801	£229,869	£238,801	£229,869
Supplies & Services	£307,869	£78,424	£307,869	£78,424
<b>Expenditure Total</b>	<b>£1,436,289</b>	<b>£617,148</b>	<b>£1,303,371</b>	<b>£617,148</b>
<b>Net Expenditure</b>	<b>£390,956</b>	<b>£343,796</b>	<b>£403,892</b>	<b>£343,796</b>
<b>Combined Net Expenditure</b>	<b>£734,752</b>		<b>£747,688</b>	
<b>Baseline Comparison</b>			<b>-£12,936</b>	

### Impact on Expenditure

This option sees the Bell’s expenditure forecast reduce by 9% overall from £1,436,289 to £1,303,371. This reduction is from labour optimisation savings of 15% within staff costs. Property costs and supplies and services remain in line with pre-closure levels.

### Impact on Net Expenditure

Net Expenditure, when compared to the baseline (**Table 3.5**), shows an increase of £12,936 to £747,688.

### Impact on Staffing Structures

Through considering aligning staffing to usage, opportunities to reduce costs while maintaining service levels and staff satisfaction were apparent. A reduction of 15% of staffing costs are suggested within Option 2. The Bell's management expenditure is forecasted to reduce by having a facility manager, a part time administrator, one duty manager and two senior leisure attendants. The reception is forecasted to be managed by one receptionist at a time, allowing for management to covers breaks. With the continuing move to online bookings and communications there could be less reliance on receptionists. The fitness gym staffing levels remain similar to baseline gym staffing figures. The fitness staff rota patterns align with usage patterns with opening staff, additional member of staff at 9am, increasing to three for the peak times from early evenings Monday to Friday. Leisure attendants reduce to mirror usage with one staff member during the day, supported by a duty manager or senior leisure attendant if required, increasing to two after school. The cleaning costs are only slightly reduced. The staff costs for gymnastics and group fitness instructors all remain the same as the baseline figures.

### Impact on Usage and Demand

The forecasted drops in income for events and membership flow through to usage as seen in **Table 3.6**. The events usage is forecasted to drop by 30%. Gym, fitness classes and personal training are all forecasted to drop by 10%. This allows for fitness casual usage at pre-closure levels, potentially higher, as prospective members use the facilities on a casual basis prior to joining. As membership count is forecasted to reduce this impacts on usage, however usage forecast shows only a 10% decline (not matching the 20% membership decline) as the membership will be excited to return to their routines in new facilities, so usage is forecasted to reflect this.

**Table 3.6: Usage comparison of Baseline to Option 2**

Cost Centre	Aug 22 - July 23 Baseline		Option 2	
	Bell's	Dewars	Bell's	Dewars
Education	15,124	1,138	15,124	1,138
Events	45,897	-	32,128	-
Fitness Classes	47,534	-	42,781	-
Fitness Gym	107,349	-	96,614	-

Fitness Personal	1,812	-	1,631	-
Fun Coached	18,237	502	18,237	502
Miscellaneous	25	-	25	-
Non Sport Venue Hire	13,728	16,473	13,728	16,473
Sport Go Play	40,790	22,344	40,790	22,344
Steps Coached	13,797	5	13,797	5
Wellbeing	5,981	-	5,981	-
<b>Usage Total</b>	<b>310,274</b>	<b>40,462</b>	<b>280,835</b>	<b>40,462</b>
<b>Combined Usage</b>	<b>350,736</b>		<b>321,297</b>	
<b>Baseline Comparison</b>			<b>-29,439</b>	

### Capital Costs

The capital costs for the full reinstatement of Bell's are £1,968,047. The most significant cost is £829,715 on building and fabric including the new flooring throughout. With the discovery of reinforced autoclaved aerated concrete (RAAC) in the ceiling, costs to remove and reinstate the ceiling have been included at £590,000. Fitness is reinstated with new equipment, entry gates and fire door link up. The arena seating is dismantled and reinstalled and electrical and mechanical works are included. This allows for all areas of Bell's to be reinstated in full.

**Table 3.7: Capital Costs for Option 2**

	Option 2	
	Bell's	Dewars
All Areas	<b>£865,655</b>	
Main Arena	£213,315	
Main Gym	£299,077	
RAAC removal and ceiling reinstatement	£590,000	
	<b>£1,968,047</b>	<b>£0</b>
<b>Total</b>	<b>£1,968,047</b>	

### 3.3 Option 3 – Reinstate Bell’s in Part

Option 3 sees the partial reinstatement of Bell’s with fitness, 8 – 10 badminton courts and 2 squash courts. The fitness offer is returning to pre-closure scale with the gym, classes and personal training and the arena sees a decrease in number of courts. With all facilities being offered at Bell’s, this prevents the situation of having to relocate fitness if PH20 goes ahead in the future.

