



**The Sports Consultancy**

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**Bromsgrove District Council**

**Dolphin Centre – Reduced Cost Options**

**23 September 2013**

## Introduction

The Sports Consultancy and AFLS+P Architects were appointed by Bromsgrove District Council, in March 2013, to develop and appraise a number of options for the replacement of The Dolphin Centre, in Bromsgrove. The work is linked to the 'Review of Future Leisure Centre Provision in Bromsgrove', which was completed in May 2012. Since the completion of that study the Council has reviewed the funding available and has also completed further work on the value of the sites being considered for the development. A result, the Council is now considering lower cost options, which are likely to be more affordable.

The option that we have been agreed with the Council for consideration are as follows:

**Option 1 (Base Option)** – is an updated version of the preferred option from the 'Review of Future Leisure Centre Provision in Bromsgrove' Report. The centre is located on Worcestershire County Council (WVC) owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.

**Option 2a** - is based on a reduction in the scope of the base option. It should focus on provision of core facilities (main pool, learner pool, H&F, 2 x studios, spinning room, spa and treatment rooms). The centre is located on WVC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.

**Option 2b** - is based on a reduction in the scope of the base option. It should focus on provision of core facilities (main pool, learner pool, H&F, 2 x studios, spinning room, spa and treatment rooms). The centre is located on the existing Dolphin Centre site. This would involve closure of the Dolphin centre for a period of up to 2 years.

**Option 3a** – is based on a reduction in the scope of the base option. It should focus on provision of core facilities (main pool, learner pool, H&F, 2 x studios and spinning room). The centre is located on WVC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.

**Option 3b** – is based on a reduction in the scope of the base option. It should focus on provision of core facilities (main pool, learner pool, H&F, 2 x studios and spinning room). The centre is located on the existing Dolphin Centre site. This would involve closure of the Dolphin centre for a period of up to 2 years.

**Options 4a** - is based on Sport England's affordable community pool model. This is a pre-designed solution aimed at reducing design, procurement and construction costs. The centre is located on WVC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.

**Option 4b** – is based on Sport England's affordable community pool model. This is a pre-designed solution aimed at reducing design, procurement and construction costs. The centre is located on the existing Dolphin Centre site. This would involve closure of the Dolphin centre for a period of up to 2 years.

**Options 5a** – is based on developing a centre using the Sunesis Leisure model. This is pre-designed solution , developed by building contractor Willmott Dixon, aimed at reducing design, procurement and construction costs. The centre is located on WVC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period. **It should be noted that the sports hall element of the standard Sunesis model has not been included as this is not required as part of the proposed centre.**

**Options 5b** is the same facility as Option 5a except the centre is located on the existing Dolphin Centre site. This would involve closure of the Dolphin centre for a period of up to 2 years.

# The Facility Options



## Options facility mix

The facilities included in each option are listed below in the following table. The site that will be used for the new centre is also indicated in the final row.

Core Facilities	Option 1	Option 2a	Option 2b	Option 3a	Option 3b	Option 4a SE Affordable Pool	Option 4b SE Affordable Pool	Option 5a Sunesis	Option 5b Sunesis
Main pool (6 Lane x 25m)	X	X	X	X	X	X	X	X	X
Learner pool (12m x 8m)	X	X	X	X	X	X	X	X	X
Health and fitness suite (80 stations)	X	X	X	X	X			X	X
2 x dance / fitness studios	X	X	X	X	X			X	X
Spinning room	X	X	X	X	X				
Spa facilities	X	X	X						
Spa treatment rooms	X	X	X						
Climbing wall	X								
Five-a-side football pitches (x3)	X								
Parking	200 spaces	200 spaces	Current DC parking (135 spaces)	200 spaces	Current DC parking (135 spaces)	200 spaces	Current DC parking (135 spaces)	200 spaces	Current DC parking (135 spaces)
<b>Site for the new centre</b>	WCC land	WCC land	Dolphin Centre	WCC land	Dolphin Centre	WCC land	Dolphin Centre	WCC land	Dolphin Centre

### Notes:

- The sports hall element of the standard Sunesis model (Options 5a and 5b) has not been included, as this is not required as part of the proposed centre
- Current DC parking is 135 spaces but this should be increased to 200 in the final design, dependant on the final layout to be agreed.

## Supply and demand analysis

The supply and demand analysis work that was completed during the initial study (completed in May 2012) has been reviewed and updated. This included commissioning a further Latent Demand Analysis for health and fitness facilities taking account of changes in the local market since the previous report was completed. In particular, the following changes in local provision were noted:

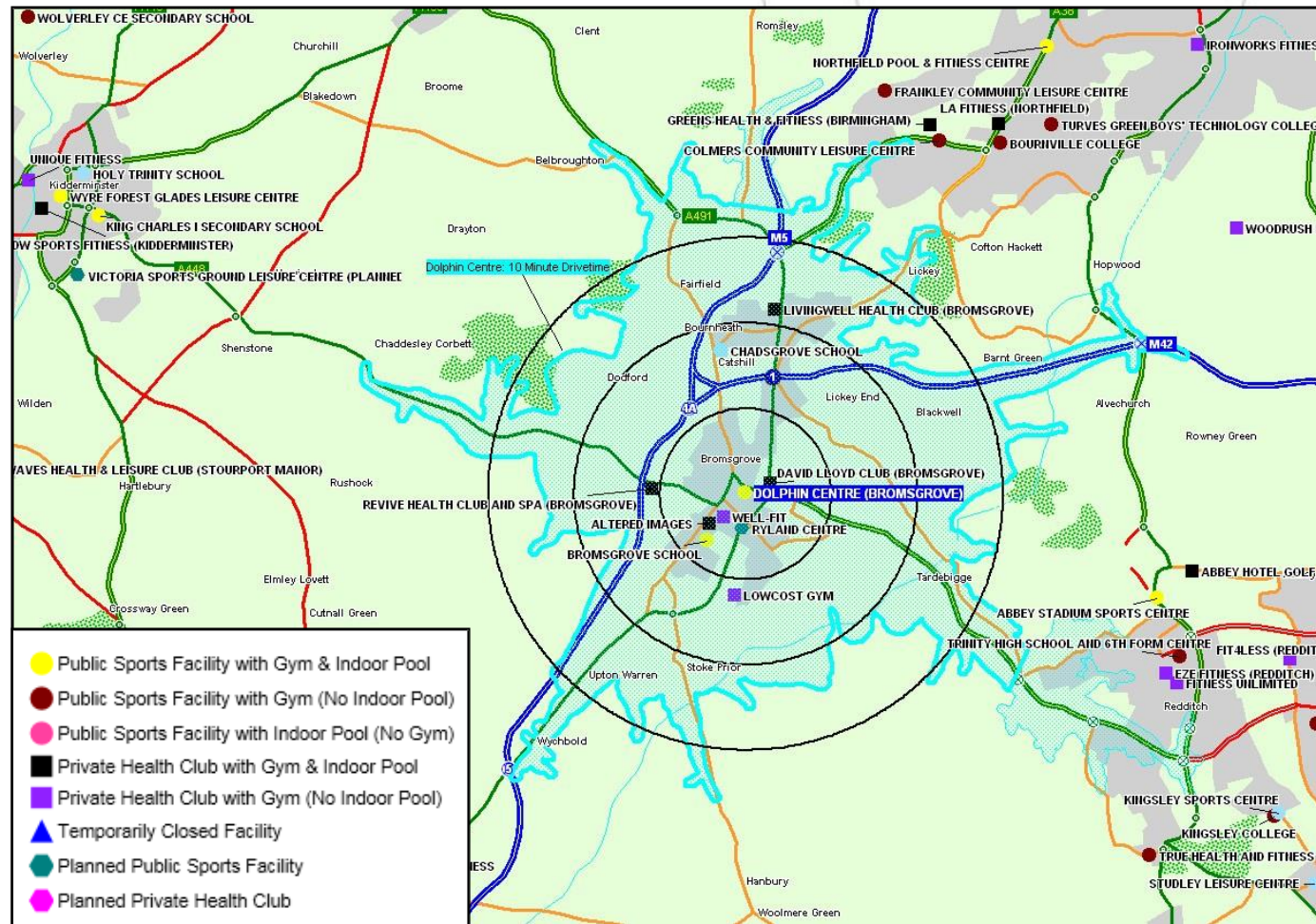
- The Ryland Centre – 45 stations
- Bromsgrove School (Private) – 30 stations
- Budget gym on Ashton Fields industrial estate – 20-30 stations

The results of the supply and demand analysis for swimming pools and health and fitness facilities are summarised below:

- Swimming pools – Sport England's Facility Planning Model (FPM) analysis concluded that the current provision is adequate. Future increases in demand could be met through increased access to facilities where access is currently limited. Therefore, there is no requirement to increase provision above the current level (6 lane 25m pool with learner pool). However, it should be noted that there is a reliance on private sector provision to meet the majority of demand in the area and if any of this is lost it would result in a deficit of provision.
- Sports halls – Sport England's FPM analysis concluded that the current provision is more than adequate. There is spare capacity at many school based sites in the district which could meet the needs of the community if these increase in the future. Since the report was completed a further 8 badminton courts have been provided at Bromsgrove School (2012), further increasing supply. As a result, there is no requirement to replace the existing 4 court sports hall at the Dolphin Centre.
- Health and fitness facilities – an 80 station health and fitness area could adequately cater for the anticipated membership numbers (between 1,800 and 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, we have assumed 80 stations at this early stage in the project development. This provides a conservative basis for decision making purposes. The area allowed for in the design is 450m<sup>2</sup> which could comfortably accommodate 100 stations if demand increases in the future.

## Latent demand analysis – health and fitness

The results of the revised latent demand analysis are based on a bespoke catchment area, which takes account of competing provision in Redditch and the south of Birmingham. The map used as the basis of the calculations is provided below. The map shows a 10 minute drive time catchment which is typical for this type of facility. The catchment area has been reduced specifically to take account of competing facilities in Redditch and the southwest of Birmingham.

