Golden Lane Leisure Centre
RIBA Stage 2 Business Planning Report Addendum

City of London Corporation

19 June 2026

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1. INTRODUCTION

In October 2025, The Sport Consultancy (TSC) was appointed by the City of London Corporation (the City) to provide business planning input to the RIBA Stage 2 design report for the proposed refurbishment of Golden Lane Leisure Centre (GLLC). That report was completed in December 2025. It considered four facility mix options for the future of GLLC:

- **Option 1:** Refurbishment and Extended Gym
- **Option 2a:** Refurbishment and Wellness – Retained Sports Hall
- **Option 2b:** Refurbishment and Wellness – Large Gym replacing Sports Hall
- **Option 2c:** Refurbishment and Wellness – Smaller Gym replacing Sports Hall

A summary of these options (based on the 10-year average position) is shown in Table 1.

Table 1: Summary of the Business Plan Options (December 2025)

	10-year Average Option 1: Refurbishment and Extended Gym	10-year Average Option 2A: Refurbishment and Wellness – Retained Sports Hall	10-year Average Option 2B: Refurbishment and Wellness – Large Gym Replacing Sports Hall	10-year Average Option 2C: Refurbishment and Wellness – Smaller Gym Replacing Sports Hall
Income	£444,579	£239,278	£850,603	£675,456
Expenditure	(£500,455)	(£315,076)	(£779,833)	(£631,471)
Net Position	**(£55,876)**	**(£75,799)**	**£70,770**	**£43,985**

Following completion of RIBA Stage 2, the City's elected members selected Option 2c as the preferred option for GLLC in January 2026. Following this decision, a preliminary market engagement exercise was undertaken in February 2026 to test the interest from the leisure operator market for managing GLLC following refurbishment. Five of the main leisure operators responded indicating that they would be interested. This provided the City with assurance that the forthcoming tendering process should generate engagement from the market.

However, since the completion of the RIBA Stage 2 report, there has been further discussion and engagement with the local community on the options, following concerns raised over the loss of the sports hall in Option 2c (through being converted to a larger health & fitness gym).

As a result, a **fifth option** (Refurbishment Option - Emerging Design) has been developed by FaulknerBrowns Architects which seeks to balance the retention of the sports hall with maximising

the health and fitness and wellbeing space (to maximise financial performance). TSC has completed a business plan for this option, which is set out in section 3.

In addition to creating a business plan for this new option, follow-up Preliminary Market Engagement was undertaken with the respondents to the original exercise to test their views on the relative merits of Option 1 and Option 2c from the original business planning report.

Report Structure

This report is an addendum to the December 2025 business planning report and covers the two areas discussed above as follows:

- Section 2: Summary of Follow-up Preliminary Market Engagement
- Section 3: Business Planning for the additional facility mix option.

2. FOLLOW-UP PRELIMINARY MARKET ENGAGEMENT

As outlined in section 1, the follow-up preliminary market engagement further tested the leisure operator market's interest in the opportunity to manage GLLC following refurbishment. It focused on securing further information on the market's views of the relative merits of Option 1 and Option 2c, in particular in the context of some of the public and local community consultation feedback received. The following questions were asked:

1. If the refurbished Golden Lane Leisure Centre were as outlined in **Option 1**, would you be interested in tendering for the management contract?

2. If the refurbished Golden Lane Leisure Centre were as outlined in **Option 2**[1], would you be interested in tendering for the management contract?

3. Which of Option 1 and Option 2 would be your preferred option for Golden Lane Leisure Centre?

4. Please briefly explain your reasoning for your answer to question 3.

5. The Corporation is particularly focused on increasing participation from certain key target groups as follows:

    a. Over 50s
    b. Children/young people
    c. SEND users
    d. Lower income residents
    e. Disabled users
    f. Exercise referral users.

    In your opinion, is either of Option 1 or Option 2 better suited to meeting the needs of these groups and, if so, why?

The five leisure operators who responded to the original Preliminary Market Engagement provided responses to this exercise and the results are summarised below.

Preliminary Market Engagement Summary

In response to questions 1 and 2, the market confirmed interest in managing GLLC regardless of which of the two options was implemented.

However, in answer to questions 3 and 4, there was a clear preference for **Option 2**. Four of five operators named this as their preferred option. The other responded neutrally, as they saw merit in Option 1's larger community space.

