

Bromsgrove District Council

Review of Future Leisure Centre Provision in Bromsgrove

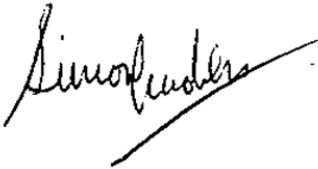
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EXECUTIVE SUMMARY

Introduction

1. Capita Symonds and S&P Architects (S&P) were appointed by Bromsgrove District Council (the Council), in October 2011, to complete a review of future leisure centre provision in Bromsgrove (the study).
2. The pool hall at the existing Dolphin Centre is over 45 years old and the facility has a limited remaining life, due to deterioration in the integrity of its concrete structure and its age.
3. The aim of the study is to ensure the optimum leisure provision is maintained and developed for Bromsgrove in terms of its scope, location, affordability, financial performance, construction cost and phasing. The recommendations of this report are summarised in the following paragraphs.

Location

4. Five site options were identified by the Council. Each site was reviewed and assessed thoroughly to identify the preferred site for the development of a new leisure centre. The preferred site is the site of the existing Dolphin Centre, plus land currently occupied by Blackmore House and the Registration Office. It is located in School Drive, adjacent to Bromsgrove Town Centre. The extent of the site is identified within the yellow boundary in Figure 1.

Figure 1: Preferred Site



Facility Mix

5. The potential facility mix for the new centre was investigated. This included a review of usage and need data, existing strategic documents, supply and demand analysis and stakeholder consultation. Based on the findings of our work, the facility mix for the preferred option is:
 - main pool (6 lane 25m pool)
 - learner pool (12m x 8m)
 - 90 station health and fitness suite
 - 2 x 30 person dance / fitness studios
 - spinning room
 - spa facilities & treatment rooms
 - 3 x five-a-side football pitches (floodlit, third generation synthetic turf)
 - 1 x Multi Use Games Area (MUGA) (floodlit, colour coated tarmacadam).

Capital Cost Estimate

6. The estimated build cost for the preferred option is £10.2 million. There is an additional cost of £1,325,000 associated with the purchase of land on the site from Worcestershire County Council (WCC). This takes the total capital cost to £11.5m.

Revenue Projections

7. Benchmarked revenue projections have been prepared, based on the preferred facility mix. These project a net operational revenue surplus of £164,000 per annum in a typical year of mature operation (excluding borrowing costs).

Funding

8. Following consultation with the Council, it is assumed that capital funding for the project will come primarily from 'Prudential Borrowing'. This is based on the improvement in the revenue position of the new centre, compared to the existing Dolphin Centre, which currently requires a subsidy of circa £445,392 per annum (excluding income from parking). Based on the revenue projections, we estimate the improvement in annual revenue performance of £609,000, compared to the current revenue position. This would enable the Council to borrow enough to cover the capital costs and still make a net revenue saving of circa £68,000 after borrowing costs. It should be noted that lifecycle costs have been excluded for the purpose of the comparison but that these should be included in projections as the project develops.
9. Additional capital funding will also come from the sale of excess land on the site. Based on the surplus area of land identified in the preferred option, we estimate the potential capital receipt could be up to £1.1m. It may also be possible to attract further funding towards the cost of specific elements of the project from grant funders, although the amounts are not expected to be significant. An example of the type of funding that may be available includes the Football Foundation funding towards the development of five-a-side football pitches. Any additional funding would reduce the borrowing requirement.

Management

10. For the purpose of this report, we have created a revenue model based on the 'optimum' option for the Council, from a purely financial perspective. As a result, we have based our initial financial modelling on the 'Trust' management option. This assumes that no National Non Domestic Rates (NNDR) is payable. This results in significant revenue savings over the in-house or private sector management options. There are also potential VAT benefits in selecting the Trust management route. However, specialist advice should be sought to quantify this.
11. We understand that the Council is likely to undertake a full and detailed options appraisal in respect of the management of its leisure and cultural services in the near future. This will investigate and appraise all options in more depth than we have done during this study. The assumption of a Trust management option for the purpose of business planning is not intended to prejudice the outcome of any subsequent work completed by the Council in respect of management options for the wider portfolio.

Procurement Options

12. The preferred procurement option is likely to be determined by the funding route selected. If the majority of funding is provided via prudential borrowing, as we have assumed, the following principal options are available:
 - Traditional or Design and Build with a separate management contract
 - Design, Build, Operate and Maintain (DBOM) contract with a management contractor.
13. A decision on which route the Council decides to follow is not required at this early stage in the development of the project. It should be considered as the project moves forward to more detailed feasibility.

Timing of Developments

14. A review of existing condition survey data by Capita Symonds' structural engineers has concluded that a replacement for the Dolphin Centre should be provided as soon as possible. The main pool hall at the Dolphin Centre is over 45 years old and has been subject to historic cracking of the pool tank and damage caused by the consequent ingress of water to structural elements of the building. We understand that remedial repairs have been completed and that further damage has been reduced.
15. While it is recognised that a replacement should be provided as soon as possible the timing of the development is likely to be driven by the availability of the site. It is understood that the Registration Office will remain on the site until spring 2014. Therefore, construction cannot begin before spring 2014, at the earliest. An initial draft programme has been developed, based on this assumption. This indicates a target opening date during the first quarter 2016.

Key Risks and Issues

16. The key risks identified for further consideration, are listed below. These risks will need to be managed and mitigated as the project develops:
 - changes in scope

- land acquisition
- obtaining vacant possession
- planning approvals
- funding
- project cash flow and impact on Council revenue position
- parking provision
- political support for the project
- environmental impact
- failure of significant elements within the Dolphin Centre
- impact on operation of the Dolphin Centre
- impact on local residents & businesses
- building cost inflation.

17. In addition to the risks there a number of specific issues that have been identified during the study these require further consideration by the Council as the project develops:

- number of health and fitness stations
- inclusion of the 4 court sports hall
- inclusion of five-a-side pitches
- management options & VAT
- valuation of WCC land
- valuation of excess land
- scale of car parking provision
- car parking income
- project cash flow and impact on Council revenue position.

Summary of the Recommended Option

18. Table 1 contains a summary of some of the keys elements of the recommended option.

Table 1: Summary of the Recommended Option

Total Capital Cost (Including Land Purchase)	£11.5m
Estimated Net Revenue Position (before financing costs)	£164,000 pa
Improvement on Existing Revenue Position (Base)	+£609,000 pa
Funding Required	£10.4m
Annual cost of Borrowing Funding Required	£541,000
Estimated Membership Numbers	2,000
Improvement on Current Membership Numbers (956 Members)	+1,044
Estimated Annual Throughput	536,000 visits pa
Improvement on Current Annual Throughput	+ 123,000 visits pa

Next Steps

19. The work completed during this Study represents the initial ‘Options Appraisal’ stage in developing the project. It includes identification of the Council’s needs and objectives, the outline business case and possible constraints on development. It provides an assessment of initial options to enable the client to decide whether to proceed and if so which is the preferred option.
20. The key tasks, required to take the project forward to an application for planning permission, are summarised in Table 2. The key tasks are aligned to the Royal Institute of British Architects (RIBA) stages of work.

Table 2: Summary of Next Steps

RIBA Work Stages		Description of Key Tasks	Estimated Professional Fees
A	Appraisal	<p><i>Identification of client’s needs and objectives, business case and possible constraints on development.</i></p> <p><i>Preparation of feasibility studies and assessment of options to enable the client to decide whether to proceed.</i></p>	£55,000
B	Design Brief	<p>Development of initial statement of requirements into the Design Brief by or on behalf of the client confirming key requirements and constraints.</p> <p>Identification of procurement method, procedures, organisational structure and range of consultants and others to be engaged for the project.</p>	
C	Concept	<p>Implementation of Design Brief and preparation of additional data.</p> <p>Preparation of Concept Design including outline proposals for structural and building services systems, outline specifications and preliminary cost plan.</p> <p>Review of procurement route.</p>	£110,000
D	Design Development	<p>Development of concept design to include structural and building services systems, updated outline specifications and cost plan.</p> <p>Completion of Project Brief.</p> <p>Application for detailed planning permission.</p>	£165,000

1 INTRODUCTION

1.1 Background

1.1.1 Capita Symonds and S&P Architects (S&P) were appointed by Bromsgrove District Council (the Council), in October 2011, to complete a review of future leisure centre provision in Bromsgrove (the study). The aim of the study is to ensure the optimum leisure provision is maintained and developed for Bromsgrove in terms of its scope, location, affordability financial performance and construction cost and phasing.

1.1.2 This study involved the development and appraisal of a number of options for the location and facility mix for the new centre. This report contains recommendations covering the following points:

- what are the key needs expressed by local stakeholders and user groups?
- is the assumed facility mix appropriate and are there any additional facilities that could be provided (including leisure facilities, car parking and complementary town centre development)?
- what is the most appropriate location for a replacement facility
- what are the key planning issues and considerations that may affect the scale, nature and location of facilities?
- what is the estimated capital cost of the options?
- what are the revenue implications of the options?
- what funding opportunities are likely to be available?
- what are the procurement options available to the Council?
- what is the best operational management route for the completed project?
- what are the actions required to take the project forward to delivery?
- what are the key risks and issues that are likely to affect the delivery?

1.2 Outline Facility Mix

1.2.1 Our initial brief included consideration of the following facilities in the new centre:

- main pool 25m x 6 lanes – including accessible lift and stairs, fold down spectator seating along one wall
- learner pool 12m x 8m - to accommodate two lessons with 10 people each, moveable floor. The learner pool should be separated from main pool with full width drop steps, and a pool side spectator area for parents
- 4 court sports hall access
- 80-100 station health and fitness suite
- 2 x dance / fitness studios
- spa facilities - 4 spa facility including a mix of hot and cold areas. These should be accessible via the pool hall and changing areas
- 4 x treatment rooms linked to the spa area
- climbing wall in reception area
- quality vending area and coffee machine in reception
- mother and baby facilities

- external facilities should include consideration of third generation, floodlit, five-a-side football pitches
- parking should be provided in line with the county parking standards to service the leisure centre and other facilities on site, consideration should also be given to additional parking to support town centre visitors.

2 BACKGROUND REVIEW

2.1 Introduction

2.1.1 An important element of the study was to review all relevant, existing, information to ensure that our work was informed by recommendations from various studies and reports commissioned previously by the Council. This is important in understanding the background and context for the Study. Our review included consideration of the following information:

- consultation survey results
- key strategic documents
- condition survey data for the existing Dolphin Centre
- stakeholder consultation.

2.2 Consultation Results Survey Results

Bromsgrove Leisure Consultation Analysis Report (Bromsgrove District Council – 2010)

2.2.1 We completed a review of the findings from the 'Bromsgrove Leisure Consultation Analysis Report (Bromsgrove District Council – 2010)'. The consultation took place during Summer 2010. A survey was distributed to households via 'Together Bromsgrove', left at the Dolphin Centre, libraries, and other public services, published online, and distributed from a High Street stall and via Street Theatre. A total of 866 responses were received – these were analysed by the Research and Intelligence Unit (WCC) along with the 'Area Action Plan Issues and Options Consultation' results, a small 2009 BDC Leisure survey, and Dolphin Centre usage statistics.