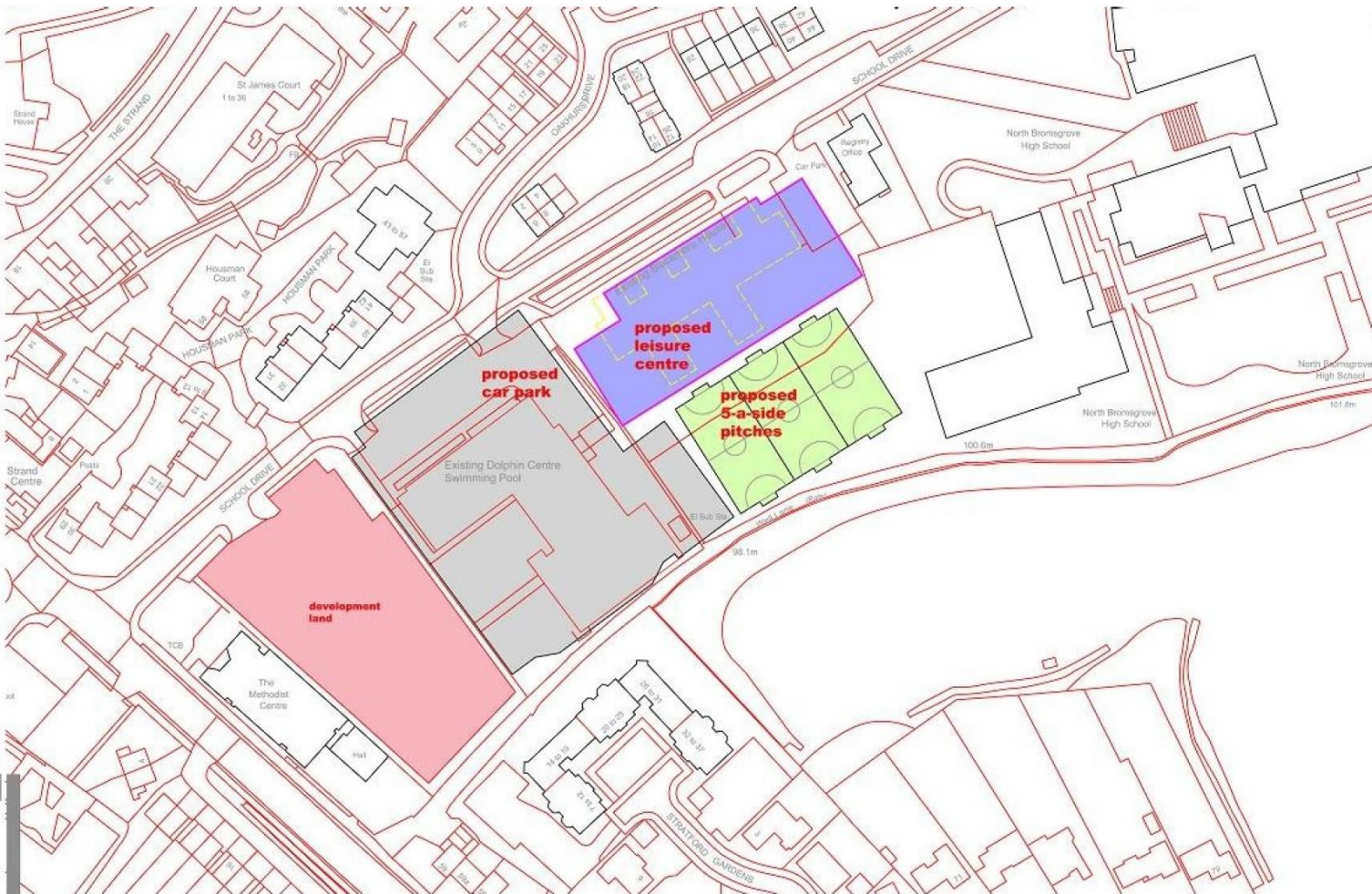


# Sketch Plans



# Option 1

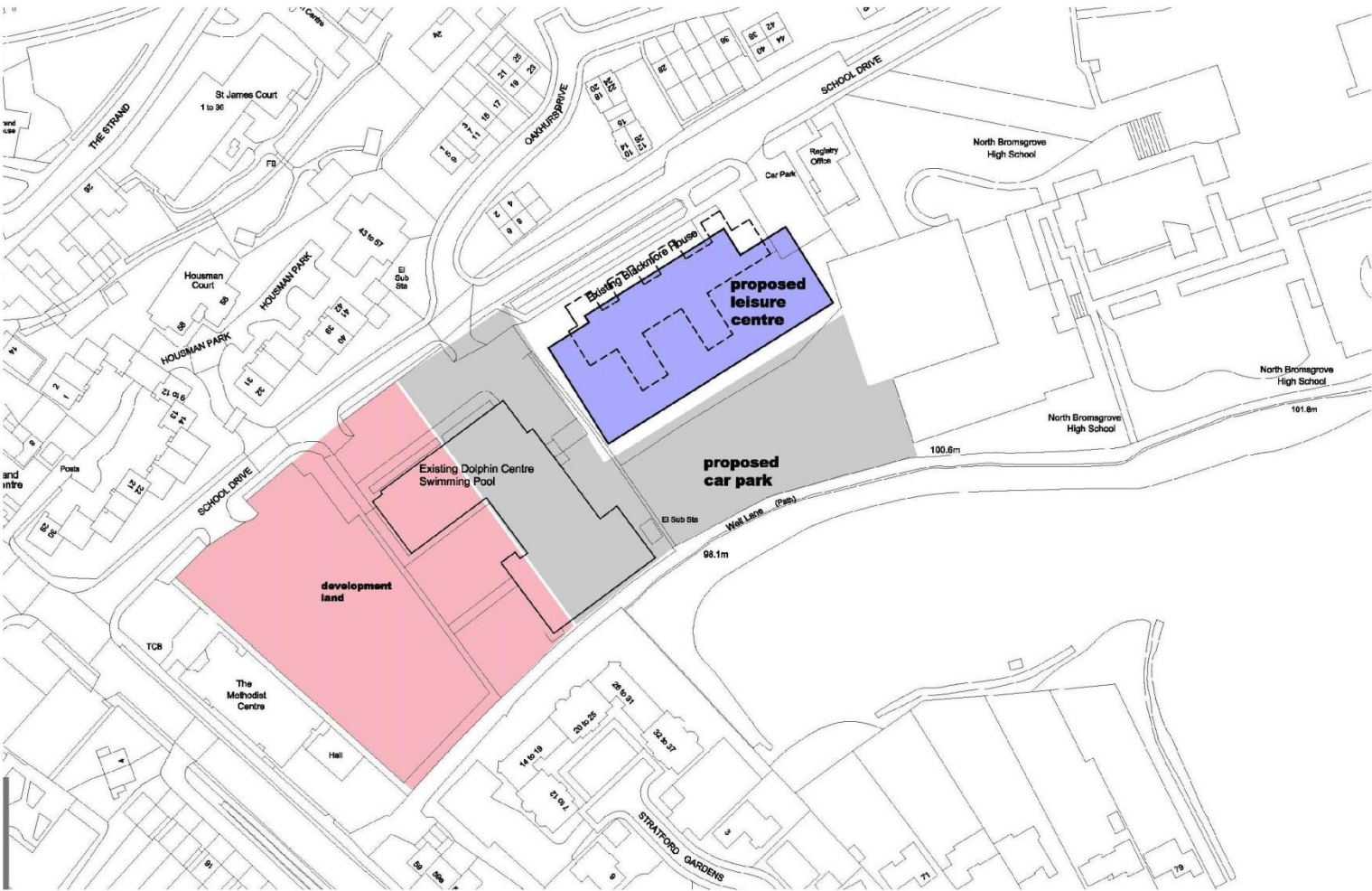
**Option 1 (Base Option)** – is an updated version of the preferred option from the Review of Future Leisure Centre Provision in Bromsgrove Report. The centre is located on WWC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.





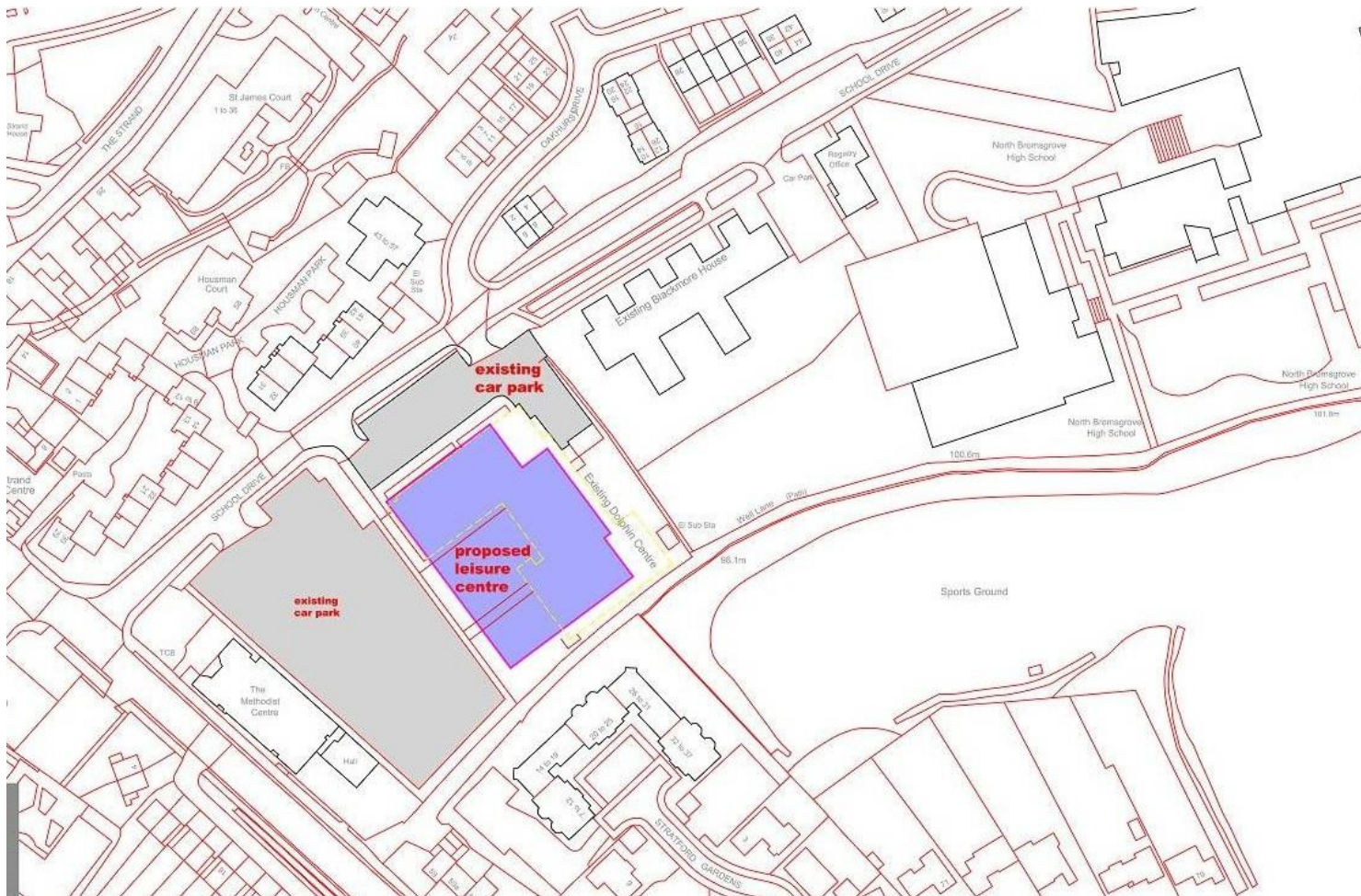
# Option 2a

**Option 2a-** is based on a reduction in the scope of the base option it should focus on provision of core facilities (main pool, learner pool, H&F, 2 x studios, spinning room, spa and treatment rooms). The centre is located on WWC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.



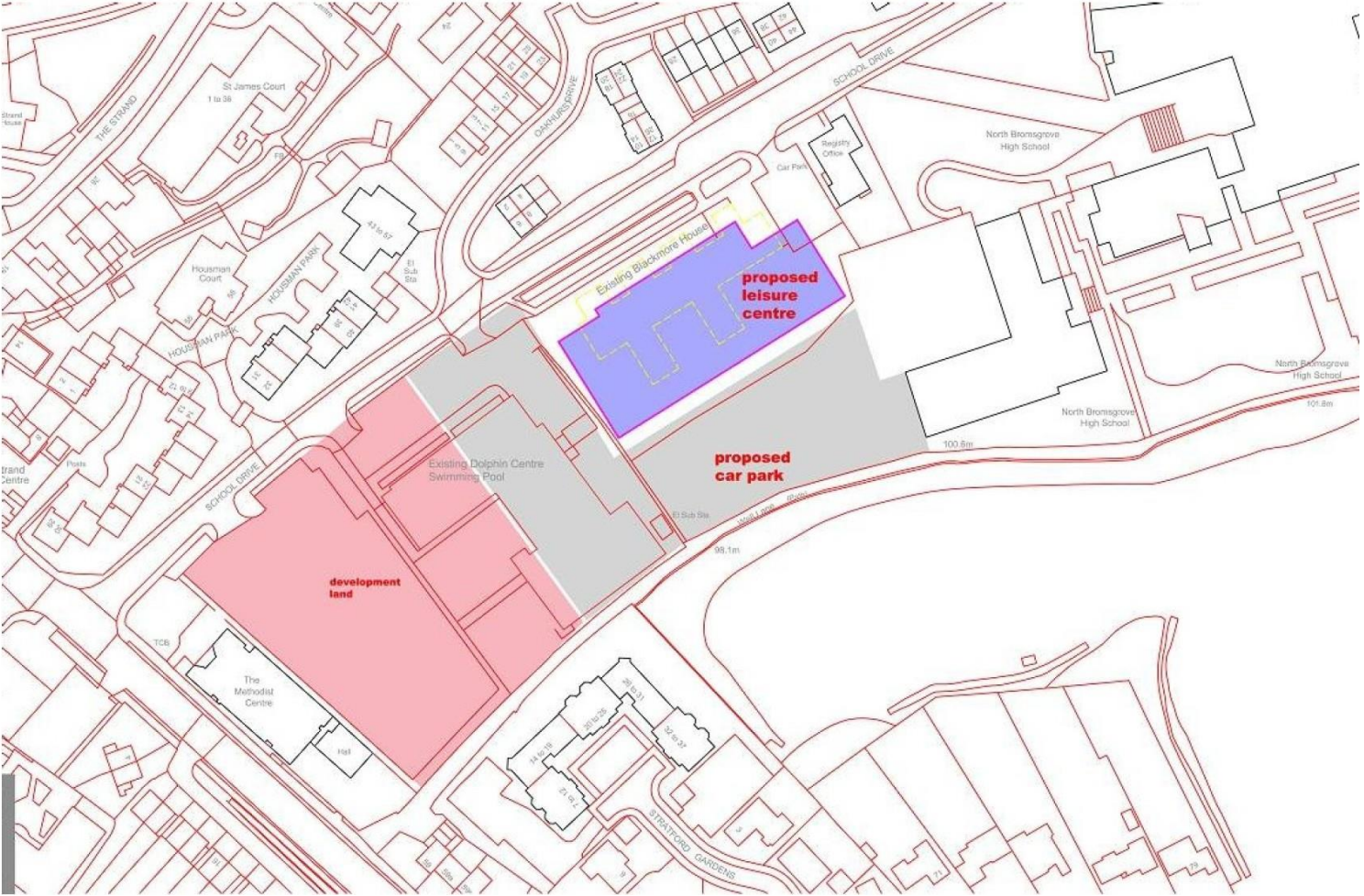
## Option 2b

**Option 2b** - is based on a reduction in the scope of the base option it should focus on provision of core facilities (main pool, learner pool, H&F, 2 x studios, spinning room, spa and treatment rooms). The centre is located on the existing Dolphin Centre site. This would involve closure of the Dolphin centre for a period of up to 2 years. Additional parking is likely to be provided once the final site layout has been worked up in detail.