[1] For the purposes of the Preliminary Market Engagement, Option 2c was referred to as Option 2.

The consistent rationale provided by the operators for preferring Option 2 was the larger gym combined with three flexible studios, which they saw as improving customer experience, optimising commercial performance and aligning with sector participation trends (sustained growth in gym, group exercise and wellbeing over traditional sports hall use).

The flexibility to co-programme and run multiple sessions concurrently would support both participation and financial sustainability, with surplus revenue able to fund concessions. The operator who was neutral on the two options recognised the potential value of Option 1's larger multi-purpose space (i.e. the sports hall) for community use but also cautioned that its capacity would be limited.

Finally, in response to question 5, the majority view again was that Option 2 would be better suited to the target groups, owing to the multiple studios that would allow simultaneous, tailored programming (active ageing, SEND sensory-friendly sessions, exercise referral, disability-specific and low-cost classes). The operator that was neutral on the two options took a nuanced position, stating that Option 1 would suit less specialist groups (over 50s, children/young people, lower income) via its larger open space, while Option 2 would better serve smaller-group activities (SEND, disabled, exercise referral).

3. BUSINESS PLANNING

This section sets out the business planning for the additional business planning option that has been developed in response to the recent public and community consultation. For the purposes of this report, it has been referred to as **Option 3** (Refurbishment Option - Emerging Design). The revenue projections were developed on the same basis as for the four options set out in the original (December 2025) report.

As with those options, the output of the business planning was presented over a ten-year period to align with the likely contract term of a future leisure management contract for GLLC.

Facility Mixes

The facility mix for Option 3 (Refurbishment Option - Emerging Design) is as follows:

- 20m, 3 lane swimming pool
- 48-station health and fitness gym
- 1-court sports hall
- 1 multi-purpose fitness studio
- 2 outdoor tennis courts.

Business Planning Approach

The approach used to develop the revenue projections was the same as for the previous four options and reflects the way a leisure operator would approach compiling its financial offer as part of a competitive tendering process. In short, it is as follows:

- **Step 1:** Individual income and expenditure projections are compiled for the Centre in question. They are informed by current trading data, current prices and programming and TSC benchmark data.
- **Step 2:** An allowance for the operator's contract mobilisation costs is then added. These cover the expenditure an operator has to incur for the pre-contract administration, e.g. transfer of direct debits, staff TUPE, etc.
- **Step 3:** Allowances for the operator's head office costs and profit are then added. These are usually calculated as a % of income.
- **Step 4:** Accounting for aggregate income, expenditure, mobilisation and operator head offices costs and profit, the figure that is produced is the management fee, which can either be a payment from the City to the contractor (if there is a deficit) or vice versa if there is a surplus.

This process is summarised in Figure 1.

Figure 1: Management Fee Calculation



Business Planning Assumption

The assumptions for the business planning exercise have been set out in four sections as follows:

- Facility mixes and management
- General
- Income
- Expenditure

Facility Mix and Management

The business planning reflects the facility mix for Option 3 (Refurbishment Option - Emerging Design) outlined above.

For this exercise, it has been assumed that GLLC would be managed by a specialist leisure operator following a competitive retendering of the existing contract, which will commence in 2026. The future operator could be either an existing leisure trust or one of the private sector operators who would then use their own trust model to deliver the most competitive financial outcome.

It has been assumed that the operator would be responsible for all repairs and maintenance other than major structural items. Their responsibilities would be set out in an Asset Management Responsibilities Matrix, which would for part of the contract documentation.

General Assumptions

The business planning exercise was completed using TSC's in-house business planning model. This builds up income and throughput on a zone-by-zone basis and expenditure by key cost centres, e.g. staffing, utilities, repairs and maintenance, etc.

The underlying assumptions were informed by TSC's *Facilities Index*, which contains over 1,700 financial years of trading data from more than 600 public leisure facilities in the UK.

The income and expenditure projections were based over a 10-year period with the average for the period also provided. This aligns with the likely core term for the new leisure management contract.

The business planning was based on 2026 prices. In practice, the new management contract will include an indexation mechanism to account for inflation on an annual basis.

The building internal floor areas have been based on the designs produced by FaulknerBrowns Architects.