Key Findings

2.2.2 Around three quarters of respondents participate in physical leisure activities at one or more venues in and around Bromsgrove. The Dolphin Leisure Centre is the most commonly used venue, 44% of young people (aged 12 to 17) and 55% of adults report using it. The most commonly used leisure facilities at the venues are swimming pools, fitness suites/gyms, café/restaurants, team sports and racquet sports. These services are generally perceived as providing good value for money.

2.2.3 Around a third of people who participate in physical leisure activities combine a trip to the Dolphin Centre with High Street shopping. Combining socialising or eating /drinking with a visit to the Dolphin Centre is particularly popular amongst young people.

2.2.4 The majority (81%) of young people visit leisure facilities with friends, while only 36% of adults do so. Adults are more likely than young people to visit alone (31% adults, 8% young people) and a relatively high proportion of adults visit with children/grandchildren (30%).

2.2.5 The main reasons for using leisure facilities are health and well-being, fun and socialising while the main reasons for not using them are time and cost.

- 2.2.6 When asked to select up to three leisure facilities that you would most like to use in the future, the most commonly selected options were swimming pool (54%), ice rink (36%) and fitness suite/gymnasium (33%).
- 2.2.7 Car/motorcycle is overall the most frequently used mode of transport for accessing leisure facilities (61%), followed by walking (28%), though this is strongly dependent on where respondents live.
- 2.2.8 Almost half the respondents (48%) would be willing to travel 1-2 miles or more on foot to reach the Leisure Centre, if it were relocated, while a further 40% would walk up to half a mile. 21% of respondents would travel for 11 miles or more by car.
- 2.2.9 There is a high degree of agreement that the Leisure Centre should remain in the town centre (72% agree or strongly agree that this is necessary) and many of the additional free text comments at the end of the questionnaire reinforce this message.
- 2.2.10 When asked for comments on the Dolphin Centre, common compliments included mention of friendly staff and the convenient location. People tend not to like the shared changing rooms, car parking charges and the standards of cleanliness. Many people suggested the inclusion of a waterslide or similar to improve the facility.
- 2.2.11 The Executive Summary of the report was presented to the Town Centre Regeneration Steering group in September 2010. It included the following conclusions:
- 2.2.12 *'The public's responses to the household survey would suggest there is demand for a small – medium sized Leisure Centre located in the Town Centre and consisting of:*
- *Main Swimming Pool*
 - *Teaching Pool*
 - *Gymnasium*
 - *Sports Hall*
 - *Dance Studio*
 - *Cycle (Spinning) room*
 - *Changing rooms etc*
 - *Café*
 - *Reception*
 - *Back offices.*
- 2.2.13 *This conclusion is based on the findings of this and other consultations, the known usage levels of current facilities and the travel patterns, habits and stated preferences of residents with respect to location: Nearly three quarters of respondents express a preference for a Town Centre location and nearly a third link their use of the Leisure Centre with High Street Shopping.*
- 2.2.14 *There is agreement between the Head of Leisure and Cultural Services and the Area Action Plan Town Planning Architects that for operational, accessibility and town planning reasons the best Town Centre site for a new Leisure Centre would be the Car Park of the Dolphin Centre'.*

Bromsgrove Town Centre Regeneration, Area Action Plan Survey (Worcestershire County Council – 2010)

- 2.2.15 WCC conducted a survey to inform the development of the Bromsgrove Town Centre Regeneration Area Action Plan. A total of 1,198 responses were received.

Key Findings

2.2.16 The survey contained a wide range of questions relating to aspects of the current and future use and development of the town centre. One of the questions in the survey asked all respondents which facilities they would use at a leisure centre in Bromsgrove town centre. The percentage of positive responses (per facility) are listed in Table 3.

Table 3: Percentage of Respondents to the Question ‘Would you use the following facilities at the Leisure Centre?’

Facility	Percentage of positive responses
Leisure Swimming Pool	63%
Aerobics and Fitness - e.g. keep fit, dance, yoga, tai-chi, trampolining	42%
Health and Beauty Spa - e.g. Sauna, Massage, Manicure, Complementary Therapies	38%
Gymnasium / Health and Fitness Suite	37%
Racquet Sports - e.g. badminton, tennis, squash	33%
Clubs & Societies - e.g. Parent & Toddler, Martial Arts, Gymnastics, Athletics	31%
Alternative & Extreme Sports - e.g. Indoor rock climbing, skateboarding, fencing, archery	28%
Team Sports - e.g. football, hockey, basketball, volleyball	22%
Competition Swimming Pool	19%

2.3 Review of Key Strategic Documents

2.3.1 We completed a review of key strategic documents which influence the potential development of leisure facilities in Bromsgrove. The key findings are summarised in the following pages.

Sports & Active Recreation Strategy 2009-2012 (Bromsgrove District Council – 2009)

2.3.2 Principles and values underpinning the strategy:

- to contribute to the five outcomes for children and young people: being healthy; staying safe; enjoying and achieving; making a positive contribution; achieving economic wellbeing.
- to identify new projects and initiatives aimed at increasing participation levels for all and support their development
- to encourage social inclusion by providing facilities, services and opportunities that meet the needs of all

- to ensure that the community has safe and easy access to a range of sport and active recreation opportunities within a reasonable distance from their homes
- to use sport positively to engage children and young people and foster inter-generational respect
- to utilise sport as a tool to address health inequalities across the district and encourage a more active community.

Scope of the Strategy

2.3.3 The Bromsgrove Sports Strategy covers sport and active recreation opportunities for all, inclusive of those with differing needs.

- outdoor sports facilities in public parks
- outdoor sports facilities on housing developments
- open spaces for recreational use
- indoor sports facilities
- programmed activities based within existing sports facilities
- sport and active recreation activities offered by statutory and voluntary groups including sports clubs, schools (both curricular and out of school hours learning), sports development, leisure providers, day centres, childcare and uniform groups and youth clubs.

Vision & Values

2.3.4 The Council's vision is to maximise opportunities, widen access to sport and active recreation and promote high quality positive experiences to encourage lifelong participation for all those who live, work in and visit Bromsgrove.

Open Space, Recreation and Sport Local Needs Assessment and Playing Pitch (PMP – 2007)

2.3.5 In 2007 the Council appointed PMP Consultants to undertake an open space, recreation and sport local needs assessment and playing pitch strategy across the district.

2.3.6 The open space study was undertaken in accordance with Planning Policy Guidance Note 17 (Planning for Open Space, Sport and Recreation, 2002) (PPG17) and its Companion Guide. The Playing Pitch Strategy (PPS) is undertaken in accordance with the methodology endorsed by Sport England and set out in the guidance document "Towards a Level Playing Field" (2002).

2.3.7 The assessment forms part of the evidence base for the Local Development Framework (LDF), in particular supporting the policies of the Core Strategy and other Development Plan Documents (DPD). We have summarised the key findings in the following paragraphs.

Key Findings – Outdoor Sports Facilities

- there is a perception that pitches are of poor value for money. Drainage at pitches and the provision of ancillary accommodation are particular priorities with regards the quality of pitches

- there is an theoretical oversupply (17.4) of adult football pitches on the peak day across the district
- there is an undersupply of junior pitches (-8.6) on the peak day (Sunday). However, in practice the adult pitch stock is being used by junior teams
- there is an undersupply of (-1.8) mini-soccer pitches on the peak day (Sunday). This indicates that mini soccer teams are likely to be using adult / junior pitches
- there is a slight shortfall of cricket pitches (-2) on the peak day (Sunday)
- there is an oversupply (19) of adult rugby union pitches on the peak day (Saturday)
- there is an undersupply (-10.5) of junior rugby pitches on the peak day, which is Sunday mornings. However, there is also a theoretical surplus of adult pitches on this day, which is used to accommodate junior matches
- in order to maximise resources, increasing access to school facilities should be a key priority going forward.

2.3.8 The key implications of these findings for the Local Development Framework are:

- protect all pitches from development unless it can be proven that the replacement of a facility will result in a higher quality facility in a nearby location
- seek to improve the quality of pitches. Sites should meet National Governing Body criteria. This includes the provision of appropriate changing facilities and installation of drainage where required
- allow for a strategic reserve of pitches to ensure that rest and recovery can take place
- allocate additional land for the development of at least one synthetic pitch and floodlit training facilities for football.

Key Findings - Indoor Sports Facilities

- there are sufficient sports halls to meet current demand in quantitative terms however halls are ageing and there are issues relating to access to existing sites. Sport England's Facilities Planning Model (FPM) indicates that halls are operating near to capacity. Shortfalls may equate to 3 courts by 2019. *It should be noted that since completion of the FPM an additional 2 courts have been added at Bromsgrove School. This new hall will be available for community use. This increases the supply by 2 courts*
- there is sufficient water space to meet current demand, however as there is only one facility offering 'unrestricted' public access there is particular pressure on this site and several other sites are operating at capacity. There is a need to increase the capacity for swimming to meet longer-term need, either through qualitative improvements, extensions to existing provision, improved community access or a new site.

2.4 Review of the Condition Survey of the Existing Dolphin Centre

2.4.1 The existing centre (the Dolphin Centre) contains the following core facilities:

- a 6 lane 25m pool, with learner pool - built in 1966
- a 55 station health and fitness suite - built in 2009
- a 4 court sports hall - built in 1989

- studios, function room, café – built 2005

2.4.2 We understand the existing facility has a limited remaining life, due to deterioration in the integrity of its concrete structure and its age. We completed a technical review of the condition survey reports for the existing Dolphin Centre. The main purpose of this review was to determine the likely remaining lifespan of the existing building. A copy of the full findings from our review are contained in Appendix 1.

Conclusions

2.4.3 It is extremely difficult to assess the life expectancy of the structure based solely on the documents reviewed, and even a visit to site, although useful, is unlikely to provide a clear answer.

2.4.4 The reports themselves (written in May 2008) describe a major failure as unlikely within ‘five to ten years’, and not imminent on the basis of the evidence. This does not however appear to be based on a likely failure scenario for which a progression rate could be assessed. The form of construction still appears to be unclear, as are the nature of the damage and its extent. On this basis, we believe that an assessment of life expectancy at this stage would be largely guesswork.

2.4.5 The statement is made several times that a substantial failure would come with warning signs. However, unless a mechanism for failure has been established, we would treat this statement with some degree of caution.

2.4.6 A six monthly inspection regime has been put in place by the Council. The site is inspected by a structural engineer and repairs are carried out based on their instructions.

2.4.7 Overall, we advise that a replacement facility should be provided as soon possible.

2.5 Stakeholder Consultation

2.5.1 In addition to the review of background information, during the Study a number of stakeholders and organisations were consulted on specific issues that arose during the course of our work. The organisations contacted during the study are listed in Table 4.

