

City of London Corporation Committee Report

Committee: Community and Children's Services Committee	Dated: 10 th November 2025
Subject: Golden Lane Leisure Centre - Update	Public report: For Decision
This proposal: <ul style="list-style-type: none">• delivers Corporate Plan 2024-29 outcomes	Diverse Engaged Communities Providing Excellent Services Leading Sustainable Environment
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	£10.35m
What is the source of Funding?	Community Infrastructure Levy
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of:	Judith Finlay, Executive Director
Report author:	Simon Cribbens, Director – Commissioning & Partnerships

Summary

This report provides an update on the project to refurbish the Golden Lane Leisure Centre. The project, funded by £10.35 million from the Community Infrastructure Levy, aims to deliver improved leisure facilities and services, enhanced community engagement, and greater environmental sustainability. Design options are under development, with stakeholder consultation planned to inform the scope and preferred design approach. The project aims to deliver energy solutions which align with the City Corporation's Climate Action Strategy. The report seeks an decision on the preferred approach to energy supply. The procurement of a new leisure operator is underway to ensure high-quality service provision following completion of the refurbishments. Key risks, financial, and equality implications are being actively managed throughout the project.

Recommendation

Members are asked to:

- Note the report and issues set out
- Approve the recommendation that the future energy needs of the Centre are met through connection to the Citigen network, noting that the achievement of

this will still be subject to approval by the Resource Allocation Sub Committee for the allocation of Carbon Offset S106 funding.

Main Report

Background

1. The City of London Corporation owns and commissions the operation of the Golden Lane Leisure Centre (the Centre). The Centre was built in the late 1950s as part of the Golden Lane Estate and is the only local authority leisure offer in the Square Mile. It was refurbished by the City Corporation in 2012 and is now subject to a new refurbishment project funded by a £10.35 million allocation of Community Infrastructure Levy funds. As with the wider estate, the Centre is a Grade II listed building in recognition of its architecture and historical value. The listing covers the structure and its use in relation to the swimming pool and sports hall.
2. Fusion Lifestyle is the current commissioned leisure operator and manages the facilities. This contract has been extended until 31 March 2026 and has provision – if needed and accepted by the provider - for a final extension until 31 December 2026.

Current Position

Refurbishment

3. Members have approved the refurbishment project at Gateway 1 and 2 of the City Corporation's capital project governance. This has enabled award of a 'Pre Construction Service Agreement' to Alliance Leisure. This stage of work will progress the design elements of the refurbishment project – including securing planning consent. The work will deliver to the City Corporation and Members a fully costed technical design. Members will be asked to approve the proposals at this stage in order to progress the commencement of capital works.
4. Alliance Leisure has established a multi-disciplinary design team, including architects Faulkner Brown. The team includes specialist consultants in heritage, planning, mechanical and electrical, structural and health safety. City Corporation representation includes Community and Children's Services Commissioning and Housing teams, Commercial Services and the Energy Team.
5. Delivery is supported by specialist project managers (Hadron) and a Project Board on which the Department's Director of Commissioning and Partnerships is the senior City Corporation representative.
6. The preliminary design development is exploring two design options – one a fully refurbished version of the current configuration, the second introduces a "wellness offer" (spa etc). These high-level options will be the subject of consultation and engagement with stakeholders – including current Centre users and the local community of potential users. Both will be costed and modelled for revenue

projections to help inform decision making. It should be noted that planning and heritage implications may impact on the viability and permissibility of any changes that could not demonstrate a robust case in terms of sporting needs and benefit.

7. Consultation and engagement with stakeholders will be led by the Housing Division's commissioned communications consultant Concilio, to ensure a consistency and coherence of approach, especially in terms of residents of Golden Lane who will be subject to consultation of a range of major works on the estate.
8. A revised approach to the City Corporation's project governance should enable decisions that would previously be taken at Gateways 3, 4 and 5 to be condensed into a single stage approval gateway reporting to fewer committees.
9. Members of this committee will be given the opportunity to decide the favoured design option at an interim stage, so this single chosen approach can be subject to full technical design and costing. This stage will allow members to explore the range of detailed issues and questions in relation to the design.
10. The indicative project timeline envisages a start on site in October 2026. However, there are several interdependencies that could change this – notably whether the processes for planning consent and other governance decisions are extended.
11. Alliance Leisure, in partnership with the City Corporation, is undertaking a (non-binding) market competition to identify a principal contractor for the delivery of the refurbishment, to assess for value for money and quality. The process will also ensure a contractor has been identified in advance of final decision-making to support progress (or not) of delivery.