The business plan has been based on a trust operation (see above) for the purposes of VAT and NNDR. At this stage, it has been assumed that the GLLC would be operated under a traditional leisure management contract and not the new Agency Model structure. Whether the City follows the Agency Model approach has yet to be determined and will be tested through the forthcoming management contract tendering process.

General opening hours have been assumed to be 6:30 a.m. to 8:00 p.m. Monday to Friday and 8:00 a.m. to 4:00 p.m. Saturday and Sunday.

Where applicable, prices have been based on the current structure with allowance for increase due to the improvement in the facilities.

The income projections for each zone have been based on a mature year (year 4) and a profile has then been applied to build up to this figure from year 1 based on the following assumptions:

- Year 1: 80% of mature year position
- Year 2: 90% of mature year position
- Year 3: 95% of mature year position
- Year 4 onwards: 100% of mature year position.

Income Assumptions

Income has been built up on a zone-by-zone basis as summarised below.

Swimming income has been based on the following areas:

- General casual usage
- Adult swimming lessons
- Junior swimming lessons
- Aquatic fitness classes.

Income from casual usage has been informed by the current programme of usage.

As a starting point, swimming lesson income has been informed by the size of the programme in the period 2021-24, when GLLC was still in operation (circa 77 on average over the period). However, even taking into account the limitations presented by the size of the swimming pool and the lack of a separate learner pool, there is scope for this figure to increase, particularly given the population in the catchment. The current size of the programme represents a participants per sqm of water space of 0.55, compared to TSC's lower quartile benchmark of 1.59. Therefore, the swimming lesson programme has been projected to double in size to 150 over the first four years of operation.

Health and fitness membership income has been based on the Latent Demand Report produced by The Leisure Database Company (see previous report). It projected that GLLC's catchment area could generate a total demand for 2,100 memberships (compared to level prior to closure of 600). This figure was used to inform the target membership levels; however, for each option, the target figure used also reflected the proposed size of the gym and the number of supporting fitness studios.

In summary, the target membership levels for used was 1,250 (equivalent to 26 members per station compared to TSC's median benchmark of 25.4).

In terms of monthly membership price (which covers usage of all areas of GLLC), this was informed by the current yield (circa £16 per month) with an uplift to reflect the improved nature of the health & fitness facilities. The monthly price used was £25 to reflect the increased size of the health & fitness gym.

In addition, an allowance has been included in all options for pay and play access to the health & fitness gym and fitness classes.

Sports hall income has been informed by current usage and the typical hire rate has been assumed to be £10 per hour. The usage covers the following areas:

- General casual usage
- Lessons & coaching
- Club hire.

It has also been assumed that the operator would use the space to programme fitness classes given that there would only be one other studio in this option.

Outdoor tennis court income has been based existing levels.

Food and beverage income has been based on TSC's median benchmark of £0.21 per visit.

Retail income has been based on TSC's lower quartile benchmark of £0.02 per visit. This reflects the fact that space constraints mean that there is likely to be a fairly limited retail offer at GLLC.

Expenditure Assumptions

Staffing costs have been based on 41%, which has been informed by TSC's median benchmark of 45.1%.

Additional allowances were made in all options for staff training and travel (0.5% of staff costs), and uniforms (0.5%).

Utilities costs have been set at £68.00 per sqm. This has been informed by TSC's median benchmark for wet and dry leisure centres.

Day-to-day and planned repairs and maintenance costs have been included at £34.00 per sqm, which is TSC's median benchmark.

Cleaning materials costs have been included at £2.64 per sqm, which is between the TSC's upper quartile benchmarks.

No grounds maintenance cost has been included as GLLC does not have extensive external areas for an operator to manage (e.g. a car park or outdoor grass sports pitches). The cost of any external maintenance has been assumed to be covered by the overall repairs and maintenance budget above.

An annual allowance for pool chemicals of £10,000 has been included.

An annual allowance for equipment refresh of £5,000 has been included.

The cost for leasing health and equipment has been based on £900 per station per year.

NNDR has been based on the existing rateable value for GLLC (£107,000) and a Business Rates multiplier of 0.555 to align with the other options. It has been assumed that the operator as a charitable trust would receive 80% mandatory relief on the overall NNDR liability.

Marketing costs have been based between TSC's median benchmark of 1.6% of income.

Insurance costs have been based on TSC's median benchmark of £7.54 per sqm.