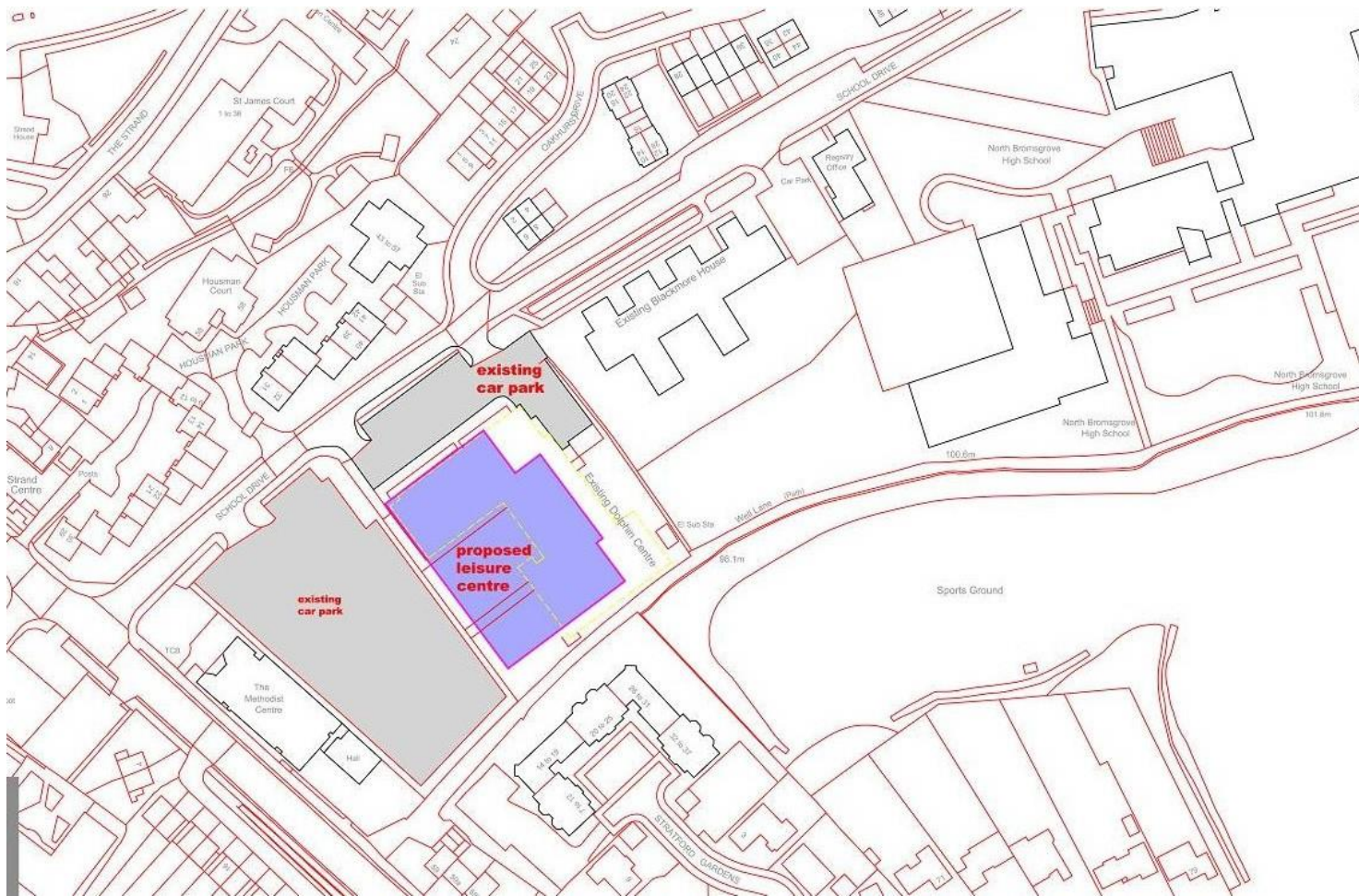
# Option 3a

**Option 3a**-is based on a reduction in the scope of the base option. It should focus on provision of core facilities (main pool, learner pool, H&F, 2 x studios and spinning room). The centre is located on WWC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.



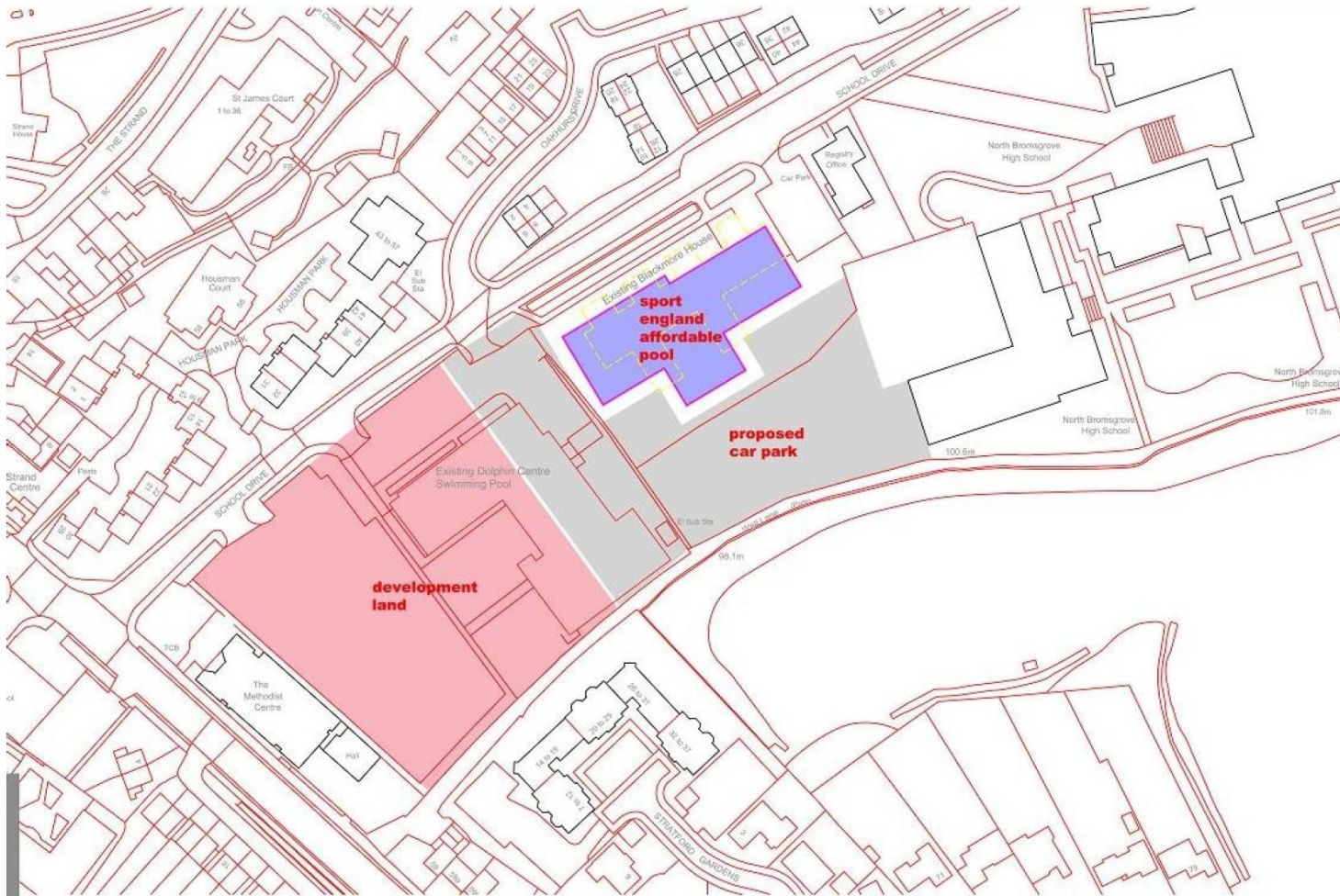
## Option 3b

**Option 3b** – is based on a reduction in the scope of the base option. It should focus on provision of core facilities (main pool, learner pool, H&F, 2 x studios and spinning room). The centre is located on the existing Dolphin Centre site. This would involve closure of the Dolphin centre for a period of up to 2 years. Additional parking is likely to be provided once the final site layout has been worked up in detail.



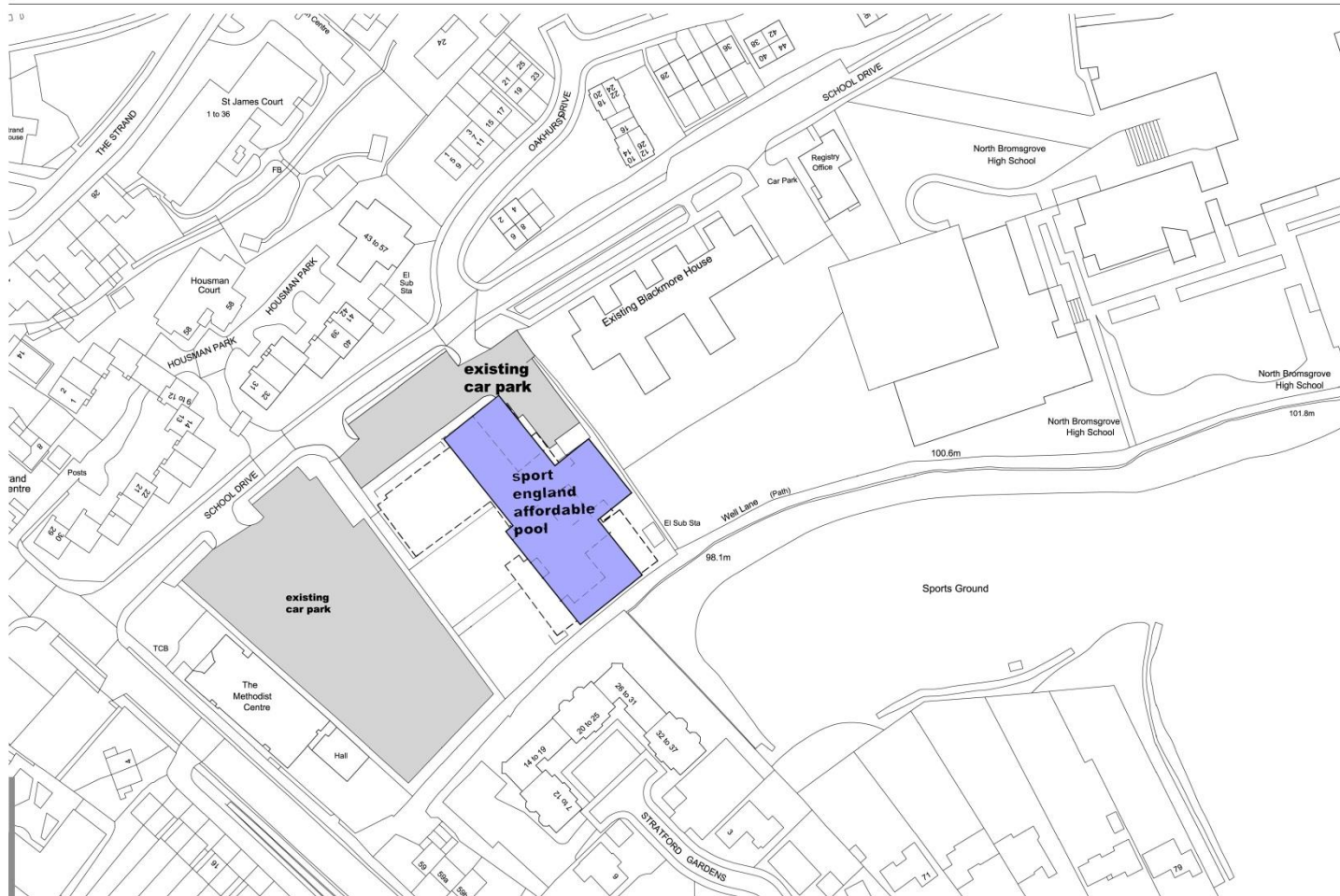
## Option 4a

**Options 4a-** is based on Sport England's affordable community pool model. This is a pre-designed solution aimed at reducing design, procurement and construction costs. The centre is located on WWC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.