Table 4: List of Consultees

Organisation/Department	Issues for Consultation
Leisure & Cultural Services (BDC)	Client project team representative
Planning (BDC)	Client project team representative
Regeneration (BDC)	Client project team representative
Finance (BDC)	Prudential borrowing assumptions
Highways (WCC)	Specific issues relating to parking standards, highways and access
WCC	Possible land acquisition (Blackmore House and

Organisation/Department	Issues for Consultation
	Registration Office)
JP Dillon	Commercial land valuations
Wychavon Leisure Trust	Operational management issues and facility mix
Bromsgrove Swimming Club	User consultation on the facility mix
Redditch Swimming Club	User consultation on the facility mix
Amateur Swimming Association	Governing body consultation on the facility mix
Bromsgrove Methodist Church	Possible re-location, during initial site options appraisal work
North Bromsgrove High School	Possible land acquisition and Dual Use Agreement

2.6 Summary of Findings

2.6.1 Generally, the findings of our background review support the need to provide a replacement for the Dolphin Centre, in a town centre location, as soon as possible. Some of the key issues identified are listed below:

- consultation survey results demonstrate that:
 - the Dolphin Centre is an important amenity in the town centre for many visitors. Over a third of users surveyed combine a visit to the Dolphin Centre with a trip to the shops, cafes and restaurants in the town centre
 - swimming and health and fitness/gym were listed in the top three leisure facilities people would most like to use in the future. Ice skating was also listed
 - car use is high, in terms of accessing leisure facilities
 - the findings of the surveys support the need for a town centre location.
- the Open Space, Recreation and Sport Local Needs Assessment and Playing Pitch Strategy concludes that:
 - there is a need for an increased supply of synthetic turf pitches for training
 - there are sufficient indoor hall spaces in the district, however access should be improved on school sites
 - there is sufficient pool water space in the district, though access to facilities should be improved to help meet any possible future shortfalls
- our review of condition survey data concludes that the Dolphin Centre is over 45 years old and the building requires replacing as soon as is practical.

3 RESULTS OF SUPPLY AND DEMAND ANALYSIS

3.1 Introduction

3.1.1 We reviewed the supply and demand data for the most significant sports facilities within the proposed schedule of accommodation. These are:

- swimming pools
- sports halls
- health and fitness facilities.

3.1.2 Detailed supply and demand analysis has already been completed for swimming pools and sports halls using Sport England's FPM. This provides a robust, industry recognised, assessment of supply and demand for these facility types. We have reviewed the results of the FPM study and summarised these below.

3.1.3 In addition to the findings of the FPM, an assessment of supply and demand for health and fitness facilities was commissioned from specialist market research company (The Leisure Database Company). The findings from its review are summarised in the remainder of this section.

3.2 Population of the District

3.2.1 In analysing the need and demand for sports facilities in the district it is important to briefly highlight the size and composition of the resident population and therefore the local leisure market.

3.2.2 According to mid-year estimates (2010), published by WCC, the population of the district has remained about the same at around 93,400 between 2009 and 2010. Projections from the Office of National Statistics suggest that by 2031 the population of the district will have increased by 14.3% to 106,300.

3.2.3 Bromsgrove is the main settlement in the district. The town is about 16 miles (26 km) north east of Worcester and 13 miles (21 km) south west of Birmingham city centre. It had a population of 33,900 (mid-year estimates 2010).

3.3 Summary of Sport England's Facility Planning Model

3.3.1 The FPM is used to analyse supply / demand for specific facility types. It estimates how much demand for a facility there is within an area, calculates how much supply of that facility there is within that area, and then puts these two elements together to show how much demand is met, not met, and how much supply is used and not used, taking into account how far people are prepared to travel to a facility.

3.3.2 The model uses census information at output area level to help establish the profile of the population, including, age, gender, access to cars and Index of Multiple

Deprivation (IMD) scores. These are all used in the model to estimate the potential demand for sports facilities.

- 3.3.3 The model uses the information on the road network (Integrated Transport Network) to estimate how people are prepared to travel. This spatial interaction between demand and supply is essential in helping to understand whether the current supply of sports facilities are in the right place to meet the potential demand within a local area.

3.4 Facility Planning Model Results – Swimming Pools

- 3.4.1 The FPM findings conclude that Bromsgrove has a good supply of water space with 77.2% of overall capacity used in 2009 rising to 81.2% in 2019. 70% usage is viewed as busy and comfortable by Sport England. If the 100% maximum capacity in peak periods was achieved, then there would be no space to carry out any activity, the figure of 80% is recognised as being the optimal comfort/capacity of a pool. Bromsgrove is currently around the optimum level.

- 3.4.2 There is a very low level of unmet demand within the district. The equivalent water space required to meet unmet demand is 38m² in 2009 rising to 41m² in 2019. To put this in perspective, these areas represent the equivalent to less than 1 lane of a 25m pool.

- 3.4.3 The level of total satisfied demand, compared to the West Midlands region and England is higher than regional and national average. 95.8% of demand is satisfied in 2009 falling to 94.1% in 2019. The regional benchmark is 91.1% with 90.8% for England. This suggests the location and distribution of swimming pools has a very high level of accessibility with virtually all the demand being located inside the catchment areas of the existing pools.

- 3.4.4 It is estimated that Bromsgrove is a net importer of swimming demand and some 41% of the total demand for swimming is imported into the district, from residents in neighbouring authorities, whose closest pool is located within Bromsgrove. This is reflected in the fact that all the pools in the district have a very high percentage of car visits. Improvements to the Abbey Stadium pool in Redditch may limit or reduce the number of visitors imported from that direction.

3.5 Facility Planning Model Results – Sports Halls

- 3.5.1 There is a good supply of sports halls in the area, above regional and national benchmarks. However, a number of halls are operating above their comfortable capacity at peak times. Currently, the 4 court sports hall at the Dolphin Centre is an important facility in the district, operating at capacity during peak hours. It is also noted that access by car is well above the national benchmarks.

- 3.5.2 Given the findings of the FPM, it is not recommended that additional sports halls be built in the District, as the physical supply is more than adequate. However, demand and use could be managed better across the district by making greater use of spare

capacity at sites where this exists. Much of the spare capacity is located on school sites, with limited access for community use. The issue is not a lack of physical capacity but more one of access to facilities.

- 3.5.3 *It should be noted that since completion of the FPM an additional 2 courts have been added at Bromsgrove School. This new hall will be available for community use. This increases the supply by 2 courts.*

3.6 Health and Fitness (Latent Demand Analysis)

- 3.6.1 The most important revenue generating areas of most public and private leisure facilities are the health and fitness areas (gym and studios). Due to the importance of this aspect of the facilities, a latent demand report was commissioned from the Leisure Database Company. A latent demand analysis provides a clear assessment of the potential demand for health and fitness membership. These assumptions underpin the revenue plan for the facilities. Key elements of the report are summarised in the following paragraphs. A copy of the latent demand analysis report is contained in Appendix 2.

Catchment Area

- 3.6.2 The catchment area is based on a three-mile radius around the Dolphin Centre, home to 54,218 people. This takes in all those who live within 10 minutes' drive of the centre (61,500) but excludes some population on the fringes of Redditch (along the A448) and Rubery, to the north, around junction 4 on the M5, which is likely to have closer, alternative provision.
- 3.6.3 Three miles radius includes the whole of the town of Bromsgrove, as well as Catshill, to the north of the M42, Fairfield, Bournheath, Blackwell, Tardebigge, Stoke Prior and Upton Warren. The towns of Kidderminster, Droitwich and Redditch are all more than 5 miles away, with their own public sector provision, although we expect that David Lloyd Leisure (Bromsgrove) may well draw from this far away.

Consumer Profile

- 3.6.4 Bromsgrove is a relatively affluent town, surrounded by rural areas to the south and west. Nearly 22% of all residents fall into Mosaic group B 'Professional Rewards'. These are described as 'experienced professionals in successful careers enjoying financial comfort in suburban or semi-rural homes'. Many of these will be enjoying the fruits of their career success, living in pleasant, detached homes. They will typically be in their late forties to early sixties; in many respects, one might say they fit the stereotypical David Lloyd customer profile.
- 3.6.5 Mosaic group G (Careers & Kids), which accounts for 14.5% of the 3 mile catchment population, is another relatively well to do segment, full of families with young children where both parents may be working to provide for a comfortable modern home. For the parents, propensity to take part in fitness activities is generally quite high and this is almost certainly linked to visits to local leisure centres for children's swimming lessons and similar 'starter' activities.

- 3.6.14 For the new leisure centre to sustain a 100 station plus health and fitness membership numbers would need to be at least 2,250. This is significantly higher than the 2,000 members forecast by the Leisure Database Company. It is usual to see significant numbers of private sector gym members transferring to local authority facilities, where new, high quality, facilities are developed. This is particularly the case in the current economic climate, with consumers seeking to maximise value for money.
- 3.6.15 If the facilities are well designed and managed it is possible that membership levels could be increased to the 2,500 level, which could support a 100 station gym. However, based on the Leisure Database report, 80-90 stations is likely to be the optimum size. At this point it is not clear whether anything above that level will be sustainable, therefore it would be risky to assume anything above 90 stations at this early stage in the project development.
- 3.6.16 It should be noted that while we have used 90 stations for the purpose of revenue projections the design and capital costs allow for a 100 station facility. This gives scope for expansion of the facilities in the future if demand requires a larger health and fitness provision.

3.7 Summary of Findings

- 3.7.1 The key findings from the supply and demand analysis are listed below:
- **swimming pools** – current provision is adequate. Future increases in demand could be met through increased access to facilities where access is currently limited
 - **sports halls** - current provision is more than adequate, particularly given the addition of 2 new courts at Bromsgrove School. Future increases in demand could be met through increased access to facilities where access is currently limited
 - **health and fitness facilities** - an 80-90 station health and fitness area could adequately cater for the anticipated membership numbers (2,000). If the facilities are well designed and managed it is quite possible that membership levels could be increased to the 2,250 - 2,500 (100 station) level. However, at this point it is not clear whether anything above that level will be sustainable, therefore it would be risky to assume anything above 90 stations at this early stage in the project development.