#### Impact on Income

**Table 3.8** below shows, total income is forecasted to reduce by 24% against the baseline from £1,045,333 to £794,569. The events income of £118,514 is removed with the focus of Option 3 being reinstating the facility for primarily Perth and Kinross community usage. Membership income is forecasted to reduce by 20% from £551,503 to £441,202. Option 3 has a reduced number of courts going from 17 badminton courts to 8-10 or from three arenas to two. With less than a third of the courts, gymnastics income is reduced by 50% with the assumption that the programmes will continue in their current locations, although they come with compromises as short-term solutions. In line with the reduction of activities in the arena, the food vending is forecasted to reduce by 20%. There is predicted growth of 20% in the Sport Go Play income line as the removal of events allows for the growth of local clubs, additional coaching programmes and casual use at weekends. There is the potential to return to Sport Go Play income levels of 2019-2020, 42% higher than pre-closure figures.

**Table 3.8: Financial comparison of Baseline to Option 3**

	Aug 22 - July 23 Baseline		Partial Reinstatement (Fitness, 8-10 badminton courts and 2 squash)	
			Option 3	
Account Centre	Bell’s	Dewars	Bell’s	Dewars
<b>Income Total</b>	<b>-£1,045,333</b>	<b>-£273,352</b>	<b>-£794,569</b>	<b>-£273,352</b>
Cost of Sales	£697	£0	£697	£0
Staff Costs	£888,922	£308,855	£646,050	£308,855
Property Costs	£238,801	£229,869	£213,801	£229,869
Supplies & Services	£307,869	£78,424	£307,324	£78,424
<b>Expenditure Total</b>	<b>£1,436,289</b>	<b>£617,148</b>	<b>£1,167,872</b>	<b>£617,148</b>
<b>Net Expenditure</b>	<b>£390,956</b>	<b>£343,796</b>	<b>£373,303</b>	<b>£343,796</b>
<b>Combined Net Expenditure</b>	<b>£734,752</b>		<b>£717,099</b>	

<b>Baseline Comparison</b>		<b>£17,653</b>
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### Impact on Expenditure

Staff costs see a further 15% reduction from Option 2, full reinstatement of Bell's, and a 27% reduction against the baseline. With reduced facilities to operate and reduced usage the staff costs are reduced to match. Cost of sales remain unchanged against the baseline. Property costs show an 10% reduction to £213,801 from the baseline of £238,801. These savings come from a decrease in cleaning materials, gas and electricity used in the reduced facility operation. Supplies and services see a small reduction in expenditure on removing the specific event booking costs. The total expenditure forecast is £1,167,872 compared to the baseline of £1,436,289, a 19% reduction.

### Impact on Net Expenditure

Net Expenditure is forecasted at £717,099 a reduction of £17,653 from £734,752. (Table 3.8)

### Impact on Staffing Structure

Following the labour optimisation principles that are detailed within Section 2.6, staffing is forecasted to reduce in-line with customer usage. Option 3 shows a 27% reduction against the baseline and 14% further reduction against Option 2, full reinstatement of Bell's. The further reduction against Option 2 is due to the reduced facility size, operation and usage.

### Impact on Usage and Demand

**Member:** Fitness gym, classes and personal training all see a 10% reduction in usage as seen in all options due to the forecasted membership decline. However, factors such as returning to where they chose to join and all activities being in one location may help to increase usage. One location may make it more convenient for families, while children are in club activities in the arena parents can use the gym or go to a class increasing the likelihood to join or exercise through convenience.

**Clubs:** In reducing from three arenas to two, the gymnastics usage follows inline with the 50% reduction in income and is forecasted to continue in the venues

arranged while closed. The usage for Sport Go Play and Steps Coached returns to pre-closure levels. Without large scale events and the associated set up there will be the ability to develop Friday evening through to Sunday evening activities which would allow for new opportunities to be explored.

**Events:** Option 3 sees the large events moving elsewhere, with this in mind no usage is forecasted for events. However, with the proposal of growing local community and club use there is significant potential to grow a localised Perth and Kinross events business.

**Table 3.9: Usage comparison of Baseline to Option 3**

Usage	Aug 22 - July 23 Baseline		Option 3	
	Bell's	Dewars	Bell's	Dewars
Education	15,124	1,138	15,124	1,138
Events	45,897	-	-	-
Fitness Classes	47,534	-	42,781	-
Fitness Gym	107,349	-	96,614	-
Fitness Personal	1,812	-	1,631	-
Fun Coached	18,237	502	9,119	502
Miscellaneous	25	-	25	-
Non Sport Venue Hire	13,728	16,473	-	16,473
Sport Go Play	40,790	22,344	40,790	22,344
Steps Coached	13,797	5	13,797	5
Wellbeing	5,981	-	5,981	-
<b>Usage Total</b>	<b>310,274</b>	<b>40,462</b>	<b>225,861</b>	<b>40,462</b>
<b>Combined Usage Total</b>	<b>350,736</b>		<b>266,323</b>	
<b>Baseline Comparison</b>			<b>-84,413</b>	

### Capital Costs

To reinstate Bell's in part with fitness, 8 – 10 badminton courts and 2 squash courts the forecasted capital costs are £1,630,176.