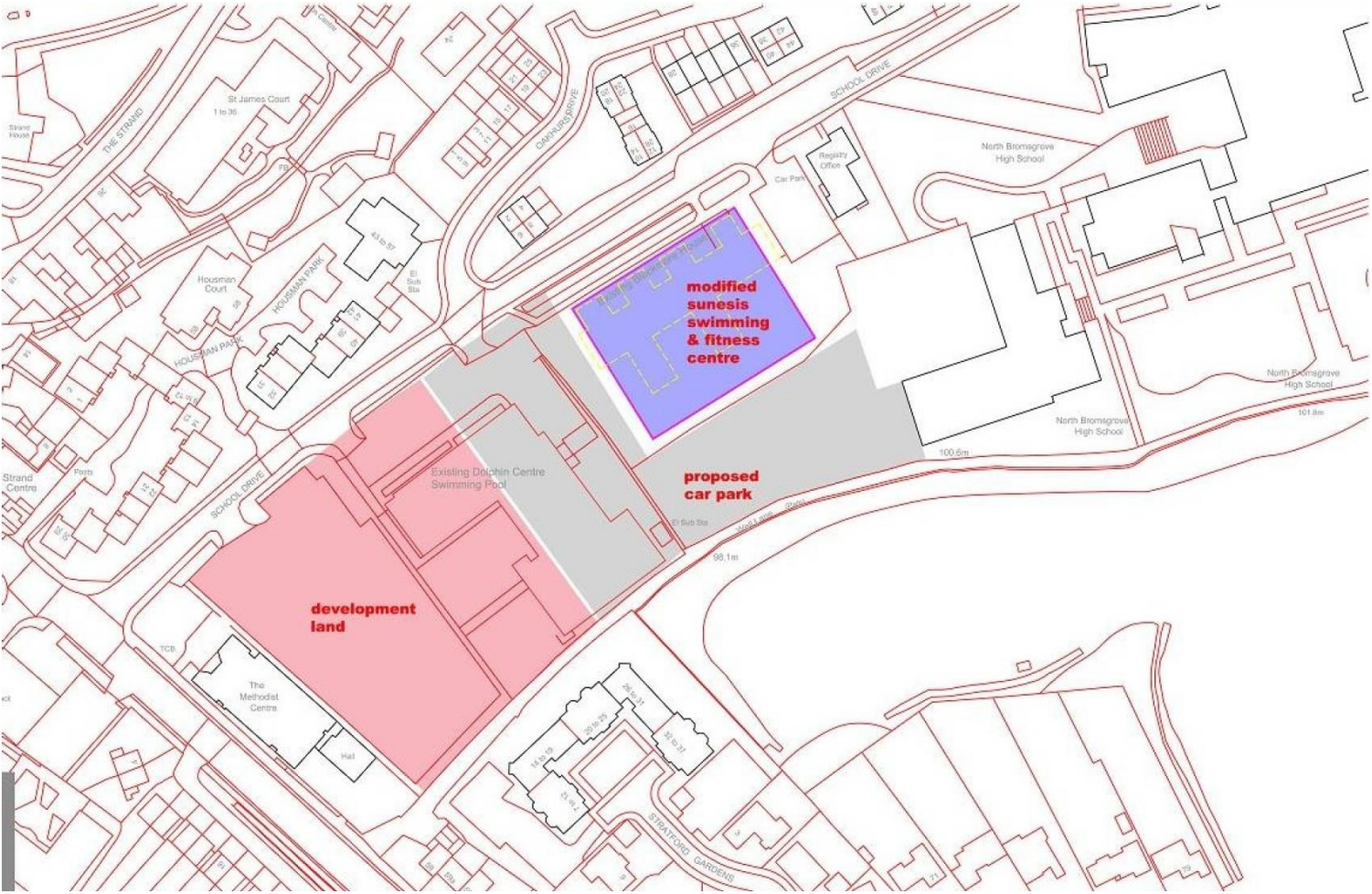
## Option 4b

**Options 4b-** is based on Sport England's affordable community pool model. This is a pre-designed solution aimed at reducing design, procurement and construction costs. The centre is located on the existing Dolphin Centre site. This would involve closure of the Dolphin centre for a period of up to 2 years.



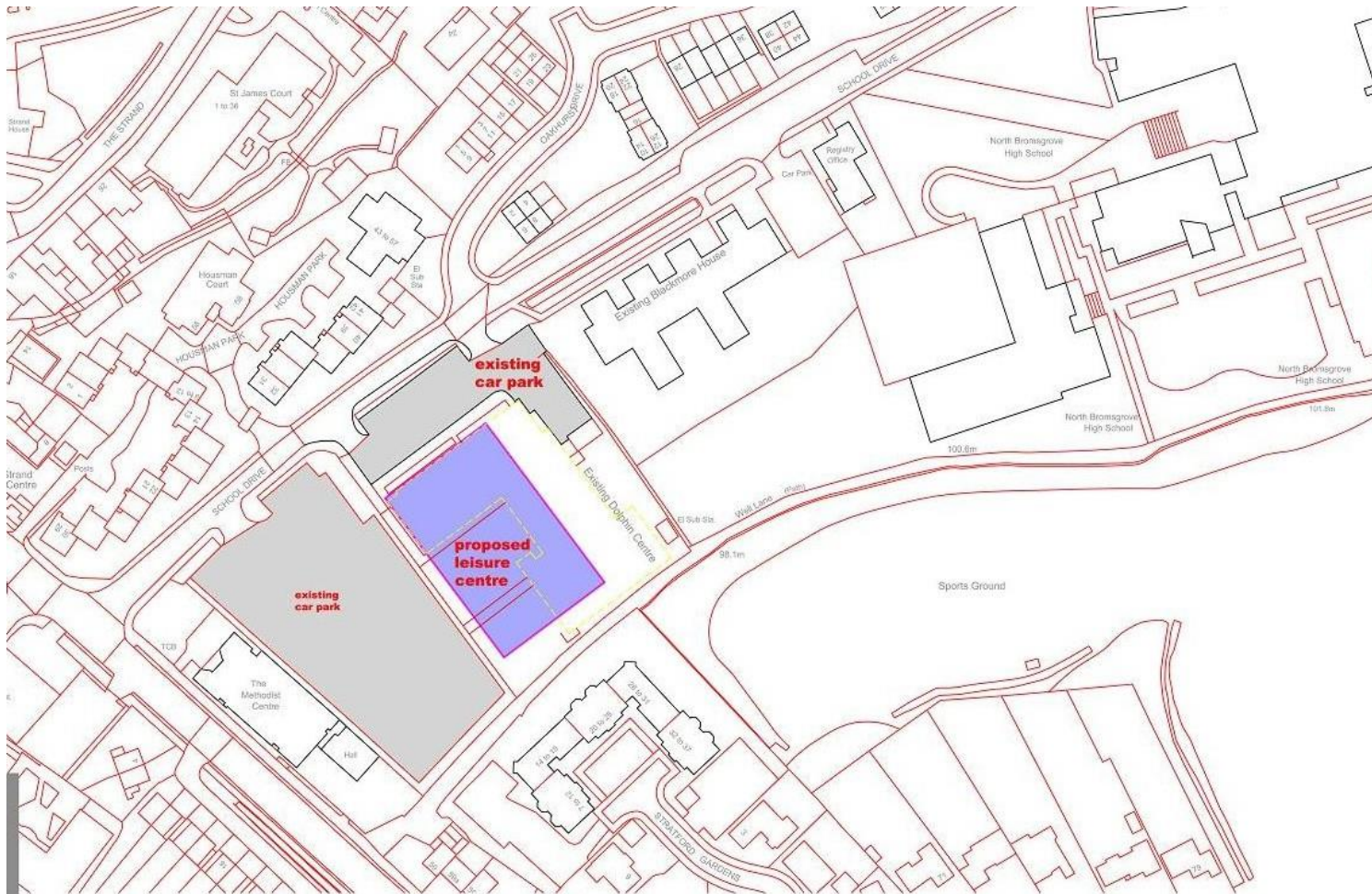
# Option 5a

**Options Sa-** is based on developing a centre using the Sunesis Leisure model. This is pre-designed solution, developed by building contractor Willmott Dixon, aimed at reducing design, procurement and construction costs. The centre is located on WWC owned land. This will allow continuous operation of the Dolphin Centre for the duration of the build period.



## Option 5b

**Options 5b** – is based on developing a centre using the Sunesis Leisure model. This is pre-designed solution, developed by building contractor Willmott Dixon, aimed at reducing design, procurement and construction costs. The centre is located on the existing Dolphin Centre site. This would involve closure of the Dolphin centre for a period of up to 2 years. Additional parking is likely to be provided once the final site layout has been worked up in detail.





## Valuations

The District Valuer was appointed by Bromsgrove District Council to provide initial independent valuation advice on the development options for School Drive. The valuations assumed development of a scheme comprising residential units for retirement living and housing, as these are more likely to be acceptable in planning terms and will generate a higher value than other possible uses. The key conclusions are listed below. Maps showing the extent of the sites that have been valued are contained in Appendix 4.

- A valuation of £1.3million has been placed on the Blackmore House site (owned by WCC) for a 45 unit retirement living development. This is based on an area of circa 1.73 acres.
- A valuation of £1.5-£1.8million has been placed on the Dolphin Centre car park (owned by BDC) for a 45 unit retirement living development. This is based on an area of circa 2.29 acres. This the valuation is net of demolition costs.
- A valuation of between £2.7million to £3million has been placed on the whole School Drive site (made up of the existing BDC and WCC footprints excluding the Registry Office) for a mixed residential development including 40% affordable houses and a 45 retirement living development. This is based on an area of circa 4.02 acres.

All valuation figures are based on the market assessment as at Quarter 2, 2013. They are based on a range of assumptions on the form of development and land use. These will need to be subject to further development and refinement as the project develops, to mitigate risk.