4 SITE SELECTION

4.1 Introduction

4.1.1 The selection of the most appropriate site for the new leisure centre is a key consideration in this Study. We completed a site selection process which involved the following stages of assessment

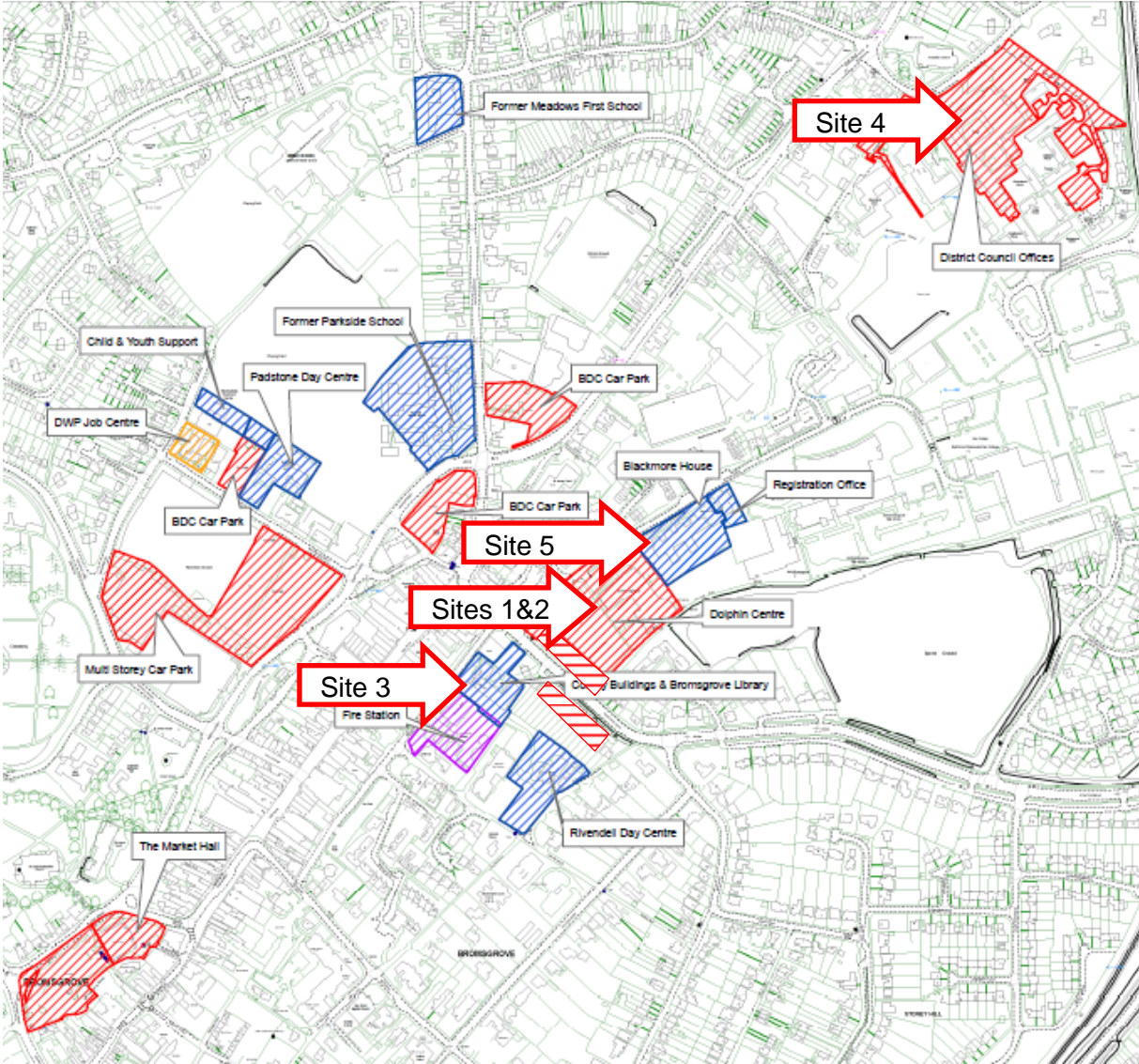
- site identification
- a review of the planning context and policies affecting each site
- completion of a scoring exercise ranking the sites using a set of agreed criteria
- an assessment of the advantages and disadvantages of each site
- a review of the financial implications of the selection of each site

4.1.2 The results from each stage of the assessment were then used to establish the preferred site option to be used as the focus of the detailed work during the remainder of the study. The following paragraphs summarise the findings and recommendations from the site selection work. The full report is contained in Appendix 3.

4.2 The Site Locations

4.2.1 The brief for the project identified five potential venues for the new leisure centre. We reviewed each site to determine the preferred option. Based on the outline schedule of accommodation, we estimated that a total site area of approximately 10,000m² is required to accommodate the new leisure centre building, car parking (assuming surface level parking is provided for 200 cars), general circulation and landscaping. Figure 2 (supplied by the Council) shows the broad location of the sites, using labelled arrows, numbered 1-5.

Figure 2: Site Locations



4.2.2 A summary of each site is contained in the following tables:

Table 5: Site 1 Summary Table

Site 1	Site of the existing Dolphin Centre, in School Drive
Current Occupiers	It currently contains the existing leisure centre (the Dolphin Centre), the Council contact centre and associated parking facilities
Current Use Class	D2 - Assembly and Leisure
Approximate Site Area	The total site measures circa 10,000m ² Approximately 3,000m ² occupied by the Dolphin Centre building with 5,500 m ² used for surface car parking (circa 155 spaces plus 13 for people with disabilities).
Ownership	Bromsgrove District Council (freehold)

Table 6: Site 2 Summary Table

Site 2	Site of the existing Dolphin Centre, in School Drive, plus the area owned by the Methodist Church
Current Occupiers	It currently contains the existing leisure centre (the Dolphin Centre), the council contact centre and associated parking facilities and the Methodist Church. We understand the Church is willing to consider re-location in order to facilitate development of the leisure centre on the site.
Current Use Class	D1 – Non-residential Institutions and D2 - Assembly and Leisure.
Approximate Site Area	Approximately 11,000m ² with circa 850m ² occupied by the Church building, and 330m ² used for surface parking (circa 15 spaces).
Ownership	The Dolphin Centre site is owned by Bromsgrove District Council (Freehold). The Methodist Church Site is owned by the Trustees of the Methodist Church (Freehold)

Table 7: Site 3 Summary Table

Site 3	Site located within the limits of the Windsor Street development site (Worcestershire County Council Buildings, Library and Fire Station)
Current Occupiers	Fire station, Worcestershire County Council buildings and library
Current Use Class	D1 Non-residential institutions, B1 Business and Sui Generis (Fire Station)
Approximate Site Area	7,000m ²
Ownership	The site contains two separate plots owned by Hereford and Worcester Fire and Rescue Authority (Fire Station) and Worcestershire County Council (Council Buildings and Library).

Table 8: Site 4 Summary Table

Site 4	Site of the existing District Council Offices on Burcot Lane
Current Occupiers	It currently contains Bromsgrove District Council offices
Current Use Class	B2 - Office Use
Approximate Site Area	14,000m ²
Ownership	Bromsgrove District Council (Freehold)

Table 9: Site 5 Summary Table

Site 5	Site of the existing Dolphin Centre plus the site of Blackmore House and the Registration Office, in School Drive
Current Occupiers	It currently contains the existing leisure centre (the Dolphin Centre), the council contact centre and associated parking facilities, Blackmore House (residential care home) and Worcestershire County Council’s registration office
Current Use Class	Leisure centre (D1), Blackmore House (C2) and the Registration Office (B1).
Approximate Site Area	18,000m ²
Ownership	The Dolphin Centre site is owned by Bromsgrove District Council (Freehold). Blackmore House and the Registration Centre are owned by Worcestershire County Council. The area of ‘scrubland’ is leased to NBHS.

4.3 Conclusions

4.3.1 A review of the planning policy and context identified sites 1, 2 or 5 as the preferred location for the leisure centre. These sites are all located on School Drive.

4.3.2 The scoring process identified Site 5 as the preferred location. The review of the advantages and disadvantages of the sites also supported the selection of Site 5 as the preferred option.

4.3.3 Overall, the key benefits of Site 5 against the other sites are:

- site options 1 and 3 are too small to accommodate the development of the new leisure centre, while also maintaining operation of the existing Dolphin Centre
- site 5 presents an opportunity to create a physical link to North Bromsgrove High School (NBHS). Potentially enabling the Council to access and manage the school’s 4 court sports hall for community use. This could reduce the scale and cost of facilities provided in the new leisure centre, as well as providing improved access to facilities for students of the School.
- site 5 is large enough to accommodate the new leisure centre and parking, with potential for other complementary developments, which could help generate funding to support the financing of the development

- a large part of site 5 is currently occupied by the Dolphin Centre. Users are familiar with the site and the transition to use of a new centre on the site would be seamless
- much of site 5 is in Council ownership and capable of being developed relatively quickly (subject to grant of planning permission)
- an area of site 5 owned by WCC is occupied by Blackmore House (residential care home) and the Registration Office. Blackmore House recently closed and is vacant. We understand that WCC plans to re-locate the Registration Office. This would free up this part of the site for development without needing to find an alternative location for the existing occupiers
- site 5 is already served by the services and utility connections required for a leisure centre
- the scale of site 5 enables the development of a new leisure centre to be completed while maintaining the continuous operation of the Dolphin Centre
- a centre on site 5 will deliver against the outcomes of the Town Centre Area Action Plan and other planning policy documents
- a development on site 5 has potential to enhance the appearance of School Drive and to create a 'hub' of leisure, education and cultural
- site 5 is well served by public transport with further improvements planned as part of the development of the town centre
- there is existing access and parking on site 5, so the impact on highways and junctions in the area would be minimal.

4.3.4 However, a number of notable constraints do apply in respect of Site 5:

- the site of Blackmore House and the Registration Office is owned by WCC. The Council will need to negotiate and agree the transfer of the site for the purpose of developing a new leisure centre. This could complicate the development
- the acquisition of part of the site from WCC will increase the cost of the development
- NBHS should be consulted to establish the likelihood of arranging dual use of the school's 4 court sports hall. This could reduce the need to build a new 4 court sports hall within the new leisure centre. The FPM states that current demand is satisfied in the area.

4.4 Recommendations

4.4.1 Of the five sites considered, Site 5 is clearly the preferred option. However, due to the use of part of site by other occupiers and the fact that this area is currently owned by WCC, there is scope for incurring increased costs and time delays, due to factors outside the Council's control. These issues will need to be carefully managed from an early stage to mitigate any potential problems as the project develops.

4.4.2 Following consultation with the project team, it was agreed that Site 5 should be taken forward as the preferred option for the development of the new leisure centre. If, for any reason, Site 5 is not deliverable the next best option is Site 2. This recommendation forms the basis of the new leisure centre options, outlined in the following sections of this report.