These include building and fabric costs of £491,844 a reduction against full reinstatement due to the reduced courts space. As with Option 2, with the discovery



of RAAC, costs to remove and reinstate the ceiling have been included at £590,000. The removal and then reinstatement of the seating units is forecasted at £111,332 which may merit consideration if the large scale events do not return to Bell's. The reinstatement of the gym equipment is £264,887.

**Table 3.10: Capital Costs for Option 3**

	Option 3	
	Bell's	Dewars
All Areas	£527,784	
Main Arena	£213,315	
Main Gym	£299,077	
RAAC removal and ceiling reinstatement	£590,000	
	£1,630,176	£0
<b>Total</b>	<b>£1,630,176</b>	

### 3.4 Option 4 – Reinstate Bell’s in Part with Fitness at Dewars

Option 4 sees the relocation of fitness to Dewars and the partial reinstatement of Bell’s arena with 8 – 10 badminton courts and 2 squash courts.

#### Impact on Income

**Table 3.11** below shows the combined operating income of Bell’s and Dewars is forecasted to decrease by 20% from £1,295,680 to £1,047,954. As with Option 1 the gym, fitness classes and personal training income streams move to Dewars at pre-closures levels. Membership income is transferred to Dewars at 80% of baseline levels. Food vending, fun coached and merchandise income are all retained at 50% at Bell’s.

**Table 3.11: Financial comparison of Baseline to Option 4**

Account Centre	Aug 22 - July 23 Baseline		Relocate fitness to Dewars - reinstate 8-10 badminton courts and 2 squash	
	Bell’s	Dewars	Option 4	
	Bell’s	Dewars	Bell’s	Dewars
<b>Income Total</b>	<b>-£1,045,333</b>	<b>-£273,352</b>	<b>-£251,870</b>	<b>-£796,084</b>
Cost of Sales	£697	£0	£697	£0
Staff Costs	£888,922	£308,855	£260,151	£559,320
Property Costs	£238,801	£229,869	£137,722	£269,869
Supplies & Services	£307,869	£78,424	£140,024	£244,769
<b>Expenditure Total</b>	<b>£1,436,289</b>	<b>£617,148</b>	<b>£538,593</b>	<b>£1,073,958</b>
<b>Net Expenditure</b>	<b>£390,956</b>	<b>£343,796</b>	<b>£286,723</b>	<b>£277,873</b>
<b>Combined Net Expenditure</b>	<b>£734,752</b>		<b>£564,597</b>	
<b>Baseline Comparison</b>			<b>£170,155</b>	

#### Impact on Expenditure

As with all options the staff costs are reduced and in line with Option 1 Dewars incurs increased costs. Fitness staff and group fitness instructors are transferred to Dewars. A proportion of property costs; electricity, repairs and maintenance and cleaning, which allow for the gym and fitness classes to be delivered are also transferred to Dewars. Property costs for Bell’s and Dewars are £407,591 a 13%

reduction from the baseline. This allows for additional electricity, repairs and maintenance and water costs at Dewars. Reductions are projected at Bell's due to the smaller spaces that will be operated. Savings are projected in electricity and gas for Bell's. Supplies and services are maintained at pre-closure amounts with reallocation of most lines to Dewars at 50% including the corporate services recharge and others where the full cost is transferred including fitness class delivery.

### Impact on Net Expenditure

The net expenditure is £564,597 compared to £734,752, a forecasted expenditure reduction of £170,155. (Table 3.11)

### Impact on Usage and Demand

Option 4 has similar predicted impact on usage as Option 3. The usage of 257,623 visits would be spread over Bell's and Dewars. This is a drop of 93,113 uses against the pre-closure baseline lost from events, gymnastics and 10% for fitness products. In addition, relocating fitness to Dewars would entail the complete cessation of bowling, as detailed for Option 1, the usage is on average 143 unique users each month during the season of October to March.

**Members:** The members are forecasted to use Dewars for the gym, fitness classes and PT at a reduced rate of 10%. Option 4 will have a new gym, studios and updated changing rooms with strong potential for attracting new and ex-members to the new facilities.

**Clubs:** Gymnastics usage is reduced by 50% with the assumption that gymnastics programmes will continue in their new locations. As with Option 3, Sport Go Play and Steps Coached usage returns to pre-closure levels. Without large scale events and the associated set up there will be the ability to develop Friday evening through to Sunday evening activities which would allow for new opportunities to be explored. As with option 1, the meeting rooms at Dewars would be converted to studios for fitness classes, therefore impacting use by clubs.

**Events:** Option 4, as with Option 3, sees the large events moving elsewhere, no usage is forecasted for events. With the proposal of growing local community and club use there is significant potential to grow a localised Perth and Kinross events business. At Dewars, as with Option 1, the annual events held in the two halls at would be impacted reducing the income to £5,222. As noted, when considering

Clubs, the meeting rooms would be converted to studios therefore impacting bookings for events.

