REVIEW OF A NEW LEISURE CENTRE

DEVELOPMENT OPTIONS

Shepway District Council

January 2014
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1. Executive Summary

INTRODUCTION

1.1 Strategic Leisure Limited (SLL) and GT Architects were appointed by Shepway District Council (SDC) at the end of November 2013 to undertake a follow up study to the 2012 Feasibility Study for a new swimming pool in Hythe.

1.2 It is understood that SDC is minded to progress the development of a new leisure centre on the Princes Parade site, as part of a mixed development. Given that residential development is now less likely as part of this scheme, there is a capital funding gap, in relation to the leisure centre. SDC is therefore interested in understanding more about the development options for a new leisure centre, to be achieved within a reduced budget of £5.7m - £6m (excluding parking and external works).

1.3 The basic specification for this new leisure centre is confirmed as per the recommendations of the Feasibility Study report (August 2012): -

- 6 lane x 25 metre pool; (no moveable floor is included in the brief, although it was suggested in the Feasibility Study 2012)
- 13m x 10m learner pool;
- 4 badminton court size hall;
- 80 station gym;
- 190sqm studio;
- Vending area;
- Central changing space - village of male/female.

1.4 The indicative cost of the original leisure centre that was designed and developed for the Princes Parade site is £11, 955. This included the cost of two movable floors in the swimming pools. The budget now available is around £6m.

1.5 Achieving a £4m-£5m reduction in the capital costs of the proposed leisure centre on Princes Parade, without reducing the scale of provision (ie retaining the facility mix set out in 1.3 above, which is the minimum required to meet identified current and future needs), is a significant challenge; this level of cost reduction clearly cannot be achieved by simply reducing the quality of the internal finishes, taking out contingencies, or even excluding the external works.

1.6 A saving this significant can really only be achieved through either;

- procuring and funding the new facility through an external consortia, who would then require a long term operational management contract, in exchange for the capital investment,
- or by constructing the identified facilities using an alternative design model, which is pre-planned and costed.
1.7 Using a Design, Build, Operate and Maintain (DBOM) procurement route has both advantages and disadvantages, but on balance is unlikely to achieve the Council’s capital cost aspirations, and would result in externalisation of the facility’s operational management. The operational management is currently delivered in-house, in partnership with a neighbouring authority.

1.8 The only option therefore, unless the scale of proposed facility provision is significantly reduced, which means the new facility would be unlikely to meet identified current, let alone future need, is to consider a standard design model.

1.9 The ARC is a new facility model being launched in the UK leisure market. It has been developed as a result of market feedback, and is designed to provide core community facilities which are flexible, accessible, fun to use, and efficient to use.

1.10 In terms of the SDC facility brief, two potential design options have been identified:

- The Base ARC Model
- The Enhanced ARC Model

1.11 There are three main differences between the Base ARC Model and SDC’s minimum facility brief, as follows:

- Learner Pool size: **SDC requires a larger pool than the standard ARC model**
- Studio: **The ARC incorporates a studio at first floor which is not required in the brief**

N.B Neither ARC model includes moveable floors.

1.12 It is, however, possible to design the ARC Model incorporating the SDC brief – this is the Enhanced Arc Model. This model includes a studio at first floor level, as well as the larger Learner Pool.

1.13 It is important to emphasise that the Enhanced ARC Model is the only one of the two options that provides sufficient water space to meet both current and future needs, as identified in the 2012 Feasibility Study. The fact that there is a studio means that this option also provides more revenue generating opportunities, without compromising on the minimum facility mix required by SDC.

1.14 Princes Parade has been identified as the preferred location for a new leisure centre in Hythe. However, no specific location has as yet been identified for a new facility within this site.

1.15 In order to assess the potential for development of the ARC on Princes Parade, three alternative locations along the Princes Parade waterfront site have been considered:

- **Site Option 1** – To the East, close to existing buildings
- **Site Option 2** – To the middle of the site, adjacent to the existing footbridge
- **Site Option 3** – To the West, adjacent to the existing golf course
1.16 As set out in detail in Section 4, both the identified ARC design options (Base and Extended) fit onto all of the three site options highlighted as potential locations on Princes Parade.

1.17 However, site Option 3, (to the West of the Princess Parade site), provides the optimum location for a new leisure centre, as it has more space for a new building than either site Options 1 or 2.

1.18 The Enhanced ARC option is the only one to meet the requirements of the SDC brief, because it incorporates the larger Learner Pool. It also incorporates additional spaces that will generate additional revenue ie the larger sports hall, plus the studio.