5 PREFERRED SITE APPRAISAL

5.1 Introduction

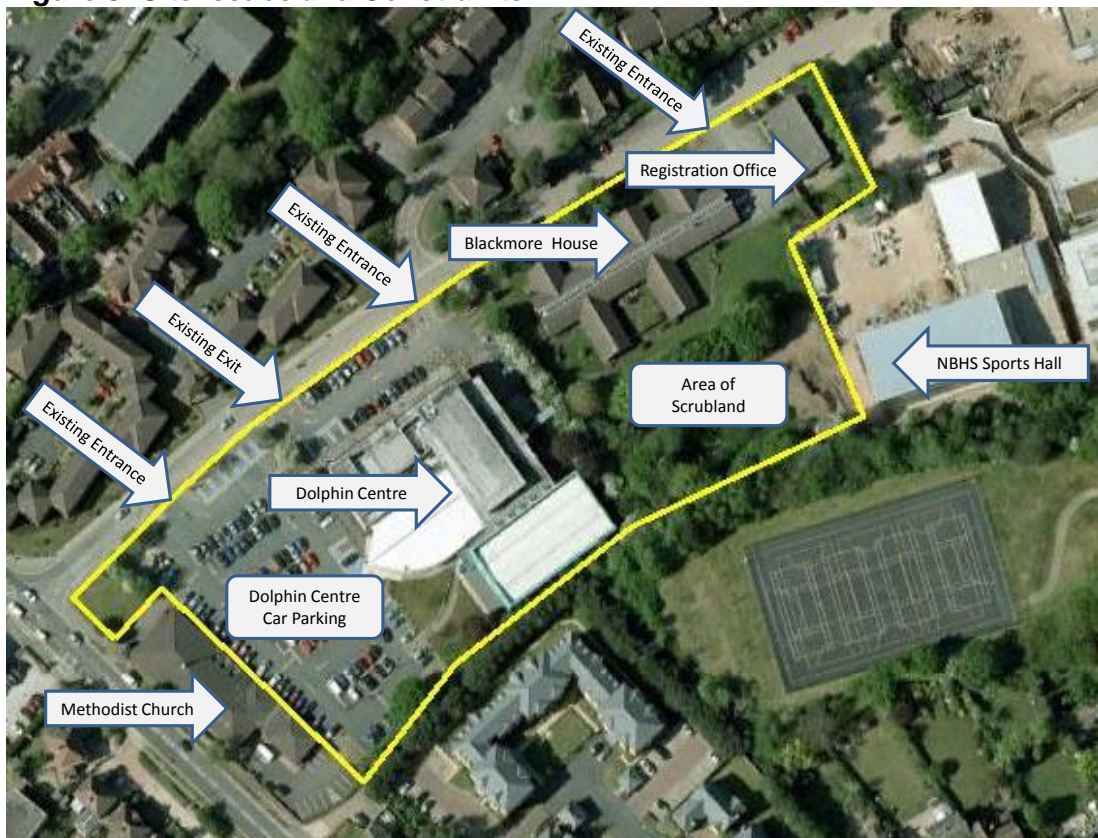
5.1.1 In order to provide context to the concept design work we completed a site appraisal, based on the preferred site. This section contains a summary of:

- general description of the site
- site issues and constraints
- site access
- ecology.

5.2 General Description of the Site

5.2.1 The preferred site (option 5) is the site of the existing Dolphin Centre plus the site of Blackmore House and the Registration Office. It is located in School Drive, adjacent to Bromsgrove Town Centre. An annotated image, identifying key existing features is included in Figure 3.

Figure 3: Site Issues and Constraints



5.3 Site Issues and Constraints

5.3.1 Potential issues and constraints affecting the site are listed below and illustrated on Figure 4, using corresponding numbering:

1. the Dolphin Centre must remain operational until a replacement centre is open to the public
2. the existing car park must be accessible to users of the Dolphin Centre until a replacement centre is open to the public
3. the Methodist Church will remain on its existing site and should not be adversely affected by the development of a new centre
4. School Drive is subject to an improvement plan (understood to be on-going), which must be considered when defining access and parking provision
5. access to school drive, from the junction with Stratford Road, must be considered in consultation with WCC Highways
6. Blackmore House is currently owned by WCC. The Council needs to acquire this site to enable the development of the new leisure centre on this site
7. the Registration Office is currently owned by WCC. The Council needs to acquire this site to enable the development of the new leisure centre
8. the area of 'scrubland' behind Blackmore House and the Dolphin Centre is likely to need to be assessed, in terms of the environmental impact of a development on this area. This area is understood to be leased to NBHS by WCC. The Council needs to acquire this site to enable the development of the new leisure centre
9. the 4 court sports hall at NBHS provides a possible opportunity to implement a 'Dual Use Agreement' to open it up for wider community use. This would result in a reduction in the amount of indoor space required at the new leisure centre
10. there are a number of residential dwellings which may be affected by the development of a leisure centre on the area currently occupied by Blackmore House.

Figure 4: Site Issues and Constraints



5.3.2 A number of site photographs, showing views of the site, are contained in Appendix 4.

5.4 Site Access

5.4.1 There are three existing entrance points to the site, off School Drive, and one exit. These are illustrated in Figure 3. Consultation has taken place with WCC Highways, to inform initial concept designs for the site. To date, they have not highlighted any significant concerns relating to the impact of the proposed development on the existing access and junction arrangements. The use of existing access points onto the site is likely to minimise transport and planning issues relating to access.

5.5 Ecology

5.5.1 The site is generally subject to existing development, with the exception of the area of ‘scrubland’ behind Blackmore House and the Dolphin Centre. We are not currently aware of any significant environmental issues relating to the area. However, as the project moves forward the area may need to be assessed in terms of the environmental impact. Advice will need to be sought from the Local Planning Authority in relation to the need for an Environmental Impact Assessment as part of the planning process.

6 INITIAL OPTIONS DEVELOPMENT

6.1 Introduction

6.1.1 Having determined the preferred location for the new leisure centre, we agreed the overall facility mix to be considered in the initial facility options. The initial options were based on the principle of defining the minimum and maximum range of facilities, with other variants in between. This approach allowed us to consider more than one solution for the development of the new leisure centre, while also providing sufficient distinction between the options. This process involved defining the following for each option:

- Initial facility options (facility mix)
- concept designs (site plans)
- capital cost estimates
- benchmarked revenue estimates.

6.2 Initial Facility Options (Facility Mix)

6.2.1 Based on the space available on the preferred site, and the facility mix listed above, we developed four core facility options for consideration by the Council’s client team. A summary of the contents of the initial options is included in Table 10. The cells marked with a cross indicate which facilities have been included. It should be noted that the facilities have been divided into ‘Core Facilities’, these are areas that must be included in all options and ‘Optional Facilities’, which are only included in some options.

Table 10: Contents of Initial Options

Core Facilities	Option 1	Option 2	Option 3	Option 4
Main pool	X	X	X	X
Learner pool	X	X	X	X
Health and fitness suite	X	X	X	X
2 x dance / fitness studios	X	X	X	X
Spinning room	X	X	X	X
Spa facilities	X	X	X	X
Spa treatment rooms	X	X	X	X
Ancillary Areas	X	X	X	X
Parking	X	X	X	X
Optional Facilities	Option 1	Option 2	Option 3	Option 4
3 x Five-a-side football pitches & 1 x MUGA	X	X		
4 court sports hall	X		X	

6.3 Capital Cost Estimates

6.3.1 Estimated capital costs were prepared for each option, based on benchmarking data obtained from the Building Cost Information Services (BCIS). The relevant rates were applied to the areas in the schedule of accommodation. Table 11 contains a

summary of the estimated capital costs. More detailed capital cost estimates are included in Appendix 5. It should be noted that Table 11 also includes allowance for the purchase of land from WCC.

Table 11: Summary Estimated Capital Costs

Costs	Option 1	Option 2	Option 3	Option 4
Cost of New Centre	£11,500,000	£10,200,000	£11,100,000	£9,700,000
Land Purchase Cost (WCC land)	£1,325,000	£1,325,000	£1,325,000	£1,325,000
Total Capital Cost (Including Land Purchase)	£12,825,000	£11,525,000	£12,425,000	£11,025,000

6.3.2 The following items have been excluded from the capital cost estimates at this stage:

- loose furniture and equipment, IT equipment
- Health and fitness equipment
- planning application and building regulation costs
- section 106 obligations
- upgrade of services and utilities costs
- abnormal ground conditions
- contaminated land cost
- inflation beyond Q3 2011
- VAT.

6.3.3 The following assumptions have been applied in the capital cost estimates:

- ‘Mean’ BCIS building costs for ‘wet and dry sports centres’ have been assumed
- costs include overheads, profit and main contractor's preliminaries
- professional fees are included at 12%
- a contingency sum of 14% has been included
- a provisional sum of £630,000 has been included for 200 parking spaces
- a provisional sum of £500,000 has been included for demolition of the existing centre
- a provisional sum of 5% of building costs has been included for landscaping, based on most of the external areas being used for parking, with limited soft landscaping
- assumptions on land purchase cost assume a cleared site, as agreed with Worcestershire County Council.

6.4 Benchmarked Revenue Projections

6.4.1 To support the capital cost estimation, and to provide the Council with an early understanding of the long-term financial implications of the new centre, a series of

revenue projections were developed. This exercise provides an understanding of the revenue implications of the options.

6.4.2 The projections were based on Capita Symonds' benchmark model, which generates the required outputs through performance indicators from our Operational Database, which contains over 300 records of financial and throughput information from over 200 operational leisure facilities across the United Kingdom.

6.4.3 As such, it is a high-level model which depends on results from other, similar facilities, rather than specific programmes of usage. The database generates a range of benchmark levels (e.g. mean, upper quartile, lower quartile) and in choosing the benchmarks to use, it is important to consider the specific local context and aspirations and current facility performance. For this study we applied the upper quartile data, as this will be a new facility in an area with significant potential demand.

6.4.4 The following approach was adopted for selecting the benchmarks:

- **Income** – this took into account the existing performance of the Dolphin Centre, the fact that the new centres will be designed to a higher specification than is currently the case and the need for the business plan to be prudent
- **Expenditure** – this took into account the expenditure levels at the existing Dolphin Centre and the fact that the facilities will be new and more efficient than the existing one
- **Throughput** – this took into account the throughput levels at the existing Dolphin Centre and the likely increase due to the opening of a new facility.

6.4.5 The operational analysis includes a number of key expenditure areas, which are as follows:

- staffing and on costs
- utilities – water, gas and electricity costs
- repairs and maintenance – day-to-day maintenance and planned preventative maintenance costs
- cleaning – costs for cleaning the facility on a daily basis
- insurances – all insurances associated with the building and its management
- cost of sales – cost of supplies associated with bar and catering sales.

6.4.6 It should be noted that lifecycle cost have been excluded from the initial revenue forecasts to enable a 'like for like' comparison with the current operational performance (Base). However, it is recommended that lifecycle costs are included as the project develops. Lifecycle costs are a revenue cost that are allocated on an annual basis to provide for significant periodic refurbishment and updating of the building and replacement of key elements of the building and plant which have a limited life (e.g. playing surfaces and mechanical and electrical plant etc). Lifecycle costs are calculated using a benchmark of 1.67% of indicative build cost (excl fees & contingency). For example, the lifecycle allowance that should be made for Option 2 is circa £105,000 per annum.

6.4.7 The operational projections for each option are summarised in Table 12. The initial revenue projections are included in Appendix 6. It should be noted that these

projections include a pro-rata increase in the allowance for revenue from car parking income, as well as a proportional increase in car parking refunds, which are paid for by Leisure Services (up to 1 hour visit).

6.4.8 We understand that the existing parking provision on the site (Dolphin Centre and School Drive car parks) generates income of circa £190,000 per annum to the Council (2010 figures). This income is received by the Council’s Environmental Services Department.

6.4.9 For the purpose of the revenue projections we have assumed that 200 spaces would be provided on the site. This is an increase in capacity of 32 spaces compared with the current 168 spaces. Assuming that demand for parking increases in line with the increase in capacity; this would result in an increase in parking revenues for the Council (Environmental Services) of £36,000 per annum (from £190,000 to circa £226,000 per annum).

6.4.10 In terms of the leisure centre revenue position, car parking refunds are paid for by Leisure Services (up to 1 hour visit). Data provided by the Council’s finance department show that the value of the refunds paid out of the Leisure and Cultural Services budget totalled circa £53,000 in 2011/12. For the purpose of the revenue forecasts for the options, we have assumed that the refunds will increase in line with the levels of increased participation.