**Table 3.12: Usage comparison of Baseline to Option 4**

Usage	Aug 22 - July 23 Baseline		Option 4	
	Bell's	Dewars	Bell's	Dewars
Education	15,124	1,138	15,124	1,138
Events	45,897	-	-	-
Fitness Classes	47,534	-	-	42,781
Fitness Gym	107,349	-	-	96,614
Fitness Personal	1,812	-	-	1,631
Fun Coached	18,237	502	9,119	502
Miscellaneous	25	-	25	-
Non Sport Venue Hire	13,728	16,473	-	7,773
Sport Go Play	40,790	22,344	40,790	22,344
Steps Coached	13,797	5	13,797	5
Wellbeing	5,981	-	-	5,981
<b>Usage Total</b>	<b>310,274</b>	<b>40,462</b>	<b>78,855</b>	<b>178,769</b>
<b>Combined Usage Total</b>	<b>350,736</b>		<b>257,623</b>	
<b>Baseline Comparison</b>			<b>-93,113</b>	

### Capital Costs

Capital costs for Option 4 are £2,185,537. Those are higher than Option 3 due to the additional costs caused by relocation of fitness to Dewars. They include building, fabric, electrical and mechanical reinstatement costs of £693,260 to return Bell's to an operational state with the reduced court offer. As with Options 2 and 3, the discovery of RAAC incurs costs to remove and reinstate the ceiling at £590,000. Fitness reinstatement costs are £302,277 plus £600,000 to relocate the gym to the bowling hall at Dewars, along with the meeting rooms being converted to studios and upgrading the changing rooms.

**Table 3.13: Capital Costs for Option 4**

	<b>Option 4</b>	
	<b>Bell's</b>	<b>Dewars</b>
All Areas	<b>£479,945</b>	
Main Arena	£213,315	
Main Gym		£302,277
RAAC	£590,000	
Build Costs		£600,000
	<b>£1,283,260</b>	<b>£902,277</b>
<b>Total</b>	<b>£2,185,537</b>	

### 3.5 Option 5 – Wild Card Option

Option 5 sees Bell's reinstated in part and the relocation of all fitness to a non-LAL facility. The main arena at Bell's would be partially reinstated, similar to other options, with 8 - 10 courts and squash retained with 1 - 2 courts.

The Wild Card option was added to consider fitness at a different location due to the ongoing flood risk, inability to insure Bell's and uncertainty for the future of fitness at Dewars due to the potential of PH20.

#### Impact on Income

**Table 3.14** below shows the impact on income is forecasted to be similar to Option 3 due to the arena reinstatement also being 8 – 10 badminton courts and 2 squash court along with fitness and membership mirroring Option 3 but at a new venue instead of Bell's.

**Table 3.14: Financial comparison of Baseline to Option 4**

	Aug 22 - July 23 Baseline		Wild Card - Partial reinstatement of Bell's and new venue		
Account Centre	Bell's	Dewars	Bell's	Dewars	New Venue
<b>Income Total</b>	<b>-£1,045,333</b>	<b>-£273,352</b>	<b>-£251,870</b>	<b>-£273,352</b>	<b>-£539,331</b>
Cost of Sales	£697	£0	£697	£0	£0
Staff Costs	£888,922	£308,855	£274,889	£308,855	£300,044
Property Costs	£238,801	£229,869	£137,722	£229,869	£223,920
Supplies & Services	£307,869	£78,424	£136,695	£78,424	£170,670
<b>Expenditure Total</b>	<b>£1,436,289</b>	<b>£617,148</b>	<b>£550,002</b>	<b>£617,148</b>	<b>£694,633</b>
<b>Net Expenditure</b>	<b>£390,956</b>	<b>£343,796</b>	<b>£298,132</b>	<b>£343,796</b>	<b>£155,301</b>
<b>Combined Net Expenditure</b>	<b>£734,752</b>		<b>£797,229</b>		
<b>Baseline Comparison</b>			<b>-£62,477</b>		

#### Impact on Expenditure

Property costs see additional costs of £223,920 for the new venue. Supplies and services remain consistent with other options. The staff costs are forecasted for Bell's and the new venue combined at £574,932, this is lower than the staff costs in

Option 3 as savings have been made within management costs and the removal of receptionists. The expenditure total for the three venues is forecasted as £1,861,782 compared to baseline at £2,053,437 and against Option 2, full reinstatement at £1,920,519.

When comparing the wild card to full reinstatement the net expenditure is higher at £797,229 compared to £747,688 due mainly to the higher property costs which includes rates and rental and partly to less income. The wild card has lower staff costs but overall, the worst financial baseline comparison.