Administration costs have been based on 2.0% of income. It covers items such as printing, postage, stationery, telephones, audit and legal, etc)

Licences and subscriptions have been based on TSC's median benchmark of 0.87% of income.

Food and beverage cost of sales have been based on TSC's upper quartile benchmark of 60.5%.

Retail cost of sales has been based on TSC's upper quartile benchmark of 54.8%.

An allowance for irrecoverable VAT has been included based on the assumption that all sporting income will be exempt of VAT. The allowance has been based on TSC's benchmark of 5% of income for a trust operation.

An allowance of 5% for the operator's head office costs and 5% for their profit has been included. This is in line with TSC's benchmark of 5.4% for head office costs and 4.9% for profit.

Section 3: Business Planning

Summary

An overall summary of the business plans for Option 3 (Refurbishment Option - Emerging Design) has been presented in Table 1. This compares the output to the three options covered by the previous business planning report for GLLC (December 2025).

This is then followed (Table 2 and Table 3) by a more detailed, year-by-year summary and a sensitivity analysis. The sensitivity analysis sets out a range of scenarios based on the core position for each option as follows:

- Higher income (+10%) & base costs
- Higher income (+10%) & higher costs (+10%)
- Base income & lower costs (-10%)
- Base income & higher costs (+10%)
- Lower income (-10%) & higher costs (+10%)
- Lower income (-10%) & base costs.

For clarity, Table 1 to Table 3 are as follows:

- **Table 1:** Overall summary of the five options (i.e. the four from the previous report plus the additional Option 3)

- **Table 2:** Income, expenditure and annual visits summary for Option 3

- **Table 3:** Sensitivity analysis summary for Option 3

Table 2: Overall summary of the five options

	10-year Average Option 1: Refurbishment and Extended Gym	10-year Average Option 2A: Refurbishment and Wellness – Retained Sports Hall	10-year Average Option 2B: Refurbishment and Wellness – Large Gym Replacing Sports Hall	10-year Average Option 2C: Refurbishment and Wellness – Smaller Gym Replacing Sports Hall	10-year Average Option 3: Refurbishment Option - Emerging Design
Income	£444,579	£239,278	£850,603	£675,456	**£571,122**
Expenditure	(£500,455)	(£315,076)	(£779,833)	(£631,471)	**(£567,056)**
Net Position	**(£55,876)**	**(£75,799)**	**£70,770**	**£43,985**	**£4,066**

Table 3: Income, expenditure and annual visits summary for Option 3 (Refurbishment Option - Emerging Design)

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average	as % income
Swimming	74,912	84,276	88,958	93,640	93,640	93,640	93,640	93,640	93,640	93,640	90,363	15.8%
Sports Hall	21,376	24,048	25,384	26,720	26,720	26,720	26,720	26,720	26,720	26,720	25,785	4.5%
Health & Fitness Gym	300,000	337,500	356,250	375,000	375,000	375,000	375,000	375,000	375,000	375,000	361,875	63.4%
Studios	42,084	47,345	49,975	52,605	52,605	52,605	52,605	52,605	52,605	52,605	50,764	8.9%
Health Suite	3,246	3,652	3,855	4,058	4,058	4,058	4,058	4,058	4,058	4,058	3,916	0.7%
Multi-Sport Courts	8,016	9,018	9,519	10,020	10,020	10,020	10,020	10,020	10,020	10,020	9,669	1.7%
Retail	2,073	2,332	2,461	2,591	2,591	2,591	2,591	2,591	2,591	2,591	2,500	0.4%
Café	21,762	24,482	25,842	27,202	27,202	27,202	27,202	27,202	27,202	27,202	26,250	4.6%
Total Operating Income	**473,469**	**532,652**	**562,244**	**591,836**	**591,836**	**591,836**	**591,836**	**591,836**	**591,836**	**591,836**	**571,122**	**100.0%**

Expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average	as % expenditure
Staffing costs:	(245,079)	(245,079)	(245,079)	(245,079)	(245,079)	(245,079)	(245,079)	(245,079)	(245,079)	(245,079)	(245,079)	43%
Premises costs:	(163,610)	(175,992)	(182,183)	(188,374)	(188,374)	(188,374)	(188,374)	(188,374)	(188,374)	(188,374)	(184,040)	32%
Management costs:	(58,690)	(61,649)	(63,129)	(64,609)	(64,609)	(64,609)	(64,609)	(64,609)	(64,609)	(64,609)	(63,573)	11%
Cost of sales:	(14,302)	(16,089)	(16,983)	(17,877)	(17,877)	(17,877)	(17,877)	(17,877)	(17,877)	(17,877)	(17,251)	3%
Other costs:	(47,347)	(53,265)	(56,224)	(59,184)	(59,184)	(59,184)	(59,184)	(59,184)	(59,184)	(59,184)	(57,112)	10%
Total Operating Expenditure	**(529,028)**	**(552,075)**	**(563,598)**	**(575,122)**	**(575,122)**	**(575,122)**	**(575,122)**	**(575,122)**	**(575,122)**	**(575,122)**	**(567,056)**	**100%**

Net Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
Profit/Loss (Management Fee)	**(55,559)**	**(19,423)**	**(1,354)**	**16,714**	**16,714**	**16,714**	**16,714**	**16,714**	**16,714**	**16,714**	**4,066**

Membership and Throughput

Membership Numbers	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average	Mature year
H&F memberships	1,000	1,125	1,188	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,206	1,250
No. on swimming lesson programme	120	135	143	150	150	150	150	150	150	150	145	150

Throughput	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average	Mature year
Total Throughput	103,627	116,580	123,057	129,534	129,534	129,534	129,534	129,534	129,534	129,534	125,000	129,534