## Financial Implications

## Current operating cost

The current cost to the Council of subsidising the operating the Dolphin Centre is summarised in the table below. These are the costs against which all future options are compared, to identify the improvement in the revenue position, as the basis for prudential borrowing calculations. The figures were supplied by Leisure and Cultural Services at Bromsgrove District Council:

<b>BASE –Dolphin Centre 2013/14 Budget</b>	
Miscellaneous expenses (parking refund)	-£65,952
Grants and subscriptions (management fee)	-£370,650
<b>TOTAL COST OF SERVICE TO COUNCIL</b>	<b>-£436,602</b>

## Capital build costs

Initial Capital costs have been prepared using benchmark capital cost information for recently completed leisure buildings. Full capital cost information is contained in Appendix 2. For options 4a and 4b we have used the areas from the schedule of accommodation and applied rates provided in Sport England's affordable swimming pools guidance notes. For options 5a and 5b we have used the same benchmark cost data as for options 1-4. While these costs are slightly higher than the costs contained in the Sunesis documents, these are a better reflection of the likely cost, including local site issues (e.g. sloping site, landscaping car parking and demolition are included)

Area	Option 1	Option 2a	Option 2b	Option 3a	Option 3b	Option 4a	Option 4b	Option 5a	Option 5b
Reception & Staff Areas	£658,368	£520,128	£520,128	£520,128	£520,128	£537,653	£537,653	£273,024	£273,024
Wet Side Facilities	£3,565,575	£3,565,575	£3,565,575	£3,565,575	£3,565,575	£2,847,809	£2,847,809	£3,436,200	£3,436,200
Spa Area	£426,938	£426,938	£426,938	£0	£0	£0	£0	£0	£0
Health & Fitness Facilities	£2,376,288	£2,376,288	£2,376,288	£2,376,288	£2,376,288	£0	£0	£1,656,288	£1,656,288
Outdoor Pitches	£511,000	£0	£0	£0	£0	£0	£0	£0	£0
Other Costs (parking, access, landscaping etc)	£845,679	£772,223	£775,000	£761,550	£775,000	£484,637	£575,000	£534,138	£575,000
Total (Excluding Fees & Contingency)	£8,383,848	£7,661,152	£7,663,929	£7,223,541	£7,236,991	£3,870,099	£3,960,462	£5,899,650	£5,940,512
Contingency (10%)	£838,000	£766,000	£766,000	£722,000	£724,000	£290,000	£297,000	£590,000	£594,000
Professional Fees (12%)	£1,107,000	£1,011,000	£1,012,000	£953,000	£955,000	£520,000	£532,000	£100,000	£100,000
Sub Total (Construction Costs)	£10,329,000	£9,438,000	£9,442,000	£8,899,000	£8,916,000	£4,680,000	£4,789,000	£6,590,000	£6,635,000

It should be noted that the capital costs for Options 2a, 3a, 4a and 5a do not include a specific allowance for demolition of the Blackmore house buildings, as these are considered on the land acquisition costs which are net of demolition costs. The capital costs for Options 2b, 3b, 4b and 5b include demolition of the existing Dolphin centre building at a cost of £400,000 as this cost will be a project cost to the Council.

Car parking costs for Options 2b, 3b, 4b and 5b are based on £100,000 for upgrade of the existing parking (to be retained). The car parking costs are greater for Options 2a, 3a, 4a and 5a, as these options are likely to require provision of new areas of car parking. £400,000 has been included in the capital costs for these Options.

## Revenue projections

A summary of the revenue projections for each option is provided in the following table. This shows the projected income and expenditure for each option and a comparison with the annual revenue deficit of £445,393 to show how the revenue position will change.

Revenue Summary	Option 1	Option 2a	Option 2b	Option 3a	Option 3b	Option 4a	Option 4b	Option 5a	Option 5b
<b>Income</b>	£1,285,606	£1,156,532	£1,156,532	£1,117,077	£1,117,077	£465,655	£465,655	£1,086,221	£1,086,221
<b>Expenditure</b>	£1,200,839	£1,096,889	£1,096,889	£1,051,749	£1,051,749	£494,595	£494,595	£984,558	£984,558
<b>Profit/(loss)</b>	£84,767	£59,643	£59,643	£65,328	£65,328	-£28,939	-£28,939	£101,663	£101,663
<b>Base Position</b>	-£436,602	-£436,602	-£436,602	-£436,602	-£436,602	-£436,602	-£436,602	-£436,602	-£436,602
<b>Comparison to Base</b>	£521,369	£496,245	£496,245	£501,930	£501,930	£407,663	£407,663	£538,265	£538,265

The revenue model assumes no refunds for car parking in the future. It also assumes that the facilities will be operated by an external trust operator (as at present).

## Throughput projections

A summary of the usage projections for each option is provided in the following table. This shows the projected annual throughput for each option and a comparison with the current throughput of 412,892 per annum, to show how the usage will change. It can be seen that options 1 – 3b will result in increased throughput. Options 4a – 5b will result in a reduction in throughput as the capacity of these facilities is significantly reduced compared to the existing Dolphin Centre.

Throughput Summary	Option 1	Option 2a	Option 2b	Option 3a	Option 3b	Option 4a	Option 4b	Option 5a	Option 5b
<b>Projected Throughput</b>	527,404	457,036	457,036	434,761	434,761	252,652	252,652	355,478	355,478
<b>Comparison to base</b>	114,512	44,144	44,144	21,869	21,869	-160,240	-160,240	-57,414	-57,414
<b>% Change</b>	28%	11%	11%	5%	5%	-39%	-39%	-14%	-14%

# Review of Options and Recommendations

## Business case & affordability

The estimated project costs, funding and affordability are summarised in the following table. This example is based on the worst case valuation for the Dolphin Centre capital receipt (£1,500,000). The valuation report noted that there is potential for a higher value for the land. The land purchase cost also assumes the District Valuers figure of £1,300,000, as opposed to the offer of £1,800,000 made by a developer. The final figures will depend on the strength of the market when the land is sold and the potential land use. Planning issues will be critical to determining these values.

Valuation of Dolphin Centre Site	Costs				Funding			
Option	Capital Cost	Land Purchase	Total Cost	Borrowing Potential	Capital Receipt	Total Funding	Affordability (Funding - cost)	Rank
Option 1	£10,329,000	£1,300,000	<b>£11,629,000</b>	£10,019,206	£1,500,000	<b>£11,519,206</b>	<b>-£109,794</b>	5
Option 2a	£9,438,000	£1,300,000	<b>£10,738,000</b>	£9,536,385	£1,500,000	<b>£11,036,385</b>	£298,385	3
Option 2b	£9,442,000	£0	<b>£9,442,000</b>	£9,536,385	£0	<b>£9,536,385</b>	£94,385	4
Option 3a	£8,899,000	£1,300,000	<b>£10,199,000</b>	£9,645,640	£1,500,000	<b>£11,145,640</b>	£946,640	1
Option 3b	£8,916,000	£0	<b>£8,916,000</b>	£9,645,640	£0	<b>£9,645,640</b>	£729,640	2
Option 4a	£4,680,000	£1,300,000	<b>£5,980,000</b>	£7,834,094	£1,500,000	<b>£9,334,094</b>	£3,354,094	N/A
Option 4b	£4,789,000	£0	<b>£4,789,000</b>	£7,834,094	£0	<b>£7,834,094</b>	£3,045,094	N/A
Option 5a	£6,590,000	£1,300,000	<b>£7,890,000</b>	£10,343,891	£1,500,000	<b>£11,843,891</b>	£3,953,891	N/A
Option 5b	£6,635,000	£0	<b>£6,635,000</b>	£10,343,891	£0	<b>£10,343,891</b>	£3,708,891	N/A

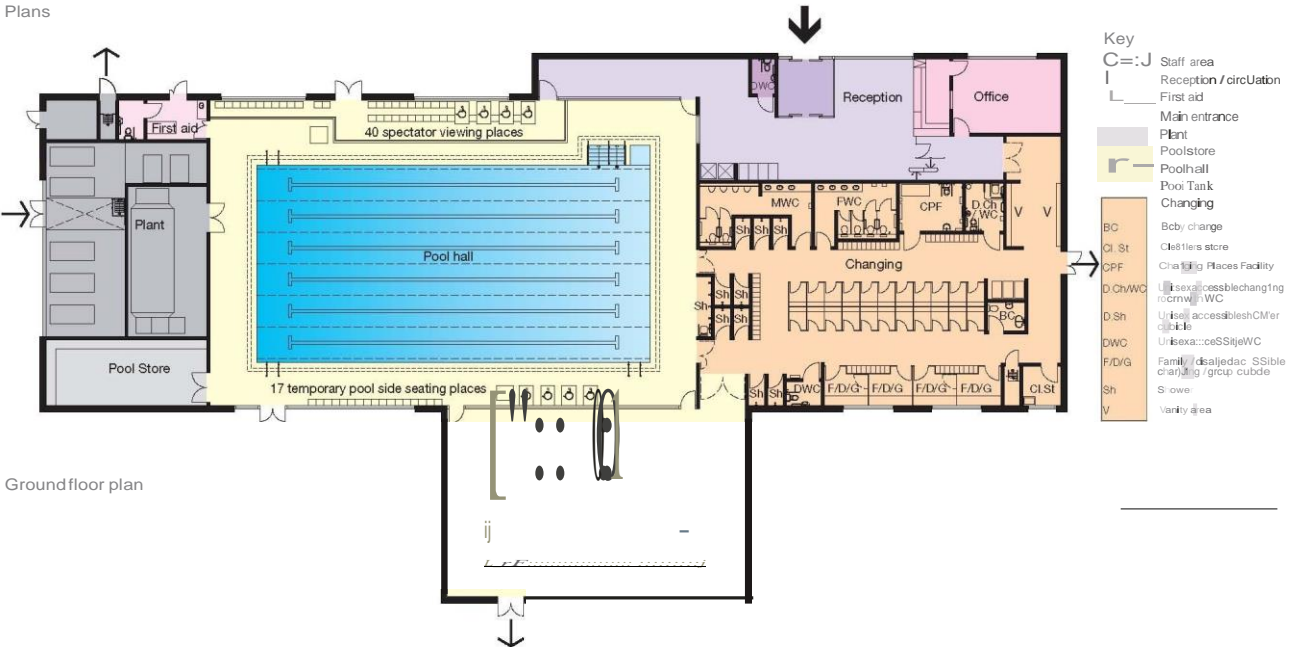
- Options 4a, 4b, 5a and 5b are marked as N/A in the ranking column. While, on the face of it, these pre-designed models offer a cheaper solution they do not meet the specific sporting needs identified through the supply and demand analysis. Further detail is provided in the conclusions and recommendations section.
- Options 3a and 3b are the most financially viable options, however Options 2a and 2b result in higher visitor throughput/participation.

# Review of Standard Models

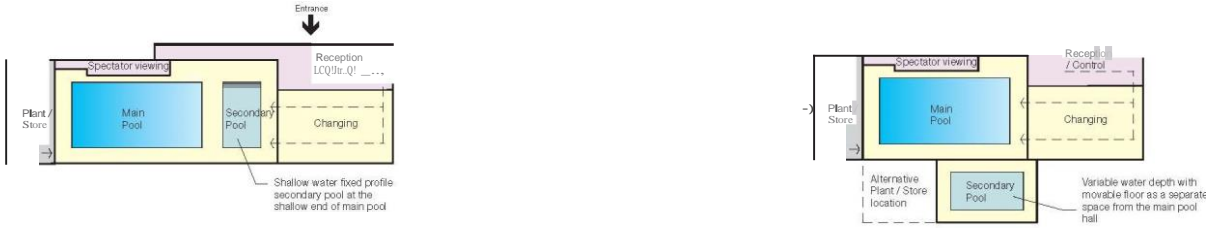
# Sport England affordable pool model design



6 lane + secondary pool Plans



Ground floor plan



Alternative secondary poollocation

Alternative secondary pooltype



## Sport England affordable pool model – summary of published guidance

### Facilities

6 lane 25m pool with learner pool

### Capital Costs

- Internal floor area 1,850m<sup>2</sup>
- Construction costs £3,398,000 (£1,837 per m<sup>2</sup>)
- Contingency 7.5%
- Professional fees 12.5%
- External works 15%
- Incoming services £71,000
- **Total estimated cost £4,690,600**

### Revenue Projections

- £24,000 surplus per annum
- Not clear what the key assumptions are but no allowance included for lifecycle costs
- No operational examples of this being achieved.

## Assessment of the affordable pool model in relation to Bromsgrove's needs

The issues relating to use of this 'model' approach in the context of the Dolphin Centre replacement are listed below:

- While the headline cost is cheaper than alternatives, it offers a very narrow facility mix and represents a significant reduction in current provision
- There are currently no examples of these pools having been completed. The model is largely a guidance document as opposed to a tested product
- Entrance and circulation areas are very small and would not be able to accommodate the likely throughput, e.g. changeover for swimming lessons and swimming events.
- Capacity and projected throughput are almost 40% lower. This represents a significant reduction in community sports provision
- There is a lack of facilities that will generate positive revenue to offset the cost of operating the swimming pool. The lack of health and fitness and studio space is a particular concern. Potential revenue is being missed.
- The facilities will face the same revenue issues as a bespoke centre. The revenue modelling completed by the Sports Consultancy is specific to Bromsgrove and is based on detailed consultation with officers and benchmarking against national and local comparables. There is no detail on how the ambitious revenue forecasts, contained in Sport England's guidance, can be achieved
- We question whether the standardised specification and finishes would create the quality facility the Council is seeking to attract members, particularly those that the Council is seeking to attract from private members clubs. A cheaper build is likely to require increased repair and maintenance expenditure over the life of the building. We have increased assumptions on lifecycle expenditure in recognition of this.
- This type of facility is better suited to an extension of an existing dry side facility, or as a stand alone pool on a school site, not as part of a heavily used main community leisure centre

We would recommend that this design is not used as the basis for a replacement of the existing Dolphin centre. The quality of the facility, capacity and experience for users will be lower than a bespoke design. The range of activities on offer will be diminished and the facility is likely to be less financially viable due to the lack of positive revenue generating facilities.