Table 12: Summary of Estimated Revenue Performance

	BASE (Existing Centre Performance)	Option 1	Option 2	Option 3	Option 4
TOTAL INCOME		£1,455,315	£1,360,915	£1,301,715	£1,204,915
TOTAL EXPENDITURE		£1,299,050	£1,196,961	£1,201,893	£1,091,149
NET REVENUE		£156,265	£163,954	£99,822	£113,766
ACTUAL COST TO COUNCIL (base only)	-£445,392	n/a	n/a	n/a	n/a
COMPARISON TO BASE (Excl lifecycle)		£601,657	£609,346	£545,214	£559,158

6.5 Current Operational Revenue

6.5.1 It is important to compare the estimated revenue performance with the current performance of the Dolphin Centre, particularly where the projections are to be used as the basis for a business case for calculating prudential borrowing. Table 13 contains a summary of the operational income and expenditure projections over the remaining four years of the contract with Wychavon Leisure Trust (Wychavon Leisure).

Table 13: Base Revenue Performance (Dolphin Centre)

	Projections			
	2011-12	2012-13	2013-14	2014-15
Income (£)	£818,598	£850,516	£871,231	£893,512
Expenditure (£)	£1,179,528	£1,198,139	£1,205,667	£1,226,752
Operational Surplus / Deficit (excluding management fee)	-£360,930	-£347,623	-£334,436	-£333,240

6.6 Baseline Position - Actual Cost to the Council

6.6.1 The actual cost to the Council is used as the baseline position, against which all future income and expenditure projections are measured. The actual cost represents the full cost, to the Council, of operating the existing Dolphin Centre. A breakdown of these costs for 2011 - 2012 are included in Table 14. These figures were supplied by the Council's finance department.

Table 14: Summary of Actual Cost to the Council (2011-12)

Description	Annual Cost
Internal fixtures/fittings – maintenance	£25,000
Building insurance	£4,193
General insurances	£1,894
Miscellaneous expenses (parking refund)	£53,306
Grants and subscriptions (management fee)	£361,000
Total	£445,393

6.7 Funding

6.7.1 We have considered the following funding opportunities through our work:

- prudential borrowing
- capital receipts/enabling development
- grant funding/National Governing Body investment.
- partner contributions
- planning obligations (S106 agreements)
- public private partnerships.

6.7.2 Of these sources, it is clear that funding is most likely to be provided through a combination of prudential borrowing and capital receipts from the disposal of excess land on the site.

6.7.3 Prudential borrowing has the potential to provide all the funding required. This would be based largely on the improved operational revenue performance that would result from the replacement of the Dolphin Centre with a new leisure centre (+£609,000 per annum). The key assumptions used for the purpose of calculating the amount of prudential borrowing that could be funded by the improved revenue performance are as follows:

- term of loan 40 years
- Interest rate 4.2%.

6.7.4 The prudential borrowing assumptions and calculations were reviewed by the Council's finance team and agreed as appropriate at this stage of the project development.

6.7.5 Given the scale of the site, and the plan for the proposed development, there is also scope for disposal of the remainder of the site to secure additional capital funding towards the project. The potential value of the capital receipt from the sale of excess land has been calculated by multiplying the area of excess land by a value provided by local land agents (JP Dillon). The valuations are based on selling the excess land for the highest value use. This is mixed retail, which is valued in the region of £2.47m per hectare.

6.7.6 We have provided an estimate of the capital costs, funding and funding shortfall, based on the initial business planning. The funding is estimated in Table 15. The funding shortfall is included in the second from last row of the table.

Table 15: Summary of Costs and Funding

PROJECT COST	Option 1	Option 2	Option 3	Option 4
BUILD COST OF NEW CENTRE	£11,500,000	£10,200,000	£11,100,000	£9,700,000
LAND PURCHASE COST (WCC land)	£1,325,000	£1,325,000	£1,325,000	£1,325,000
TOTAL PROJECT COST (including land Purchase)	£12,825,000	£11,525,000	£12,425,000	£11,025,000

FUNDING	Option 1	Option 2	Option 3	Option 4
PROCEEDS FROM SALE OF EXCESS LAND	£859,560	£1,123,850	£1,808,040	£2,015,520
BORROWING REQUIREMENT	£11,965,440	£10,401,150	£10,616,960	£9,009,480
ANNUAL REPAYMENTS ON BORROWING	£622,645	£541,245	£552,475	£468,826
REVENUE SAVING AFTER BORROWING	-£20,988	£68,102	-£7,260	£90,332

6.7.7 The funding calculations show that the most affordable option is Option 4, followed by Option 2, Option 3 and Option 1. Based on the calculations in Table 15, Options 2 and 4 can be fully funded by using the revenue savings generated to cover the cost of borrowing. Options 1 and 3 would require additional revenue support from the Council to fully finance the borrowing costs. For instance, Option 2 requires funding of £10.4m, the estimated annual repayments over the term of the loan would be £541,000 per annum. This assumes that the improvement in the revenue position,

compared to the base position (£609,346), is available to pay for servicing the borrowing requirement. This would provide a net revenue saving to the Council of £68,000 per annum after financing costs.

6.8 Recommendation on the Preferred Option

6.8.1 Following the work on the four initial options, the options were discussed with the Council's client team to, establish a preferred facility option which should be worked up in further detail. Option 2 was selected as the preferred option at this stage, followed by Option 4.

6.8.2 The rationale for the selection of Option 2 is summarised in the following points:

- While Option 2 is not the most affordable option, it is only marginally more expensive than Option 4. However, it provides a wider range of facilities for use by the community than Option 4 and has greater potential to increase participation in sport and physical activity. Visitor numbers for Option 2 are projected to be 536,000 per annum when compared to 456,000 per annum for Option 4 (an improvement of 80,000 visitors).
- The borrowing required to deliver Option 2 can be fully paid for using the revenue savings compared to the current revenue performance. In addition, there would also be a net revenue saving to the Council (after borrowing costs) of circa £68k per annum
- The difference between Option 2 and 4 is the inclusion of 3 x five-a-side football pitches and a MUGA. These facilities typically generate high levels of usage and have a positive impact on the revenue position for the centre. The return on investment is second only to that achieved from the health and fitness gym.
- if a Dual Use Agreement can be arranged with NBHS, a 4 court sports hall could be accessed by community users and clubs outside school hours, without the Council needing to provide this. This would be the best outcome for the Council and users
- Additional sources of grant funding could be attracted for outdoor facilities. In particular the Football Foundation, is funding synthetic turf pitches of the type being proposed at the centre. This would reduce the borrowing requirement further.

7 THE PREFERRED OPTION SUMMARY

7.1 Introduction

7.1.1 Having determined the preferred option for the new leisure centre as Option 1, we worked up the scheme in further detail. In particular, this involved refining the following:

- facility mix
- concept designs.

7.2 Facility Mix

7.2.1 The facility mix for the preferred option is listed in Table 16. A detailed schedule of areas is contained in Appendix 7:

Table 16: Preferred Option Facility Mix

Core Facilities	Notes
Main pool	25m x 6 lanes including accessible lift and stairs, spectator seating along one wall (90 people seated in two rows of 45)
Learner pool	12m x 8m to accommodate two lessons with 10 people each, moveable floor. The learner pool should be separated from main pool with full width drop steps, and a pool side spectator area for parents
Health and fitness suite	90 station health and fitness suite. The area provided is large enough to accommodate a 100 station suite if demand can support it.
2 x dance / fitness studios	Capacity should 2 x 30 people. One of the studios should be suitable for use as a crèche, as a meeting room and for kids parties.
Spinning room	Spinning room linked to main health and fitness suite, to accommodate 20 – 25 bikes
Spa facilities	4 x spa facilities including a mix of hot and cold areas. These should be accessible via the pool hall and changing areas
Spa treatment rooms	3 x treatment rooms - linked to the spa area
Parking	Parking for 200 cars should be provided to service the leisure centre and other facilities on site, consideration should also be given to additional parking to support town centre visitors.
3 x five-a-side football pitches & 1 x MUGA	3 x dedicated five-a-side football pitches. These should be a third generation (rubber crumb) synthetic turf, with floodlights. 1 x tarmacadam MUGA, if required.

7.3 Design

7.3.1 S&P Architects developed ‘concept’ sketch plans to illustrate how the preferred option could be accommodated on the site. These clearly show the potential design for the option. The following drawings have been produced:

- a site plan showing the arrangement of the facility mix on the site, including the location of the building, access and parking
- a floor plan for the building, including all activity areas and ancillary accommodation
- mood boards containing a range of photographs of similar facility areas that help show what individual areas within the building may look like.

7.3.2 Copies of the drawings are included in Appendix 8.

7.4 Summary of the Preferred Option

7.4.1 A summary of the key aspects of the preferred option are included in Table 17. The capital cost estimates are included in Appendix 9 and the revenue projections are included in Appendix 10.

Table 17: Summary of the Recommended Option

Total Capital Cost (Including Land Purchase)	£11.5m
Estimated Net Revenue Position (before financing costs)	£164,000 pa
Improvement on Existing Revenue Position (Base)	+£609,000 pa
Funding Required	£10.4m
Annual cost of Borrowing Funding Required	£541,000
Estimated Membership Numbers	2,000
Improvement on Current Membership Numbers (956 Members)	+1,044
Estimated Annual Throughput	536,000 visits pa
Improvement on Current Annual Throughput	+ 123,000 visits pa

8 ISSUES FOR CONSIDERATION

8.1 Introduction

8.1.1 This study aims to ensure the optimum leisure provision is maintained and developed for Bromsgrove in terms of its scope, location, affordability, financial performance, construction cost and phasing. It represents the first important step in defining the concept for a new leisure centre for the community in Bromsgrove.

8.1.2 During the course of this study a range of significant issues have been identified, which should be examined further as the project develops. All of these will potentially have an impact on the eventual scope of the project and the associated business case. We have listed the key issues below, followed by a summary of each issue in the following pages:

- the number of health and fitness stations
- inclusion of the 4 court sports hall
- inclusion of five-a-side pitches
- management options & VAT
- valuation of WCC land
- valuation of excess land
- yield from Sale versus Yield from Five-a-Side and MUGA
- scale of car parking provision
- car parking income
- prudential borrowing.

8.2 Number of Health and Fitness Stations

8.2.1 For the purpose of this report, we have based all revenue projections on the assumption that the gym at the centre will achieve a membership of circa 2,000 members using a 90 station health and fitness suite, at a ratio of 22.5 members per station. The industry benchmark for a high performing health and fitness facility is between 25-30 members per station. Currently, the Dolphin Centre has a membership of 956 using a 54 station health and fitness suite. This is a ratio of just 18 members per station.

8.2.2 While we have used a 90 station health and fitness suite as the basis for our projections, the area we have included in the concept designs is large enough to comfortably accommodate up to 100 stations, should additional capacity be required in the future. Assuming a 90 station facility is a prudent approach, in terms of business planning. However, there are many recent examples of new local authority leisure developments that have exceeded initial business plan projections for membership, throughput and income generation.