Energy

12. The project is determining how future energy supply needs of the Centre will be met. The budget for the project is based on replacement of the existing boilers with modern equivalents. However, such an approach may not be consistent with planning requirements, and the objectives and targets of the City Corporation's Climate Action Strategy.
13. The Department is working closely with the Energy Team and the project's design team to review approaches which include ground source heat pumps, air source heat pumps and linkage to the Citigen Network. Options and a proposal in relation to energy supply are set out below, with approval being sought for the recommended approach.

Wider issues

14. The scope of the project includes the full refurbishment of the current centre and the tennis courts. The design team will also consider improvements to areas adjoining the Centre to address access, wayfinding, lighting and surrounding landscaping. The delivery of these wider changes may require additional funding from alternative sources.

Current delivery

15. The current operator is Fusion. The organisation has worked with the department to extend its contract under the current terms until 31 March 2026. The contract allows for a further extension until 31 December 2026. However, the operator has indicated that revised terms may be necessary to secure this, which are likely to expose the department to financial contribution. The detail of this is subject to current negotiation, and if the budgetary implications are significant Members will be consulted and asked to decide upon options which may include earlier closure.

Operating provider procurement

16. The Department has appointed the Sports Consultancy – a specialist in leisure services - to provide expertise in procuring a new leisure management contract, with the aim of securing the best possible service and financial outcomes for the City Corporation. Stakeholder consultation and engagement will shape the service specification to ensure it reflects community needs and priorities. The consultation process is scheduled to commence in October 2025, with the appointment of an operator planned ahead of the completion of the refurbishment to enable a smooth mobilisation of the new contract.
17. The cost of a future operating contract will be determined by the tendering process, based on bidders modelling of revenue projections (based on the facility mix) and cost such as energy requirements. It should be noted that a future operating contract may require revenue support from the City Corporation. There is no established budget within the department for this, as the current operation is delivered at zero cost.

Meanwhile use

18. A range of options to provide interim provision during the refurbishment period is currently under consideration. At this stage, the recommended approach is to assess the feasibility of offering a limited service from the Centre. This option presents several potential benefits, including:
 - enabling a competitive process to test the market
 - supporting member retention by maintaining a leisure operator presence
 - likely avoiding the need for capital investment
19. It may not be possible to provide leisure services in the Centre during refurbishment, or such an approach may add costs that are not budgeted for. In

this context, the City's Sport Strategy & Engagement Team (within the Town Clerk's Department) will explore the potential availability, financial viability and possible funding of alternative locations that could provide short-term premises for a limited service.

20. If no feasible options are found in this search, the only alternative will be to cease leisure services during the refurbishment works, while signposting members to other available services in the area.

Tennis courts

21. The tennis courts will be re-laid within the scope of the refurbishment, alongside improvements to the fencing surround the courts.
22. Officers have been made aware of a desire by tennis players using the courts for them to remain open during the refurbishment.
23. The centre's refurbishment will impact a range of users – whether users of the tennis courts, swimming pool, gym or sports hall. The building works are also likely to impact those who live on the estate – whether they are users of the centre or not. Once the final design is complete and the contractors are appointed, there will be a better indication of these likely impacts and any mitigations that may reduce them.
24. It is quite possible that the most viable site for building materials, equipment and contractor welfare facilities during the refurbishment is the tennis court area. Other areas may be feasible – such as the car parks, podium level or adjoining roads, but risk having a negative impact on those who live on the estate and may also add additional cost to the programme if their use adds complexity.

Options – energy

25. The centre's current energy source for heating is provided by gas boilers. The current boilers contribute to the City Corporation's carbon footprint.
26. The Climate Action Strategy is committed to
- Achieve net zero carbon emissions from our own operations by 2027
 - Achieve net zero carbon emissions across all our activities, including investments and supply chain, by 2040
 - Support the Square Mile to reach net zero by 2040
27. Approaches that prioritise decarbonisation are also supported by the City Corporation's planning guidance.
28. The refurbishment of the Centre is an opportunity to support the City Corporation's achievement of these commitments.