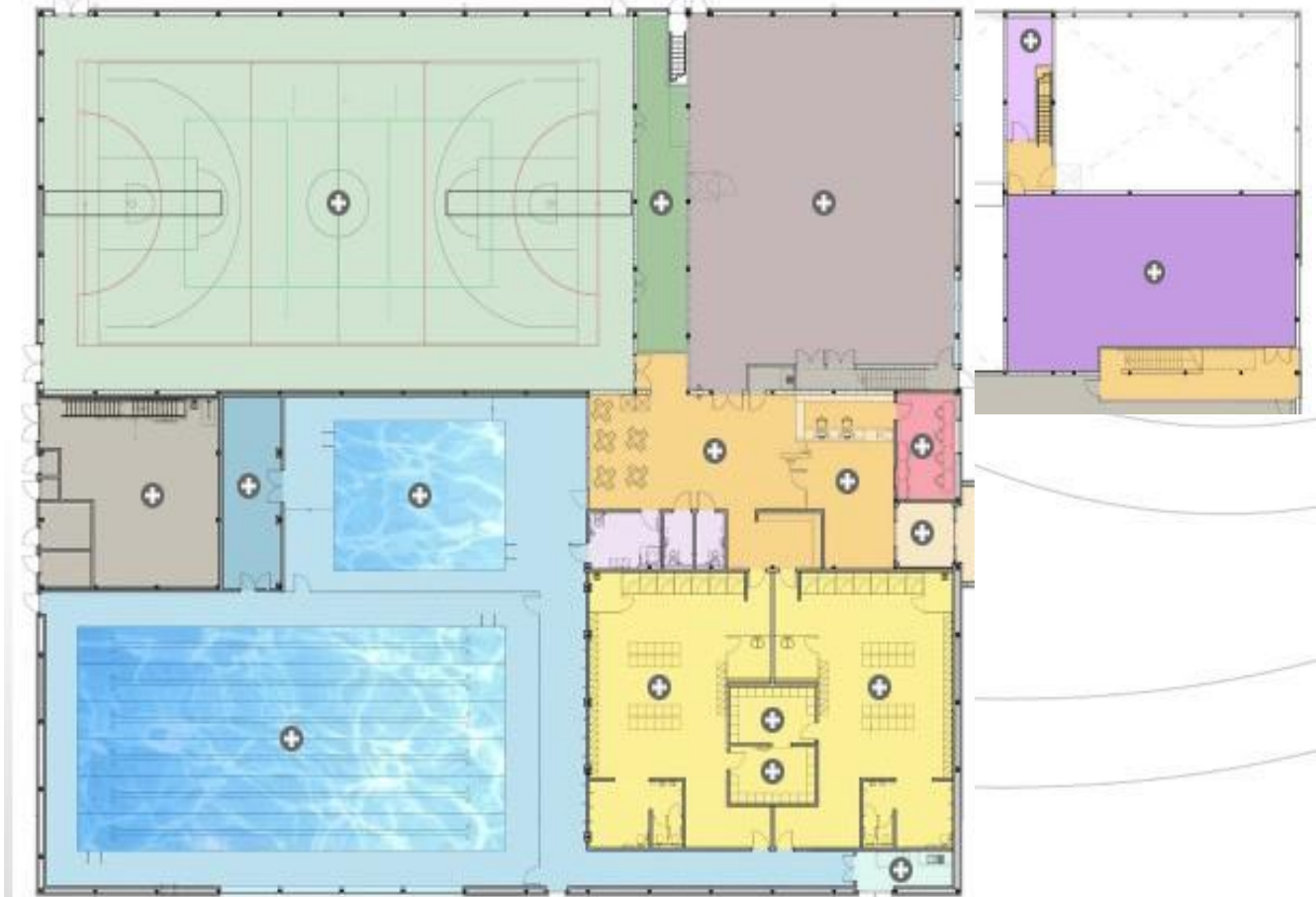
In our experience, while these types of design solutions act as a useful reference point and guidance for clients, most projects inevitably require further reworking of the standard design, adding further facilities to meet local needs. For this reason we would expect the costs rise significantly beyond the headline figures included in Sport England's guidance.

# Sunesis Leisure



Ground Floor

First Floor Studio



## Sunesis Leisure (6 Lane Pool Option)

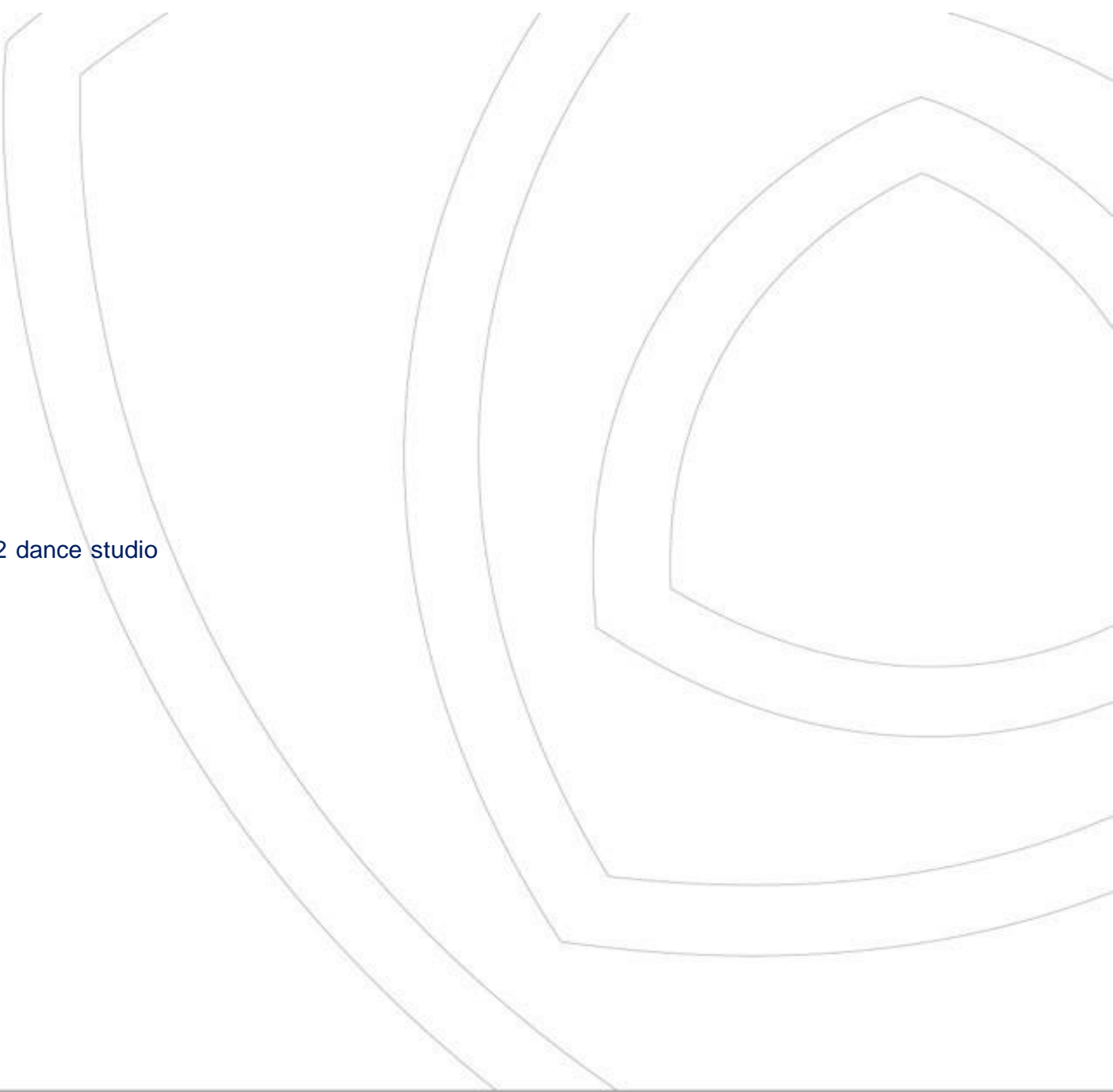
### Facilities

- 25m 6 lane pool
- learner pool
- Sports hall 34.5m x 20m
- 65 station fitness suite
- Foyer with vending and viewing zones
- Mezzanine floor above fitness suite providing 160m<sup>2</sup> dance studio

### Capital Costs

- Internal floor area 2,988m<sup>2</sup>

**Total estimated cost £5.1m**



## Assessment of the Sunesis Leisure model in relation to Bromsgrove's needs

The issues relating to use of the Sunesis Leisure approach, in the context of the Dolphin Centre replacement, are listed below. Many of these are similar to those for the Sport England affordable pool model:

- While the headline cost is cheaper than alternatives this is based on a specific facility mix. However, Sunesis Leisure does have some flexibility to add different activities within the area allocated as sports hall space, though this is likely to increase the cost
- Provision of communal and circulation space is minimised and the building may not be able to accommodate the likely throughput at peak periods, particularly for swimming events. The model will result in a 14% reduction in capacity
- We question whether the standardised specification and finishes would create the kind of quality facility the Council is seeking to attract members, particularly those that could be persuaded to switch from private members clubs. A cheaper build is likely to require increased repair and maintenance expenditure over the life of the building. We have increased assumptions on lifecycle expenditure in recognition of this
- The facilities will face the same revenue issues as a bespoke centre. The revenue modelling completed by the Sports Consultancy is specific to Bromsgrove and is based on detailed consultation with officers and benchmarking against national and local comparables. Revenue figures quoted in the Sunesis documentation are too generic to be taken on face value
- This type of facility lends itself to a school site but is less suitable for a heavily used community leisure facility
- There has been a low take up of this product by the leisure market since it was launched. There are no examples of Sunesis Leisure having been completed and operational.

Sunesis could provide an alternative to a bespoke facility, in replacing the Dolphin Centre. However, the design is constrained and contains a four court sports hall space, which is not required. The significant changes required to remodel the building will result in significant cost increases that will increase the costs, as it is no longer a standard model.

We recommend that this design is not used as the basis for a replacement of the existing Dolphin centre. The quality of the facility, capacity and experience for users will be lower than a bespoke design. The range of activities on offer will be diminished. Fundamentally, this pre-designed solution does not meet the specific needs of the community of Bromsgrove and therefore is not appropriate.

# Conclusions and Recommendations

## Conclusions

Options 4a, 4b, 5a and 5b should be discounted. While, on the face of it, these pre-designed models offer a cheaper solution, they do not meet the specific sporting needs identified through the supply and demand analysis. The facilities included in Option 4a and 4b are limited to wet side only and will result in a significant reduction in provision and capacity for users. The affordable pool model being promoted by Sport England and the ASA is not proven in terms of revenue performance, with no examples of this model having been delivered.

The Sunesis model, Options 5a and 5b include spaces that are not required in the facility, including a 4 court sports hall. Both designs require a significant degree of variation or alteration, meaning that these standard models are not suitable for Bromsgrove's needs. The changes in design will increase costs above the figures included in the marketing material, as the low costs are based on a set design applied to a clear and level site. If the designs are altered, additional costs are incurred and the financial advantages of the standard model are no longer applicable. Furthermore, these lower cost options are not as well suited to the high levels of throughput and usage that are likely to occur in what will be a busy town centre facility. Both the Sport England and Sunesis models will result in a fall in capacity and throughput with an estimated fall in throughput of 40% for the Sport England Model and 14% for the Sunesis model, compared to current throughput of the Dolphin Centre resulting in a significant reduction provision.

The reduced costs means that the standard of finish will be lower and we would expect lifecycle costs to be higher to allow for increased wear and tear on the lower quality finishes. Low cost, pre-designed models are generally better suited to smaller community facilities or school sites where customer expectations are lower and there is reduced throughput of users.