### Impact on Net Expenditure

The net expenditure of this option would be the highest of all options, higher than the baseline and full reinstatement. **(Table 3.14)**

### Impact on Usage and Demand

Wild card usage figures are forecasted to be the same as Option 3. The arena and squash usage is also forecasted to be the same as all options that consider 8 – 10 badminton courts and 2 squash courts. The fitness usage remains the same but is moved to a new venue. Overall, the usage is forecasted at 266,323 annual visits, a reduction of 84,413 against pre-closure levels.

**Table 3.15: Usage comparison of Baseline to Option 5**

Usage	Aug 22 - July 23 Baseline		Option 5		
	Bell's	Dewars	Bell's	Dewars	New Venue
Cost Centre					
Education	15,124	1,138	15,124	1,138	-
Events	45,897	-	-	-	-
Fitness Classes	47,534	-	-	-	42,781
Fitness Gym	107,349	-	-	-	96,614
Fitness Personal	1,812	-	-	-	1,631
Fun Coached	18,237	502	9,119	502	-
Miscellaneous	25	-	25	-	-
Non Sport Venue Hire	13,728	16,473	-	16,473	-
Sport Go Play	40,790	22,344	40,790	22,344	-
Steps Coached	13,797	5	13,797	5	-

Wellbeing	5,981	-	-	-	5,981
<b>Usage Total</b>	<b>310,274</b>	<b>40,462</b>	<b>78,855</b>	<b>40,462</b>	<b>147,007</b>
<b>Combined Total Usage</b>	<b>350,736</b>		<b>266,323</b>		
<b>Baseline Comparison</b>			<b>-84,413</b>		

The benefit of the wild card would be in the event of any future flooding the gym equipment and operation would be protected at a new venue. Similarly, if PH20 proceeds the members that moved from Bell's to Dewars would then be moved again into a temporary fitness location while PH20 is built causing significant customer interruption. The new venue could allow for consistent fitness operation and customer service.

### Capital Costs

The wild card capital costs are £1,585,537. These allow for £693,260 at Bell's to partially reinstate the arena with 8 – 10 badminton courts and 2 squash courts, mirroring the Bell's costs for Option 4. As with Option 2, 3 and 4, with the discovery of RAAC, costs to remove and reinstate the ceiling have been included. They also include £302,277 as an estimate to set up fitness in the new venue allowing for new equipment and entry gates.

**Table 3.16: Capital Costs for Option 5**

	Option 5		
	Bells Sports Centre	Dewars	New Venue
All Areas	£479,945		
Main Arena	£213,315		
Main Gym			£302,277
RAAC	£590,000		
	<b>£1,283,260</b>	<b>£0</b>	<b>£302,277</b>
<b>Total</b>	<b>£1,585,537</b>		



### 3.6 Option 6 – Reinstate Fitness Only at Bell’s

Option 6, the final option, evaluates the potential of fitness only being reinstated at Bell’s. The impact considers the fitness spaces being reinstated in pre-closure locations.

#### Impact on Income

**Table 3-17** shows the forecasted income total for Bell’s is £591,970 a 43% reduction on the baseline. This impact is caused by the closure of the arena and the loss of three significant income streams; Sport Go Play £120,152, Events £118,515 and Steps Coached £50,752. However, a proportion of this may move to other LAL sites or schools. Membership income is forecasted at 80% and fitness income streams are predicted to continue at Bells. As with other options the gymnastics income for the programmes that were rehomed when closed is still shown in the Bells income and expenditure lines.

**Table 3-17: Financial comparison of Baseline to Option 6**

Account Centre	Fitness only in Bells			
	Aug 22 - July 23 Baseline		Option 6	
	Bell’s	Dewars	Bell’s	Dewars
<b>Income Total</b>	<b>-£1,045,333</b>	<b>-£273,352</b>	<b>-£591,970</b>	<b>-£273,352</b>
Cost of Sales	£697	£0	£697	£0
Staff Costs	£888,922	£308,855	£464,722	£308,855
Property Costs	£238,801	£229,869	£119,401	£229,869
Supplies & Services	£307,869	£78,424	£298,723	£78,424
<b>Expenditure Total</b>	<b>£1,436,289</b>	<b>£617,148</b>	<b>£884,048</b>	<b>£617,148</b>
<b>Net Expenditure</b>	<b>£390,956</b>	<b>£343,796</b>	<b>£292,078</b>	<b>£343,796</b>
<b>Combined Net Expenditure</b>	<b>£734,752</b>		<b>£635,874</b>	
<b>Baseline Comparison</b>			<b>£98,878</b>	

#### Impact on Expenditure

No mothballing costs are assumed for the arena and other areas at Bell’s. Staff costs see a significant reduction of 48% against pre-closure costs and are second only to Option 1 due to maintaining reduced operations at Bells in addition to

Dewars. Property costs reduce to £119,401; these reduced costs are second only to Option 1 with a 50% reduction against the baseline. These forecasted reductions are due to the arena, squash courts and other areas remaining closed. There is a 50% reduction in cleaning, electricity, gas, repairs and maintenance.