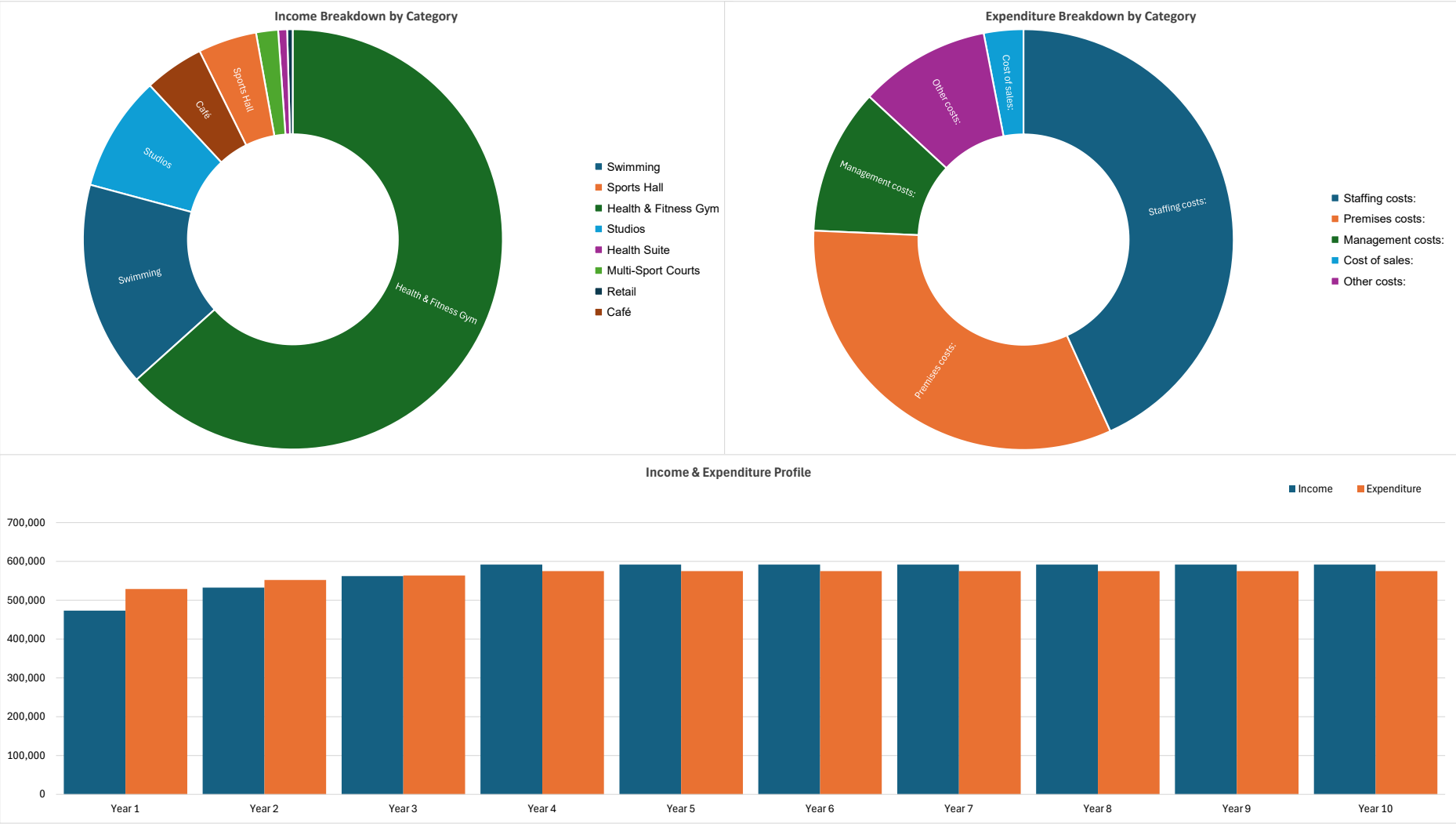

Income Breakdown by Category
Swimming
Sports Hall
Health & Fitness Gym
Studios
Health Suite
Multi-Sport Courts
Retail
Café
Expenditure Breakdown by Category
Staffing costs:
Premises costs:
Management costs:
Cost of sales:
Other costs:
Income & Expenditure Profile
Income
Expenditure
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
Year 1
Year 2
Year 3
Year 4
Year 5
Year 6
Year 7
Year 8
Year 9
Year 10

Table 4: Sensitivity analysis summary for Option 3 (Refurbishment Option - Emerging Design)

	10-year average	Scenario 1 Higher income & base costs	Scenario 2 Higher income & higher costs	Scenario 3 Base income & lower costs	Scenario 4 Base income & higher costs	Scenario 5 Lower income & higher costs	Scenario 6 Lower income & base costs
Income							
		10%	10%	0%	0%	-10%	-10%
Swimming	£90,363	£99,399	£99,399	£90,363	£90,363	£81,326	£81,326
Sports Hall	£25,785	£28,363	£28,363	£25,785	£25,785	£23,206	£23,206
Health & Fitness Gym	£361,875	£398,063	£398,063	£361,875	£361,875	£325,688	£325,688
Studios	£50,764	£55,840	£55,840	£50,764	£50,764	£45,687	£45,687
Health Suite	£3,916	£4,308	£4,308	£3,916	£3,916	£3,524	£3,524
Multi-Sport Courts	£9,669	£10,636	£10,636	£9,669	£9,669	£8,702	£8,702
Retail	£2,500	£2,750	£2,750	£2,500	£2,500	£2,250	£2,250
Café	£26,250	£28,875	£28,875	£26,250	£26,250	£23,625	£23,625
Total Income	**£571,122**	**£628,234**	**£628,234**	**£571,122**	**£571,122**	**£514,009**	**£514,009**
Expenditure							
		0%	10%	-10%	10%	10%	0%
Staffing costs:	(£245,079)	(£245,079)	(£269,587)	(£220,571)	(£269,587)	(£269,587)	(£245,079)
Premises costs:	(£184,040)	(£184,040)	(£202,444)	(£165,636)	(£202,444)	(£202,444)	(£184,040)
Management costs:	(£63,573)	(£63,573)	(£69,930)	(£57,216)	(£69,930)	(£69,930)	(£63,573)
Cost of sales:	(£17,251)	(£17,251)	(£18,976)	(£15,526)	(£18,976)	(£18,976)	(£17,251)
Other costs:	(£57,112)	(£57,112)	(£62,823)	(£51,401)	(£62,823)	(£62,823)	(£57,112)
Total Expenditure	**(£567,056)**	**(£567,056)**	**(£623,761)**	**(£510,350)**	**(£623,761)**	**(£623,761)**	**(£567,056)**
Net Operational Surplus/Deficit	**£4,066**	**£61,178**	**£4,473**	**£60,772**	**(£52,639)**	**(£109,752)**	**(£53,046)**

Scenario	SURPLUS / DEFICIT	
10-year average	£4,066	
Higher income & base costs	£61,178	Best case
Higher income & higher costs	£4,473	
Base income & lower costs	£60,772	
Base income & higher costs	(£52,639)	
Lower income & higher costs	(£109,752)	Worst case
Lower income & base costs	(£53,046)	