## Recommendations

- Options 4a, 4b, 5a and 5b should be discounted for the reasons given above.
- Options 2a, 2b, 3a and 3b are the only ones that are affordable.
- Option 1 would require further funding (capital or revenue) to make up a funding shortfall.
- Options 2b and 3b would result in the closure of the Dolphin Centre for the duration of the demolition and build period (up to 2 years). This would result in a loss of service for users but it would also allow the Council to make revenue savings, for the duration of the build, as the current subsidy of c £436,000 per annum would not need to be provided if the building was closed (assuming the management contract has expired prior to closure).
- If the Council is seeking to provide continuous service to users, Option 3a is the most financially viable option followed by Option 2a. If the Council accepts that closure (for up to two years) should take place to facilitate the development, Option 3b is the most financially viable option. The closure option provides the added benefit of saving the Council two years of revenue subsidy payments (c £872,000) but this leaves the community without access to the leisure centre, which is likely to be problematic for users.
- Options 3a and 3b are the most financially viable options, However, Options 2a and 2b result in higher visitor throughput/participation. The need to balance financial viability and maximising participation must be considered.

## Recommendations

A summary of the recommended options (2a, 3a, 3b) is provided below:

### Facility mix

Core Facilities	Option 2a	Option 2b	Option 3a	Option 3b
Main pool (6 Lane x 25m)	X	X	X	X
Learner pool (12m x 8m)	X	X	X	X
Health and fitness suite (80 stations)	X	X	X	X
2 x dance / fitness studios	X	X	X	X
Spinning room	X	X	X	X
Spa facilities	X	X		
Spa treatment rooms	X	X		



## Recommendations

A summary of the funding and affordability for the recommended options (2a, 3a and 3b) is provided below. The first scenario is based on the valuation report figure for the cost of land purchase from WCC (£1.3 million). The second scenario is based on the offer made by a private developer for the WCC site (£1.8 million):

Land purchase cost = £1.3 million

Valuation of Dolphin Centre Site		Costs		Funding			Affordability (Funding - cost)	Rank
Option	Capital Cost	Land Purchase	Total Cost	Borrowing Potential	Capital Receipt	Total Funding		
Option 2a	£9,438,000	£1,300,000	<b>£10,738,000</b>	£9,536,385	£1,500,000	<b>£11,036,385</b>	£298,385	3
Option 2b	£9,442,000	£0	<b>£9,442,000</b>	£9,536,385	£0	<b>£9,536,385</b>	£94,385	4
Option 3a	£8,899,000	£1,300,000	<b>£10,199,000</b>	£9,645,640	£1,500,000	<b>£11,145,640</b>	£946,640	1
Option 3b	£8,916,000	£0	<b>£8,916,000</b>	£9,645,640	£0	<b>£9,645,640</b>	£729,640	2

Land purchase cost = £1.8 million

Valuation of Dolphin Centre Site		Costs		Funding			Affordability (Funding - cost)	Rank
Option	Capital Cost	Land Purchase	Total Cost	Borrowing Potential	Capital Receipt	Total Funding		
Option 2a	£9,438,000	£1,800,000	<b>£11,238,000</b>	£9,536,385	£1,500,000	<b>£11,036,385</b>	<b>-£201,615</b>	4
Option 2b	£9,442,000	£0	<b>£9,442,000</b>	£9,536,385	£0	<b>£9,536,385</b>	£94,385	3
Option 3a	£8,899,000	£1,800,000	<b>£10,699,000</b>	£9,645,640	£1,500,000	<b>£11,145,640</b>	£446,640	2
Option 3b	£8,916,000	£0	<b>£8,916,000</b>	£9,645,640	£0	<b>£9,645,640</b>	£729,640	1

# Next Steps



## Next Steps

The work completed during this study represents the initial 'Options Appraisal' stage in developing the project. It includes benchmarked capital and revenue costs and the outline business case for the initial options, to enable the Council to decide whether to proceed and, if so, which is the preferred option(s) to carry forward.

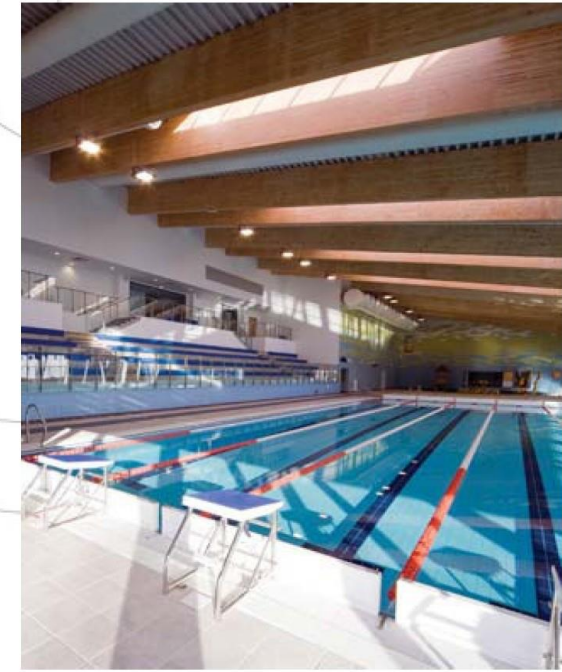
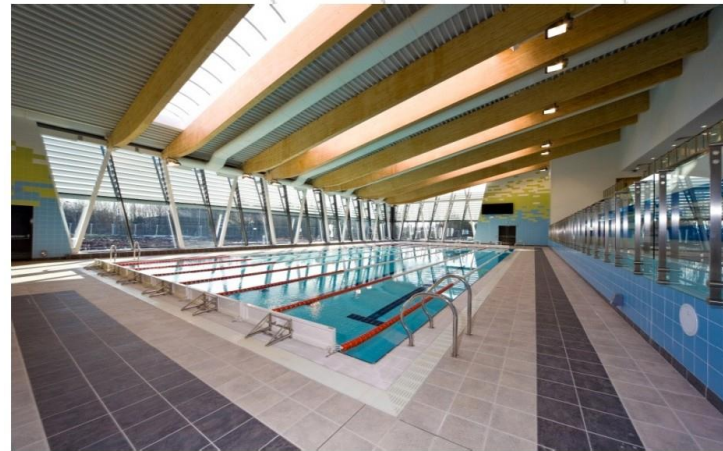
If the Council decides to proceed with the project, the next stage should involve procurement of a leisure consultancy team to complete a detailed feasibility study to RIBA Stage C. This will provide the Council with the information required to take final decisions on the scope of the project and to procure the development. The key items included in a typical Stage C study for this type of development are listed below:

- Design Development** - Refine the preferred option to RIBA Stage C, including production of a site plan and floor plans, showing the internal arrangement of the building including all areas listed of the schedule of accommodation. Draw up a detailed technical design brief to RIBA Stage C
- Capital Cost Plan** - Complete pre-tender cost estimates based on the final schedule of accommodation linked to the RIBA Stage C design.
- Business Plan** - Create a detailed business plan model alongside the design and capital cost plan. This will be used to test the impact of changes in the scope of the project and inform the refinement of the business case.
- Procurement Options Appraisal** - Review procurement options for the procurement of the building and the management operator. This should identify all procurement options and summarise the advantages and disadvantages of each, as well as identifying the preferred option.
- Risk Register** - Devise a project risk register to identify all risks and assess their impact and probability of occurring as well as summarising the actions that should be taken to manage and mitigate each risk.
- Governance Structure** - Define the governance structure for delivering the project to provide guidance on the most effective structure for delivering the project through to completion.
- Project Programme** - Develop a project programme covering the delivery of the project.
- Funding Review** - Review of all realistic funding opportunities for a project of this type and the possible amounts of funding available from each. Agree the make-up of the project funding.
- Transport Planning** - Completion of a transport assessment and travel plan (if required by the local planning authority).

A study of this type would typically be completed over a 3 month period.

## Appendix 1

# Internal and External Views of Recently Completed Swimming Pool Projects of Similar Cost to the Options for the Dolphin Centre