### Impact on Net Expenditure

Net expenditure of Option 6 is £635,369, a reduction of £99,383 on the baseline. However, it is higher than Options 1 and 4. Similarly, the baseline financial comparison shows Option 6 could operate with the third lowest expenditure.

### Impact on Usage and Demand

Operating only fitness at Bell's shows a drop in usage of 154,149 against pre-closure figures. The only variation against Option 1 is due to the gym at Dewars being located in the hall that generated usage through non sport venue hire. The pre-closure usage was 350,736 annually, option 6 would allow for annual usage of 196,587.

**Table 3.18: Usage comparison of Baseline to Option 6**

Usage Cost Centre	Aug 22 - July 23 Baseline		Option 6	
	Bell`s	Dewars	Bell`s	Dewars
Education	15,124	1,138	-	1,138
Events	45,897	-	-	-
Fitness Classes	47,534	-	42,781	-
Fitness Gym	107,349	-	96,614	-
Fitness Personal	1,812	-	1,631	-
Fun Coached	18,237	502	9,119	502
Miscellaneous	25	-	-	-
Non Sport Venue Hire	13,728	16,473	-	16,473
Sport Go Play	40,790	22,344	-	22,344
Steps Coached	13,797	5	-	5
Wellbeing	5,981	-	5,981	-
<b>Usage Total</b>	<b>310,274</b>	<b>40,462</b>	<b>156,125</b>	<b>40,462</b>
<b>Combined Total Usage</b>	<b>350,736</b>		<b>196,587</b>	

<b>Baseline Comparison</b>		<b>-154,149</b>
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As with Option 1, Perthshire Rugby Football Club use Bell's as a clubhouse and the changing facilities. This is a situation that would need to be addressed.

### Capital Costs

The reinstatement of fitness only at Bell's reflects lower capital costs than Options 2-5 as the large-scale costs to reinstate the arena in full or part are not incurred. The costs shown in **Table 3.19** allow for fitness operations to be reinstated in pre-closure locations.

**Table 3.19: Capital Costs for Option 6**

	<b>Option 6</b>	
	<b>Bell's</b>	<b>Dewars</b>
All Areas	£115,591	
Main Arena		
Main Gym	£299,077	
RAAC	£590,000	
	<b>£1,004,667</b>	<b>£0</b>
<b>Total</b>	<b>£1,004,667</b>	

## 4. Options Appraisal

**Table 4.1** shows an appraisal of each of the options under consideration across a range of important criteria which reflect the key project objectives.

**Option 1 - Full Closure of Bell's and Relocation of Fitness to Dewars Centre:** This option results in a significant decrease in income and expenditure, improving net expenditure by £321,822. A notable downside is the significant decrease in usage, dropping at Bell's by 162,849 compared to the baseline, the highest decline of all options. Dry side activities may or may not find capacity to relocate to schools, since Bell's closure the relocation of clubs and groups has been low, events and bowling would cease. This option involves a modest capital investment with a 3 year return on investment (ROI).

**Option 2 - Reinstate Bell's in Full:** While income decreases slightly, this option incurs high capital costs and offers a marginal increase in net expenditure. The increase in net expenditure would mean that there is no payback achieved.

**Option 3 - Reinstate Bell's in Part with Fitness and reduced courts:** This approach sees a decrease in income by £250,764 and a reduction in expenditure by £268,417. The net expenditure improves by £17,653. The usage decreases by 84,413, however this option allows for clubs and groups to return to Bell's with the opportunity to increase the usage and grow local events. The capital costs for partial reinstatement are set at £1,630,176, with a projected return on investment in 92 years.

**Option 4 - Reinstate Bell's in Part with Relocation of Fitness to Dewars Centre:** Here, the income falls by £270,731, and expenditure reduces by £440,886. This leads to an improvement in net expenditure of £170,155. There's a decline in usage by 93,113, however, as with Option 3 it allows for groups and clubs to recommence with the opportunity to increase usage and local events. Capital costs are £2,185,537, with a return on investment estimated at 13 years.

**Option 5 - Wild Card: Reinstate Bell's in Part with Relocation of Fitness to a non-LAL facility:** Unique among options, it shows a potential cost saving in net expenditure and comparable capital costs to Option 3, but this option will not show a ROI due to the rental and rates costs of an additional venue.

**Option 6 - Reinstate Fitness Only at Bell's:** The income decline is significant at £453,363, while the expenditure sees the most considerable reduction of £552,746. The net expenditure improves by £99,383. This option also leads to a large decrease in usage and demand (154,149 less than the baseline). The capital costs are comparatively lower at £1,004,667, with a return on investment of 10 years.

Harder to measure factors that will impact future membership growth or decline, and usage include the look and feel of each option. When considering fitness at Dewars the investment into the design of the gym and studios will influence the appeal to different demographics and potential member groups. Similarly, partial reinstatement of 8 – 10 courts at Bell's arena would open up additional areas to be exploited for other purposes to create fun and engaging spaces to be used by all ages and abilities such as a soft play structure that could be rehomed at a later date, a jogging or toddler cycling and scooting loop. Capital costs provided by LAL include costs to reinstate operations. Allocation for decoration, marketing and launch or relaunch plans to encourage community buy in and successful pre-sale membership uptake should be considered.