29. There are four options for the delivering of future energy needs. An early decision on a preferred approach will enable the detailed designs to be finalised and costed.

Replacement boilers

30. The project budget is based on replacement of the existing boilers with a modern equivalent. This is feasible, but would be inconsistent with the commitments of the City Corporation's Climate Action Strategy and its planning policy. It is not recommended.

Ground source heat pump

31. A ground source heat pump requires either extensive horizontal trenches or deep vertical boreholes (typically 50 – 200 meters). The leisure centre's location would indicate that only vertical boreholes beneath the tennis courts would be feasible – although the area may not allow for sufficient spacing between the number of boreholes required. This approach is not recommended due to the borehole depth required, the drilling equipment required - and resident disruption - to achieve these depths, and the programme risks associated with such drilling.

Air source heat pump

32. Air source heat pumps are feasible. However, multiple units may be required to meet the energy needs of the centre. Such units present issues in terms of their location and heritage impact on the listed status of the estate – and may not be supported by residents or planners. The units also omit noise which may also negatively impact some residents. It is not recommended.

Citigen connection

33. Citigen is the Square Mile's district heating system, providing energy to a range of City Corporation assets on a negotiated corporate energy tariff. A link to the Citigen network is viable, but would require that link to be laid underground along Fann Street.
34. The network would be connected to a heat plate exchange in the leisure centre's existing boiler room – freeing up some of that space for alternative use. The gauge of connection will be sufficient to ensure it could provide for wider energy usage on the estate if future ambitions or plans required that.
35. This approach is supported by the City Corporation's Energy and Sustainability Team. The connection would require additional funding based on the net additional cost between the connection and the budgeted replacement boilers. This funding – which early estimates could be £1m -1.5m) would be sought from the Section 106 Carbon Offset Fund and is therefore subject to the approval of Members of the Resource Allocation Sub Committee.

36. Citigen connection will benefit from access to tariff levels negotiated as part of the City Corporation's wider deal. It should be noted that this still may lead to energy costs that are higher in the short or medium term than alternatives such as boilers.
37. The approach is recommended to Members, noting that approval will be in principle, as the achievement of the approach will be subject to subsequent funding decisions by the Resource Allocation Sub Committee.

Proposals - energy

38. It is proposed that the future energy needs of the Centre are met through connection to the Citigen network. Members are asked to approve this approach, noting that the achievement of this will still be subject to an approval for the allocation of Carbon Offset Fund S106.

Corporate & Strategic Implications

Strategic implications

39. The decision to refurbish the Centre is made in the context of delivering several strategies, notably the City of London Corporation's Global City of Sport: A Sport Strategy for the Square Mile 2023- 2030, Joint Local Health and Wellbeing Strategy 2024- 2028, and Our Corporate Plan 2024- 2029. The refurbishment will deliver the Corporate Plan outcomes of Providing Excellent Services and Leading Sustainable Environment. It will also deliver to the targets for the Climate Action Strategy.

Financial implications

40. Capital funding has been secured from Community Infrastructure Levy. There may be future additional revenue implications associated with the Centre's operation, for which there is no current budget allocation.

Resource implications

41. The resourcing of the project is being met through the Department's delivery Partner Alliance Leisure and internal staff resources.

Legal implications

42. None that are pertinent to this update. Legal implications to be considered throughout all stages of the project.

Risk implications

43. A risk register has been created for the project and is being managed by the Project Board.

Equalities implications

44. The project has been subject to an Equality Impact Assessment.

Climate implications

45. The project will seek to achieve carbon reductions to contribute to the City Corporation's Climate Action Strategy.

Security implications

46. None.

Conclusion

47. The Centre refurbishment project represents a significant investment in the City of London's community infrastructure, aiming to deliver excellent services, engage communities, and lead in environmental sustainability. With robust governance, stakeholder engagement, and a focus on climate action, the project is well-positioned to meet strategic objectives and deliver lasting benefits to residents and users. Continued attention to planning, funding, and operational procurement will be essential to ensure successful delivery and long-term viability of the Centre.

Background Papers

- Community and Children's Services: Golden Lane Leisure Centre Refurbishment Update 30/04/2025

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