8.3 Inclusion of the 4 Court Sports Hall

8.3.1 The decision on whether to include a 4 court sports hall in the new centre is an important one. Sports halls are large multi-use spaces that require significant capital

and revenue expenditure. Traditionally they have been an important element of many community leisure centres. However, changing leisure trends have seen a significant increase in studio based classes and activities, as well as the development of floodlit, outdoor, all-weather, surfaces for sports that would traditionally have taken place in a sports hall (e.g. five-a-side football). Therefore, the inclusion of a traditional 4 court sports hall is being increasingly questioned, when developing new facilities.

8.3.2 The results from Sport England's facility Planning Model identify that there is currently an adequate supply of sports halls in the area, above regional and national benchmarks. It recognises that the 4 court sports hall at the Dolphin Centre is an important community facility in the district, operating at capacity during peak hours.

8.3.3 The findings from the FPM do not recommend additional sports hall space be built in the district, as the physical supply is more than adequate. However, it notes that demand and use could be managed better across the district by making greater use of spare capacity at sites where this exists. Much of the spare capacity is located on school sites, with limited access for community use. The issue is not a lack of physical capacity but more one of access to facilities. Therefore, an argument could be made that by increasing access to the existing stock of school based halls, during peak hours of community use, there would be a greater supply available and less demand for hall space at a new leisure centre.

8.3.4 *It should be noted that since completion of the FPM, an additional 2 courts have been added at Bromsgrove School. This new hall will be available for community use. This increases the supply by 2 courts.*

8.3.5 The preferred option for the new leisure centre also includes studio space for up to 60 people. In addition to the studio space, 4 x floodlit, outdoor pitches are included. Each of these is the size of a 4 court sports hall. Three of these are intended to be used for five-a-side football. One of these is intended to be a colour-coated, tarmacadam MUGA with markings for basketball and netball.

8.3.6 The combination of significant flexible indoor studio space, floodlit, outdoor five-a-side football pitches and a MUGA significantly reduces the demand for a new 4 court sports hall at the centre. Therefore a four court sports hall has not been included in the new centre.

8.3.7 Given the close proximity to the NBHS sports hall, there is potentially an opportunity to establish a dual use arrangement that could give those users that still need access to an indoor hall space the ability to access a hall on the neighbouring site. For these reasons the four court sports hall has been removed from the facility mix for the preferred option.

8.4 Inclusion of Five-a-Side Pitches

8.4.1 Five-a-side football is a fast growing sport, while participation in the 11-a-side game is falling nationally. The explosive growth in the development of commercial five-side facilities is evidence of the strength of this market and growing demand. There are no floodlit, third generation, synthetic turf pitches in the district and the new leisure centre provides an opportunity to service potential untapped demand in the area.

- 8.4.2 Many commercial five-a-side facilities are built on school sites. They are well used by schools during the daytime and busy with paying customers during evenings and weekends. The location of the preferred site, adjacent to NBHS, provides an opportunity to offer the pitches for school use during the daytime and for the Council to generate significant revenue, via community use, at evenings and weekends.
- 8.4.3 The PPG17 study recommended that the Council ‘...allocate additional land for the development of at least one synthetic pitch and floodlit training facilities for football’. Therefore, the provision of additional synthetic turf pitch space for football training is in line with the PPG17 study.
- 8.4.4 In financial terms, the development of five-a-side football facilities can have significant benefits for operators, hence the interest in this as a business model from the commercial leisure sector (Goals, Powerleague, Pulse etc). A single five-a-side pitch can be built for between £150,000 and £170,000, generating gross income of £30,000 - £50,000 per annum.
- 8.4.5 This compares to a typical 4 court sports hall, which costs at least £1.5m to build and produces a gross income of £80,000 per annum. Outdoor five-a-side pitches also require less revenue support, in terms of staffing and utilities costs.
- 8.4.6 In summary, the principle benefits of providing five-a-side football facilities are listed below:
- meeting a stated need highlighted within the PPG17 study
 - providing activities to meet a growing demand from schools, clubs and social football players
 - they offer better value for money than indoor spaces in terms of return on capital investment.

8.5 Management Options

- 8.5.1 The Dolphin Centre is currently managed by Wychavon Leisure, which is a leisure trust operator, under a five year management contract that is due to expire in 2015. The contract includes provision for extension on a rolling 12 month basis. Given the anticipated timescales for the development of a new leisure centre in Bromsgrove, it is likely that the contract for management of the new facility will be procured to coincide with the opening of the new centre.
- 8.5.2 There are a range of management options available to the Council for the new centre. These include:
- in-house
 - private sector
 - private sector hybrid trust
 - stand-alone trust
 - external trust.
- 8.5.3 Recent figures obtained from the Leisure Database Company, which is responsible for managing and maintaining Sport England’s Active Places Database, demonstrate the current split of management arrangements across 4,125 public sector facilities

that have a gym, pool or sports hall (or any combination of these facilities) available for general public access:

- In House (Local Authority) = 30%
- Education (Schools and Universities) = 24%
- Trust (stand-alone trust, external trust & private sector hybrid trust) = 22%
- Leisure Management Contractor (Private Sector) = 8%
- Other = 16%

8.5.4 Leisure Management Contractors percentage share is in decline from a high of 12% now down to 8%. The Trust sector is growing, gaining 2% in the last year alone. While this is a snapshot of current management, it recognised that more local authorities, are now outsourcing management of facilities, particularly as a means of reducing the revenue costs of leisure services in response to government spending cuts.

8.5.5 The outsourcing of management has resulted in the growth of the leisure Trust sector. Since the mid-1990s, there has been a growing trend for local authorities to set up not-for-profit trusts to manage their leisure centres. They are, in effect, social enterprise organisations, which have developed from local authority in-house services.

8.5.6 Many local authorities are now investigating the option of a wider 'Cultural Services Trusts' encompassing services beyond those in the traditional sport and leisure portfolio. Local Authority in-house/education remain the largest percentage but with the potential cost savings of externalising management we anticipate this proportion reducing in the medium-term.

8.5.7 In many areas, the impetus for the establishment of trusts has been to secure NNDR and VAT savings. However, they do also offer the opportunity to develop a more focused management structure for a Council's leisure service. A number of these trusts have subsequently expanded (through contract acquisitions) to manage facilities in other local authority areas. However, the vast majority of them are still single-authority bodies. There are currently over 100 trusts in operation in the United Kingdom and around 95% of these are members SpoRTA (Sport and Recreation Trusts Association).

8.5.8 For the purpose of this report, we have created a revenue model based on the 'optimum' option for the Council from a financial perspective. As a result, we have based our initial financial modelling on the Trust management option (due mainly to the NNDR and VAT benefits). This results in significant revenue savings over the in-house or private sector options. As the Dolphin Centre is currently operated under the Trust management option, it also enables a like for like comparison with the existing operation.

8.5.9 However, we understand that the Council is likely to undertake a full and detailed options appraisal in respect of the management of its wider cultural services in the near future. This will investigate the options in more depth than we have. The assumption of a Trust management option for the purpose of business planning is not intended to prejudice the outcome of any subsequent work completed by the Council. The outcome of a detailed management appraisal may result in a change to

the preferred management route. Therefore, the revenue model must be updated to reflect the option to be implemented following completion of the options appraisal process.

- 8.5.10 We have not considered the VAT implications of the management options in detail during this study, as this requires specialist financial advice. However, in general terms, it is usually the case that there are greater VAT benefits in selecting the Trust management route, when compared to In-House or Private Sector management options. Specialist VAT advice will need to be sought as part of a detailed management options appraisal.

8.6 Valuation of Worcestershire County Council Land

- 8.6.1 Initial land valuations have been provided by WCC in relation to the acquisition of land currently owned by the Council. The valuation was £1,325,000, assuming a clear site (i.e. demolition included). This is an indicative valuation at this stage and we expect they will need to be negotiated further once the final scope of the project, and the extent of the land required, has been agreed. At this stage it is useful in informing the likely costs.

8.7 Valuation of Excess Land

- 8.7.1 Land valuations were commissioned by the Council, from JP Dillon (Chartered Surveyors), in relation to the excess land on the preferred Option (Option 2). The majority of the land that was valued is currently occupied by the existing Dolphin Centre and associated car parking. The valuation valued the site at £1,123,850. This is based on a valuation of £2.47m per hectare.
- 8.7.2 It will be necessary to review valuations as the project progresses to ensure that the funding assumptions remain valid as the final scope of the project and the surplus land for disposal is more clearly defined.

8.8 Scale of Car Parking Provision

- 8.8.1 Currently there are circa 155 parking spaces on the site of the Dolphin Centre, with 13 disabled parking spaces, giving a total of 168 spaces. For the purpose of the site options appraisal and the revenue projections contained in this report we assumed a figure of 200 parking spaces in the future.
- 8.8.2 Following completion of the site options appraisal, we consulted WCC Highways in relation to the scale of parking provision required on the site and to understand the County Parking Standards, based on the preferred option. WCC Highways advised that a maximum of circa 300 spaces could be supported on the site. This includes spaces for car parking, disabled parking, cycle, motorcycle and coach provision. This assumption has been used as the basis for the capital cost estimates. The parking standards applied are summarised in Table 18.

Table 18: Parking Standards and Provision

Standard	Total Number of Car Parking Spaces
D2 Leisure use: 1 spaces per 22m ² of GFA	176
Five-a-side pitches: 1 space per 2 team players	20
Swimming pools: 1 space per 5m ² of pool area	80
Total	276

- 8.8.3 The figures above are the maximum spaces that could be provided, in line with County Parking Standards. In addition to these, the following must also be provided:
- disabled spaces should be provided at a ratio of 1 space per 20 car parking spaces as a minimum,
 - cycle spaces at 1 space per 10 car parking spaces,
 - motorcycle spaces at 1 space per 20 car spaces,
 - a coach space is necessary which can double up as a lorry/delivery space.
- 8.8.4 Provision of 300 spaces is significantly higher than the current provision of 168. From an operational perspective, it is always helpful if there is sufficient parking to accommodate peak use of a leisure centre, particularly in an area like Bromsgrove, where car usage is high and where the parking will undoubtedly be used by other town centre visitors. However, this scale of parking will require greater footprint, which reduces the ability of the Council to generate capital receipts from sale of excess land. It is also questionable whether 300 spaces would be fully utilised.
- 8.8.5 The parking requirements should be investigated in more detail, through completion of a Traffic Impact Assessment, as the project develops. This will identify the most appropriate level of provision within the maximum prescribed by the County Parking Standards.

8.9 Car Parking Income

- 8.9.1 We understand that the existing parking provision on the site (Dolphin Centre and School Drive car parks) generates income of circa £190,000 per annum to the Council (2010 figures). This income is received by the Council's Environmental Services Department.
- 8.9.2 For the purpose of the revenue projections we have assumed that 200 spaces would be provided on the site. This is an increase in capacity of 32 spaces compared with the current 168 spaces. Assuming that demand for parking increases in line with the increase in capacity; this would result in an increase in parking revenues for the Council (Environmental Services) of £36,000 per annum (from £190,000 to circa £226,000 per annum).