Accommodating fitness members at alternative LAL facilities and various gyms throughout Perth and Kinross is a viable option. It is also crucial to identify appropriate new venues for the diverse array of Bell's arena users. This includes those involved in both competitive and social sports, individuals with disabilities, and a range of community groups spanning from youth to older adults. Additionally, securing suitable venues for events to maintain the continuity and inclusivity of the services offered.

**Table 4.1: Options Appraisal Matrix**

Criteria	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
<b>Impact on Income v Baseline</b>	-£473,253	-£145,855	-£250,764	-£270,731	-£254,132	-£453,363
<b>Impact on Expenditure v Baseline</b>	-£795,075	-£132,918	-£268,417	-£440,886	-£886,287	-£552,746
<b>Net Expenditure v Baseline</b>	£321,822	-£12,936	£17,653	£170,155	-£62,477	£99,383
<b>Usage &amp; Demand v Baseline</b>	-162,849	-29,439	-84,413	-93,113	-84,413	-154,149
<b>Capital Costs</b>	£902,277	£1,968,047	£1,630,175	£2,185,537	£1,585,537	£1,004,667
<b>Return in Investment (years)</b>	3 yrs.	N/A	92 yrs.	13 yrs.	N/A	10 yrs.
<b>Facilities Reinstated:</b>						
Gym	Y	Y	Y	Y	Y	Y
Fitness Classes	Y	Y	Y	Y	Y	Y
Badminton Courts	N	Y (17 courts)	Y (8-10 courts)	Y (8-10 courts)	Y (8-10 courts)	N
Squash Courts	N	Y (3 courts)	Y (1-2 courts)	Y (1-2 courts)	Y (1-2 courts)	N

## 5. Recommendations

Based on the options appraisal and considering the strategic future of Bell's Sports Centre, the following recommendations are proposed:

- **Primary Recommendation - Option 1 (Full Closure and Relocation of Fitness to Dewars Centre):**
  - Despite the significant decrease in usage at Bell's, this option stands out financially, with a substantial improvement in net expenditure of £321,822 and a modest capital investment offering a 3 year ROI.
  - The challenge of accommodating displaced users, particularly those from community clubs and groups, must be addressed through concerted efforts to find alternative venues within Perth and Kinross.
  - Option 1 has the largest negative impact on usage of the six options. Programming and planning at a strategic level across Perth and Kinross would be required to identify appropriate alternative venues for the diverse array of existing Bell's arena users. This includes those involved in both competitive and social sports, individuals with disabilities and a range of community groups spanning from youth to older adults. It necessitates strategic planning to address the displacement of other services and programmes, review of facility booking processes, opening discussions on access to school facilities during the day and a need for clubs to be prioritised.
- **Secondary Recommendation – Option 4 (Reinstate Bell's in Part with Relocation of Fitness to Dewars Centre):**
  - Offering a balanced improvement in net expenditure and a 13 year ROI, this option allows community groups to recommence activities at Bell's, supporting local events and usage.
  - The PH<sup>2</sup>O project timescales are likely to impinge upon a 13 year payback period which would mean it is unlikely to be achieved.

In conclusion, while Option 1 is recommended for its financial benefits and rapid ROI, careful planning and community engagement are essential to address the considerable decrease in usage and ensure a smooth transition for Bell's diverse user groups. Option 4 serve as a viable alternative, offering a blend of financial

prudence and community service continuity but may be impacted by PH<sup>2</sup>O project timescales.



## 6. Appendices

Table 6-1 Options Assumptions Summary Table

Option	Income and Usage	Staff Costs	Property Costs	Supplies and Services
All +/-'s are with reference to a baseline. The existing usage/financial baseline is set from Aug. 2022 to July 2023				
<b>Option 1</b>	All Facility based activity at Bells stops, so no income or usage assumed.	New Fitness staff rota implemented focussing on customer usage patterns.	No mothballing costs for Bells currently assumed.	Full Corporate Services Recharge moved over to Dewars.
	Gymnastics continues in School's at 50% of usage. Income moved to Dewars.	Fitness staff costs moved to Dewars.	Increase Dewars electricity by £20K for gym equipment.	50% of Bells equipment budget moved to Dewars.
	Gym and fitness classes (3 studio's) moves to Dewars. PAYG fitness income returns to 100%, membership income returns to 80%, Health & fitness usage returns to 90%.	Deputy Manager moved to Dewars to manage community halls, North Inch and Glenearn.	Dewars Gas remains at normal levels as no heating supplied for fitness areas.	All fitness class delivery costs moved to Dewars.
	All Wellness activity moved to Dewars.	50% of Gymnastics staff retained, costs moved to Dewars.	50% of Bells repairs and Maintenance moved to Dewars to cover fitness equipment and additional throughput.	50% Bells printing and stationery moved to Dewars.
	No LAL income/Usage assumed for activity re-located to schools.	All other Bells staff costs assumed at 0.	£10K added to Dewars water for shower usage (approx. 50% of Bells current costs).	50% of Bells subscriptions and licencing moved to Dewars.
			£5K added to cleaning at Dewars.	
<b>Option 2</b>	PAYG Fitness income returns to 100%, membership income returns to 80%, Health & Fitness usage returns to 90%.	New staffing model implemented, reducing staff levels across the board.	All Bells and Dewars costs are assumed at existing baseline level.	All Bells and Dewars costs are assumed at existing baseline level.
	Bells events recovery assumed at 70% due to loss of existing events, some of which won't return.			
	All other usage/income returns to 100% of baseline level.			