## Appendix 2

# Capital Cost Estimates





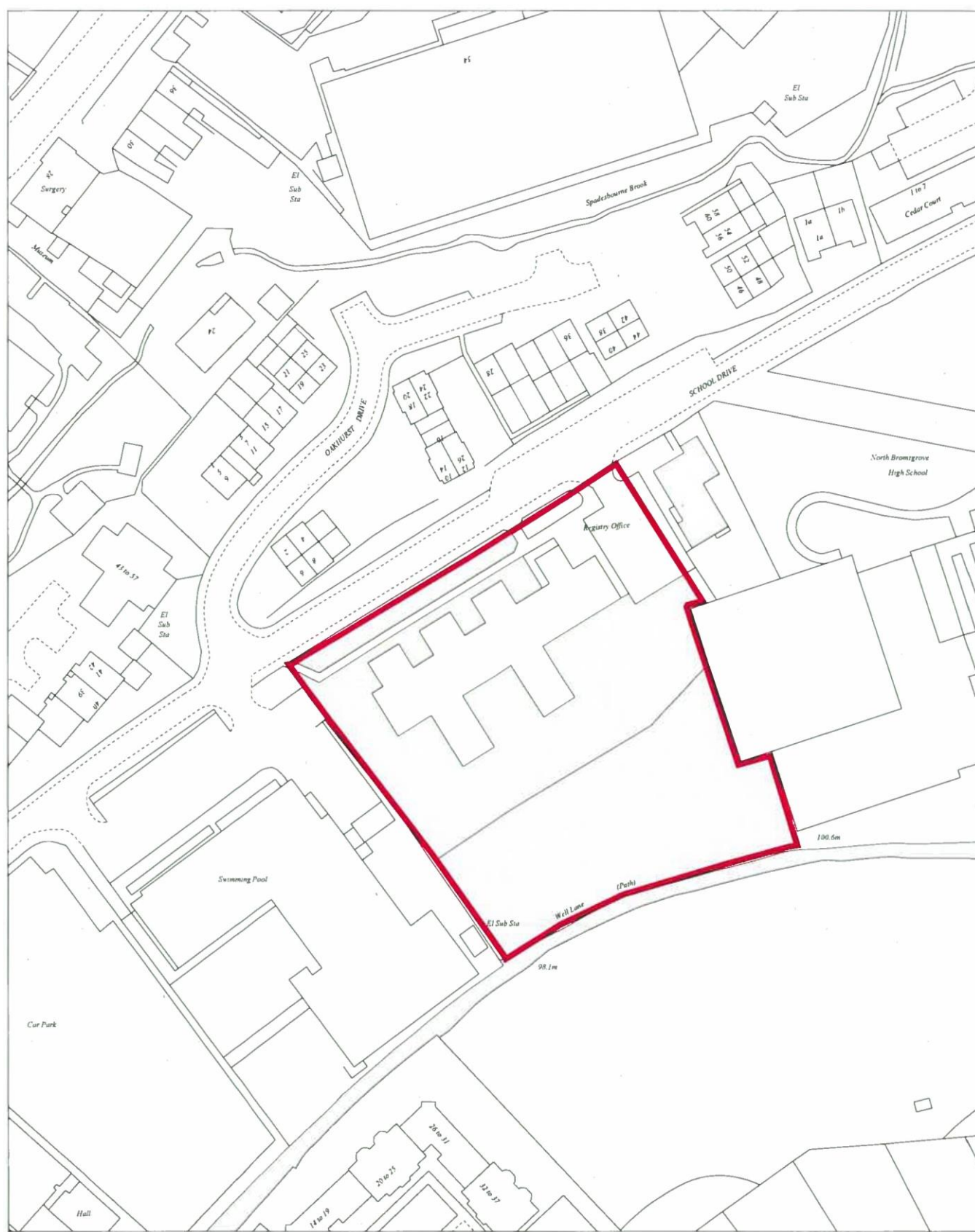
# Appendix 3

## Revenue Projections

SCENARIO DESCRIPTION	BASE (Existing Centre Performance)	Option 1	Option 2a	Option 2b	Option 3a	Option 3b	Option 4a	Option 4b	Option 5a	Option 5b
<b>INCOME SUMMARY</b>										
<b>OPERATIONAL INCOME</b>										
WETSIDe ADMISSIONS		£379,125	£379,125	£379,125	£379,125	£379,125	£379,125	£379,125	£379,125	£379,125
HEALTH AND FITNESS (incl STUDIOS)		£600,000	£600,000	£600,000	£600,000	£600,000	£0	£0	£600,000	£600,000
SPINNING STUDIO		£15,000	£15,000	£15,000	£15,000	£15,000	£0	£0	£0	£0
OUTDOOR FACILITIES		£105,000	£0	£0	£0	£0	£0	£0	£0	£0
SPA FACILITIES		£20,000	£20,000	£20,000	£0	£0	£0	£0	£0	£0
TREATMENT ROOMS		£15,000	£15,000	£15,000	£0	£0	£0	£0	£0	£0
CLIMBING WALL		£10,000	£0	£0	£0	£0	£0	£0	£0	£0
SECONDARY SPEND		£105,481	£91,407	£91,407	£86,952	£86,952	£50,530	£50,530	£71,096	£71,096
ADDITIONAL INCOME FROM PARKING		£36,000	£36,000	£36,000	£36,000	£36,000	£36,000	£36,000	£36,000	£36,000
<b>TOTAL INCOME</b>		<b>£1,285,606</b>	<b>£1,156,532</b>	<b>£1,156,532</b>	<b>£1,117,077</b>	<b>£1,117,077</b>	<b>£465,655</b>	<b>£465,655</b>	<b>£1,086,221</b>	<b>£1,086,221</b>
<b>EXPENDITURE SUMMARY</b>										
STAFFING		£578,523	£520,440	£520,440	£502,685	£502,685	£209,545	£209,545	£488,799	£488,799
PREMISES		£203,422	£198,584	£198,584	£188,189	£188,189	£103,204	£103,204	£151,190	£151,190
LIFECYCLE COSTS		£125,887	£115,045	£115,045	£107,915	£107,915	£67,709	£67,709	£107,310	£107,310
ADVERTISING / MARKETING		£32,140	£28,913	£28,913	£27,927	£27,927	£11,641	£11,641	£27,156	£27,156
ADMINISTRATION		£60,281	£55,203	£55,203	£53,094	£53,094	£23,680	£23,680	£49,640	£49,640
OTHER SUPPLIES & SUNDRY ITEMS		£6,428	£5,783	£5,783	£5,585	£5,585	£2,328	£2,328	£5,431	£5,431
COST OF SALES		£52,740	£45,704	£45,704	£43,476	£43,476	£25,265	£25,265	£35,548	£35,548
NON CONTROLABLE AND CENTRAL COSTS		£141,417	£127,219	£127,219	£122,878	£122,878	£51,222	£51,222	£119,484	£119,484
<b>TOTAL EXPENDITURE</b>		<b>£1,200,839</b>	<b>£1,096,889</b>	<b>£1,096,889</b>	<b>£1,051,749</b>	<b>£1,051,749</b>	<b>£494,595</b>	<b>£494,595</b>	<b>£984,558</b>	<b>£984,558</b>
<b>NET REVENUE</b>		<b>£84,767</b>	<b>£59,643</b>	<b>£59,643</b>	<b>£65,328</b>	<b>£65,328</b>	<b>-£28,939</b>	<b>-£28,939</b>	<b>£101,663</b>	<b>£101,663</b>
<b>NET REVENUE (BASE)</b>	<b>-£436,602</b>									
<b>COMPARISON TO BASE</b>	<b>n/a</b>	<b>£521,369</b>	<b>£496,245</b>	<b>£496,245</b>	<b>£501,930</b>	<b>£501,930</b>	<b>£407,663</b>	<b>£407,663</b>	<b>£538,265</b>	<b>£538,265</b>
<b>% INCREASE</b>	<b>n/a</b>	<b>119%</b>	<b>114%</b>	<b>114%</b>	<b>115%</b>	<b>115%</b>	<b>93%</b>	<b>93%</b>	<b>123%</b>	<b>123%</b>
<b>ANNUAL THROUGHPUT SUMMARY</b>										
<b>TOTAL THROUGHPUT</b>	<b>412,892</b>	<b>527,404</b>	<b>457,036</b>	<b>457,036</b>	<b>434,761</b>	<b>434,761</b>	<b>252,652</b>	<b>252,652</b>	<b>355,478</b>	<b>355,478</b>
<b>COMPARISON TO BASE</b>	<b>0</b>	<b>114,512</b>	<b>44,144</b>	<b>44,144</b>	<b>21,869</b>	<b>21,869</b>	<b>-160,240</b>	<b>-160,240</b>	<b>-57,414</b>	<b>-57,414</b>
<b>% INCREASE</b>	<b>0%</b>	<b>28%</b>	<b>11%</b>	<b>11%</b>	<b>5%</b>	<b>5%</b>	<b>-39%</b>	<b>-39%</b>	<b>-14%</b>	<b>-14%</b>

## Appendix 4

# Indicative Site Areas Defined by the District Valuer



**Plan title: Blackmore House, Scol Drive, Bromsgrove**

Case type:

Key

Map title: S09671SW  
Scale: 1:1250

Coordinates: 396340,271006  
Area: 1.73 acres Perimeter:

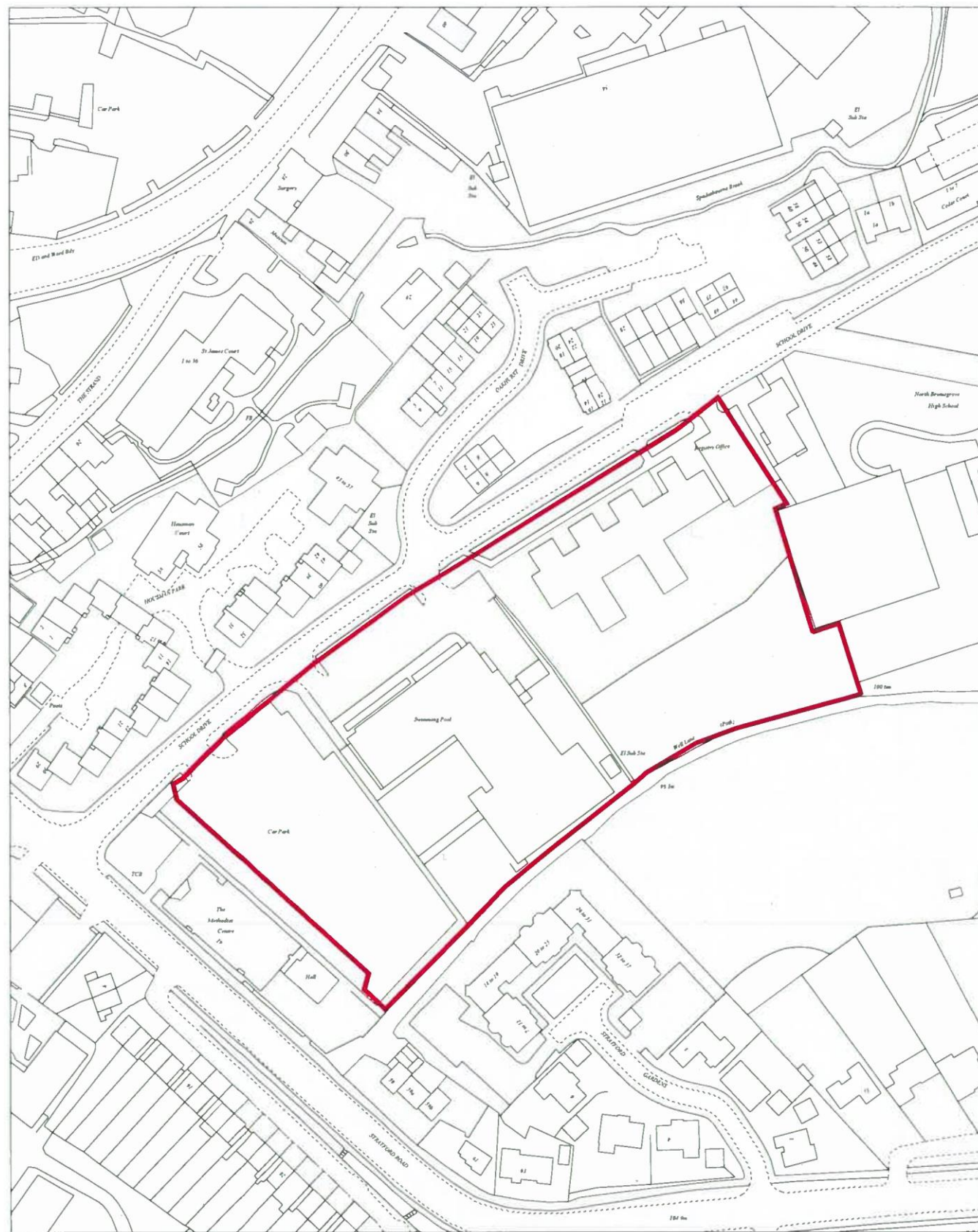
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Plan attached to DVS report dated - (.t3  
Ref OGD 1450287/JRNP

Copyright (c) 2003 Ordnance Survey

Date: 2n/2013



Plan title: Whole development site, School Drive, Bromsgrove

Case type:

Map title: S09670NW  
Scale: 1:1630

Coordinates: 396302,270975  
Area: 4.02 acres Perimeter:

Key

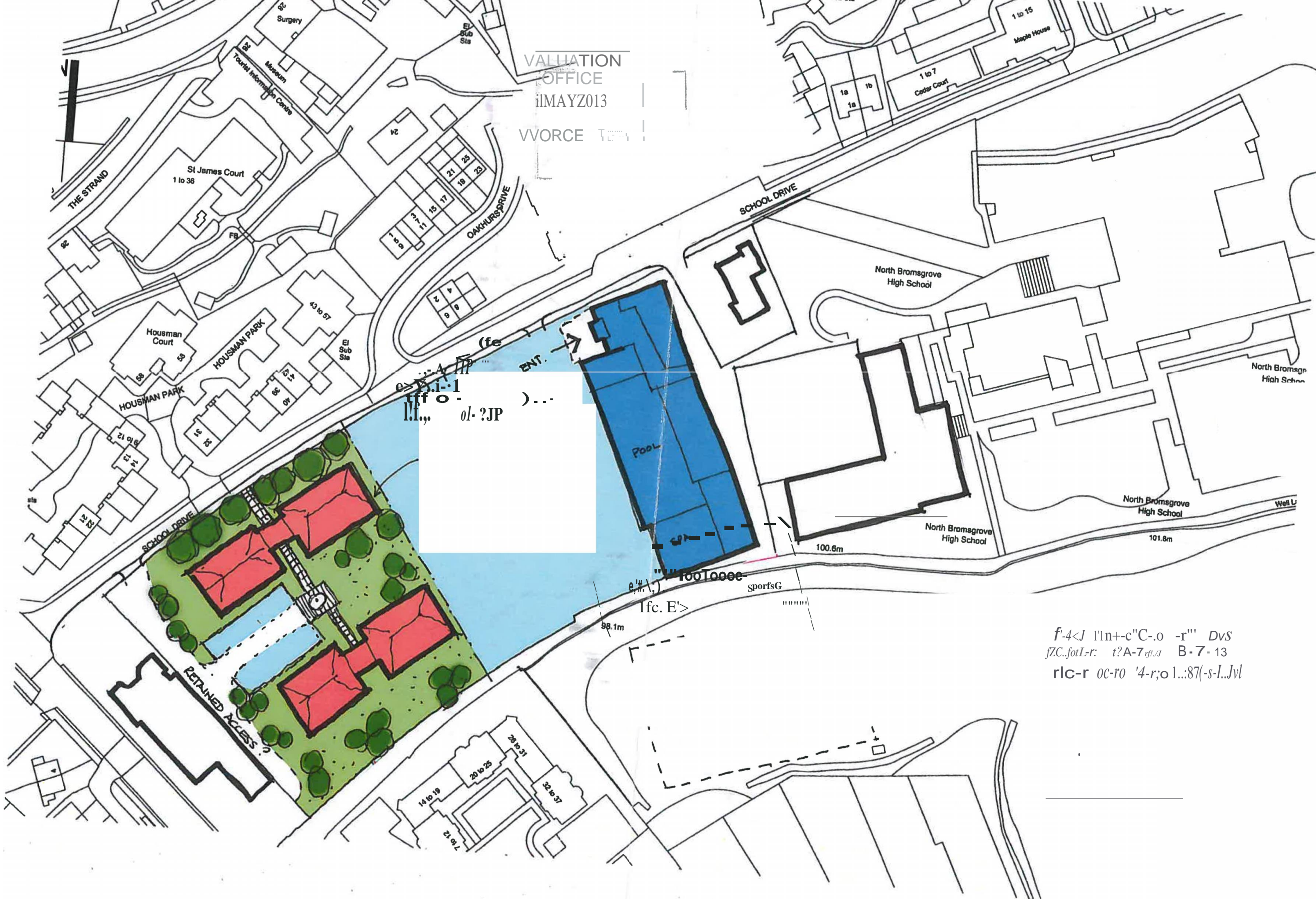
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Plan attached to DVS report dated 'S. 1 .1:>  
Ref OGD1450287/JRNP

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