8.9.3 In terms of the leisure centre revenue position, car parking refunds are paid for by Leisure Services (up to 1 hour visit). Data provided by the Council's finance department show that the value of the refunds paid out of the Leisure and Cultural Services budget totalled circa £53,000 in 2011/12. The preferred option revenue model projects an increase in usage of the new centre of 20%, compared to the Dolphin Centre. Therefore, it is reasonable to assume that refunds paid will increase by the same percentage. This would result in refunds totalling £64,000 (based on 2010/11 figures).

8.10 Prudential Borrowing

8.10.1 The estimates for the amount of prudential borrowing are based on the results of the revenue projections for the new leisure centre. These are compared to the existing revenue performance of the Dolphin Centre (base position) to provide estimates of the likely improvement in the annual revenue performance. The following assumptions were then applied to calculate capital sum that could be borrowed.

- term of loan: 40 years
- Interest rate: 4.2%

8.10.2 Consultation with the Council's Finance Department confirmed that these assumptions were acceptable to the Council.

8.11 Project Cash Flow and Impact on Council Revenue Position

8.11.1 At this stage in the development of the project, we have not completed a detailed analysis of the project cash flow in relation to the further development, construction and operation of the new leisure centre. We would expect this to be completed during subsequent stages as it requires further detail, particularly in relation to:

- final scope of work
- detailed delivery programme
- definition of the preferred procurement route
- timing of land acquisition
- timing of disposal of surplus land.

8.11.2 This work should be completed in close consultation with the Council's finance team to ensure it relates to wider revenue and funding issues affecting the Council. However, at this stage it should be noted that the Council is likely to incur revenue costs associated with the operation of the existing facilities, and additional costs associated with the development and delivery of the new centre, until such time as the new centre is operational. In addition, the timing of expenditure on site acquisition (from WCC) and the income from disposal of the surplus site areas needs to be carefully considered.

8.12 Summary

8.12.1 If a decision is taken to proceed with the development of the leisure centre, the issues identified in this section will need to be reviewed and updated as the project is refined.

9 IMPLEMENTATION AND RISK

9.1 Introduction

9.1.1 This section includes a summary of the following:

- the next steps required to develop the project
- a high-level implementation programme
- a summary of the key risks and issues affecting the development and operation of the proposed facilities.

9.2 Next Steps Required to Develop the Project

9.2.1 There are a number of tasks that need to be completed as the project moves forward. These will enable the facility mix to be clarified and the scheme to be refined further including production of a detailed project brief and design development.

9.2.2 The output of this study represents the first step in developing the concept. It is equivalent to RIBA Stage A (Appraisal). All stages of work are summarised in Table 19. The stages completed to date, through this study, are shaded green.

9.2.3 If the findings of this Study are accepted by the Council and a decision is taken to proceed to the next stage, the development should follow the RIBA Stages of Work, as set out in Table 18.

Table 19: Summary of the Recommended Option

RIBA Stages of Work		Description of Key Tasks	Estimated Professional Fees
A	Appraisal	Identification of client’s needs and objectives, business case and possible constraints on development. Preparation of feasibility studies and assessment of options to enable the client to decide whether to proceed.	£54,800
B	Design Brief	Development of initial statement of requirements into the Design Brief by or on behalf of the client confirming key requirements and constraints. Identification of procurement method, procedures, organisational structure and range of consultants and others to be engaged for the project.	
C	Concept	Implementation of Design Brief and preparation of additional data. Preparation of Concept Design including outline proposals for structural and building services systems, outline specifications and preliminary cost plan. Review of procurement route.	£109,600

RIBA Stages of Work		Description of Key Tasks	Estimated Professional Fees
D	Design Development	Development of concept design to include structural and building services systems, updated outline specifications and cost plan. Completion of Project Brief. Application for detailed planning permission.	£164,400
E	Technical Design	Preparation of technical design(s) and specifications, sufficient to co-ordinate components and elements of the project and information for statutory standards and construction safety.	£219,200
F	Production Information	Preparation of production information in sufficient detail to enable a tender or tenders to be obtained. Application for statutory approvals. Preparation of further information for construction required under the building contract.	£219,200
G	Tender Documentation	Preparation and/or collation of tender documentation in sufficient detail to enable a tender or tenders to be obtained for the project.	£54,800
H	Tender Action	Identification and evaluation of potential contractors and/or specialists for the project. Obtaining and appraising tenders; submission of recommendations to the client.	
J	Mobilisation	Letting the building contract, appointing the contractor. Issuing of information to the contractor. Arranging site hand over to the contractor.	£252,080
K	Construction to Practical Completion	Administration of the building contract to Practical Completion. Provision to the contractor of further Information as and when reasonably required. Review of information provided by contractors and specialists.	
L	Post Practical Completion	Administration of the building contract after Practical Completion and making final inspections. Assisting building user during initial occupation period. Review of project performance in use.	£21,920

9.3 High-Level Implementation Programme

9.3.1 The proposals for the timing of the development are based on the following assumptions:

- areas of the site not currently owned by the Council must be acquired
- the Dolphin Centre must remain open until construction of the replacement centre is complete
- demolition of the Dolphin Centre should not interfere with the operation of the replacement facility
- construction cannot take place until vacant possession of the site is achieved. It is understood that the Registration Office will not vacate the site until early in 2014. The re-location is dependent on construction of the new Registration Office, which will be located in the 'Parkside' development
- we have assumed a construction period of 18 months for the development of the new Leisure Centre.

9.3.2 We have completed a draft project programme, linked to the RIBA stages of work. This outlines the key stages in the development of the project from the point of completing this review to opening of the new facility and demolition of the existing Dolphin Centre. The programme shows the opening of a new centre during the third quarter 2015. The programme is contained in Appendix 11.

9.4 Estimated Fee Profile Linked to Implementation Programme

9.4.1 We have developed an estimated fee profile linked to the implementation programme. This is summarised in Table 20. It does not include drawdown of the capital required to build the project (this would typically occur during RIBA stages F-K).

Table 20: Estimated Breakdown of Professional Fees

RIBA Stage of Work	% of Professional Fees	Fee Expenditure
A/B. Appraisal/Design Brief	5%	£54,800
C. Concept	10%	£109,600
D. Design Development	15%	£164,400
E. Technical Design	20%	£219,200
G/H. Tender Documentation/Tender Action	5%	£54,800
Fee Prior to Award of Contract	55%	£602,800
F. Production Information	20%	£219,200
J/K. Mobilisation/Construction	23%	£252,080
L. Post Practical completion	2%	£21,920
Total Fees	100%	£1,096,000

9.5 Summary of the Key Risks and Issues Affecting the Development and Operation of the Proposed Facilities

9.5.1 During the course of our work, we have identified a number of risks and issues that need to be considered and managed by the Council in developing the project further.

9.5.2 We have listed some of the key risks and issues that could have an impact on the progress of the project below:

- **changes in scope** – the final facility mix must be agreed. A final decision on the facility mix will have a significant impact on the design and business case for the new centre
- **Land acquisition** – parts of the site are currently owned by WCC or leased to the PFI contractor at NBHS. The purchase of these sites must be negotiated at a price that does not undermine the business case for the development
- **obtaining vacant possession** – in addition to land acquisition issues, parts of the site are currently occupied by the Registration Office. They need to vacate the site before the site can be cleared for development. It is understood that the Registration Office will not vacate the site until early in 2014. The re-location is dependent on construction of the new Registration Office which will be located in the 'Parkside' development
- **planning approvals** – planning permission must be obtained for the project. Pre-application advice should be sought at an early stage
- **funding** – the availability of funding will shape the final scope of the project and define the programme for development. This includes prudential borrowing and capital receipts from sale of excess land for development
- **project cash flow and impact on Council revenue position** – the ability of the Council to provide adequate cash flow during the development and construction phases of the work needs to be considered fully by the Council before a commitment is made to develop the project. This includes consideration of expenditure associated with site acquisition and income associated with disposal of excess areas of the site
- **parking provision** – the parking requirements will need to be agreed with highways and planning. Adequate parking should be provided to support the operation of the new centre and to service other town centre users
- **political support for the project** – the progress of the project will require political support and endorsement from elected members
- **environmental impact** – the impact of the development on the existing trees and wildlife habitats must be carefully considered to mitigate the negative impacts
- **failure of significant elements within the Dolphin Centre** – a structural survey report completed in 2008 estimated that the estimated lifespan of the Dolphin Centre was 5-10 years. Capita Symonds' review of the structural reports also concluded that a replacement centre should be provided as soon as possible. If a significant element of the plant or structure of the Dolphin Centre fails, before the new centre is operational, there is a risk that continuity of service cannot be maintained for the community of Bromsgrove
- **impact on operation of the Dolphin Centre** – the operation of the existing Dolphin Centre must be maintained for the duration of the construction of the

new centre. The development of the new centre must be planned and managed to minimise the impact on the Dolphin Centre and its visitors

- **impact on local residents & businesses** – the site is located close to residential properties and is overlooked by neighbouring properties. The impact of the building and associated parking on residents and businesses will need to be carefully considered, with residents consulted at the appropriate stage
- **building cost inflation** – building cost inflation has been excluded from capital cost assumptions. However, it should be noted that the BCIS Tender Price Index, over recent years, has shown significant annual variation. Forecasts suggest annual variations will continue but the medium term trend (over the next three years or so) is for an average annual increase of circa 2%.

10 CONCLUSIONS AND RECOMMENDATIONS

10.1 Introduction

10.1.1 The recommendations of this report are summarised under the relevant headings below.

10.2 Recommended Location

10.2.1 The preferred site is the site of the existing Dolphin Centre (Site 5), plus land currently occupied by Blackmore House and the Registration Office. It is located in School Drive, which is adjacent to Bromsgrove Town Centre.

10.3 Recommended Facility Mix

10.3.1 Based on the findings of our work, the facility mix for the preferred option is Option 2, which contains:

- main pool (6 lane 25m pool)
- learner pool (12m x 8m)
- 90 station health and fitness suite
- 2 x 30 person dance / fitness studios
- spinning room
- spa facilities & treatment rooms
- 3 x five-a-side football pitches (floodlit, third generation synthetic turf)
- 1 x Multi Use Games Area (MUGA) (floodlit, colour coated tarmacadam).

10.4 Financial Summary

10.4.1 Table 21 contains a summary of some of the keys financial information relating to the recommended option.

Table 21: Financial Summary of the Recommended Option

Total Capital Cost (Including Land Purchase)	£11.5m
Estimated Net Revenue Position (before financing costs)	£164,000 pa
Improvement on Existing Revenue Position (Base)	+£609,000 pa
Funding Required	£10.4m
Annual cost of Borrowing Funding Required	£541,000

10.5 Timing of Development

10.5.1 A replacement for the Dolphin Centre should be provided as soon as possible. The main pool hall at the Dolphin Centre is over 45 years old and has been subject to historic cracking of the pool tank and damage caused by the consequent ingress of water to structural elements of the building.

- 10.5.2 While it recognised that a new leisure centre should be provided as soon as possible the timing of the development is likely to be driven by the availability of the site. It is understood that the Registration Office will remain on the site until spring 2014. Therefore, construction cannot begin before spring 2014, at the earliest. An initial draft programme has been developed, based on this assumption. The programme shows the opening of a new centre during the first quarter 2016.