<b>Option 3</b>	PAYG Fitness income returns to 100%, membership income returns to 80%, Health & Fitness usage returns to 90%.	New staffing model implemented, reducing staff levels across the board.	Bells cleaning reduced by £5k due to reduced space.	Corporate Service Recharge assumed at current level.
	Assumed no provision of Bells events space, so events income and usage at 0%.	Dry side staffing reduced from option 2 due to reduced hireable space.	Bells electricity and gas reduced by £10K each through reconfiguration of available public area's and required heating and lighting.	Bells event specific booking costs reduced to 0%.
	Gymnastics continues in School's at 50% of usage.	50% of Gymnastics staff retained.		
	Bell's Sport Go Play income and usage assumed to increase by 20% due to increased availability caused by hosting no or minimal events.			
<b>Option 4</b>	Gymnastics continues in School's at 50% of usage.	New staffing model implemented, reducing staff levels across the board.	£50k reduction in Bells electricity, £30K reduction in Bells gas.	50% of Bells corp. services recharge moved to Dewars.
	Gym and fitness classes (3 studio's) moves to Dewars. PAYG fitness income returns to 100%, membership income returns to 80%, Health & fitness usage returns to 90%.	Skeleton staff at Bells report to Management team at Dewars	Add £20k to Dewars Electricity for gym equipment.	Fitness class delivery costs moved to Dewars.
	Assumed no provision of events space, so events income at 0%.	Deputy Manager retained at Bells to manage community halls, North Inch and Glenearn.	Reduce Bells maintenance by 50% and add £10k to Dewars to cover fitness equipment.	50% of Bells equipment budget moved to Dewars.
	Bell's Sport Go Play income and usage assumed to increase by 20% due to increased availability caused by hosting no or minimal events.	All Fitness staff relocated to Dewars.	Reduce Bells water by 50% and add £10k to Dewars to account for fitness users in Dewars.	Move £2K of other delivery costs from Bells to Dewars
	All Wellness activity moved to Dewars.			Reduce Subscriptions by £2.5k at Bells and add £1k to Dewars.
<b>Option 5</b>	Gymnastics continues in School's at 50% of usage.	New staffing model implemented, reducing staff levels across the board.	£50k reduction in Bells electricity, £30K reduction in Bells gas.	All Supplies and services split equally between Bells and new

	Gym and fitness classes (3 studio's) moves to new venue. PAYG fitness income returns to 100%, membership income returns to 80%, Health & fitness usage returns to 90%.	Skeleton staff at Bells to cover reduced Dry side.	Add £20k to New Venue Electricity for gym equipment, and £10k to new venue gas.	venue, including corporate services recharge.
	Assumed no provision of bell's events space, so events income at 0%.	Fitness and cleaning staff for new venue.	Reduce Bells maintenance by 50% and add £10k to New Venue.	
	Bell's Sport Go Play income and usage assumed to increase by 20% due to increased availability caused by hosting no or minimal events.	Manager only retained at Bells to look after new venue in addition to reduced Bells provision, Community Halls, Glenearn and north Inch.	Reduce Bells water by 50% and add £10k to New Venue	
	All Wellness activity moved to new venue.		New Venue Rent/Rates included at £170,000 per year. Based on £10sp/ft rental costs and 80% reduction in rates at £20K.	
<b>Option 6</b>	All Arena based activity at Bells stops, so no income or usage assumed.	New staffing model implemented, reducing staff levels across the board.	All property costs reduced by 50%	Equipment, medical supplies, other delivery costs and subscriptions all reduced by 50%
	Gymnastics continues in School's at 50% of usage.	Fitness staff supported by 1 Senior LA and cleaner. No duty managers.		All other costs as per baseline, including corporate services recharge
	PAYG fitness income returns to 100%, membership income returns to 80%, H&F usage returns to 90%.	Manager only retained at Bells to look after fitness in addition to reduced Bells provision, Community Halls, Glenearn and north Inch.		
	Assumed no provision of events space, so events income at 0%.			
	All Sport Go Play and Steps Coached income/usage assumed at 0%.			