1.19 The capital cost of the Base ARC Model is £5,950,000, and the Enhanced ARC Model £7,500,000. Both capital costs have been developed at 2013 prices, with the following assumptions:

   - **Assumptions**

     - Assumed good ground conditions (standard foundation solution and not piled)
     - Level site
     - No Contamination
     - Service connections not included
     - Drainage connections included (no provision for attenuation)
     - External works by others
     - Excludes loose fixtures and fittings such as gym equipment but includes fixed FF+E (such as lockers and cubicles)
     - Fees included
     - Inflation may need to be factored in dependent on build time

1.20 This means that the cost of developing the Base ARC Model on Site Option 3 would be within the identified SDC cost envelope of £5.7m - £6m. However, the Base Arc Model does not meet the minimum SDC facility mix brief.

1.21 It is recognised that there is a £1.5m capital funding gap between the SDC affordability envelope and the cost of the Enhanced ARC model; however, the capital cost of £7.7m is almost £5m cheaper than the facility design previously costed on the same site on Princes Parade (2012 Feasibility Study report), and as identified in the analysis it is unlikely that there will be a less expensive option of developing a new leisure centre, unless the scale of provision is reduced.

1.22 Adopting this approach i.e. scaling down the facility provision, would mean that the minimum current and future needs for swimming, fitness and indoor sports hall space would not be met.
RECOMMENDATIONS

1.21 On the basis of the above review and analysis it is recommended that:

**RECOMMENDATION 1 (R1):** SDC should proceed with the development of a new leisure centre on Princes Parade to replace the existing Hythe Leisure Centre.

**RECOMMENDATION 2: (R2)** Given the reduced capital available to develop a new leisure centre, SDC process with development of the ARC Model.

**RECOMMENDATION 3 (R3):** Given the fact that the Base ARC Model does not meet the minimum specified brief of SDC for facility scale and scope, SDC should proceed with the Enhanced ARC Model.

**RECOMMENDATION 4 (R4):** Site Option 3 is confirmed as the location for the new leisure centre.

**RECOMMENDATION 5 (R5):** SDC identifies additional capital funding to facilitate the development of the Enhanced ARC Model.
2. Introduction

2.1 Strategic Leisure Limited (SLL) and GT Architects were appointed by Shepway District Council (SDC) at the end of November 2013 to undertake a follow up study to the 2012 Feasibility Study for a new swimming pool in Hythe.

2.2 Shepway District Council (SDC) identified the need to improve sports facilities in the district as one of their major objectives, and indeed has been working towards this for a number of years. However, for various reasons, none of the previous development proposals have been realised, and the Council is now focussing on the options for replacement of the existing Hythe Swimming Pool (South Road, Hythe).

SUMMARY OF 2012 FEASIBILITY STUDY

2.3 The existing swimming pool facilities at Hythe Swimming Pool are past their lifecycle date and need replacing. The existing pool is in a poor condition, with the potential for some major plant/infrastructure failures, which could close the pool on a temporary basis, and be expensive to resolve. The pool plant is now in need of investment, the roof leaks and could potentially be a serious safety issue, and the swimming pool tank is cracked.

2.4 Based on these issues, the existing pool building and facility is a liability which is expensive to operate and maintain on a daily basis; in the short term it could also be costly in terms of major plant/infrastructure.

2.5 SDC identified three possible sites, (all on SDC owned land), where it might be possible to replace the existing Hythe Swimming Pool. Each site was assessed against an outline specification for location, catchment, access, financing and delivery. Other sites within a 2½ mile radius of the existing pool were also identified and considered within the study.

2.6 The three sites identified for analysis by SDC were:

- The existing Hythe Swimming Pool site, Hythe
- Princes Parade, Hythe
- Nickoll’s Quarry, Hythe

2.7 The critical factors considered in relation to the three identified sites were:

- Site size
- Capital cost of development proposed (based on minimum identified facility mix)
- Accessibility
- Value for money
- Current and future need
- Operational viability
• **Availability of capital receipt**

2.8 Based on the above site analysis the following conclusions were reached in relation to each identified site:

• **Existing Hythe Swimming Pool site** – the disadvantages of this site is that it is too small, and cannot provide for both future facility needs and the appropriate infrastructure i.e. car parking. Although technically accessible, there are already car parking issues on and around this site; development of a larger facility is likely to increase usage levels and therefore traffic to and from the facility, which would impact on both traffic levels and parking requirements. Developing a new facility on this site would preclude release of a capital receipt which could contribute to the overall costs of a new pool.

• **Princes Parade** – the advantages of this site are that it is large, visible, accessible, in close proximity to the coast, open space and tourist facilities, it is an SDC owned site, and is closer to the existing Hythe Swimming Pool site than Nickoll’s Quarry. The critical issues and disadvantages of this site are the planning constraints which could impact significantly on timescale and potentially realisation of the overall masterplan development.

• **Nickoll’s Quarry** – the advantages of the site are its size, and the S106 agreement, which means this site could be the most financially advantageous site to develop. However, location and visibility are not ideal; the site is not as accessible as Princes Parade, despite being on public bus routes. The new swimming pool facility development could potentially be the only building structure on this site for a while, given the planning timescale for the development of residential units. Such a situation may impact on usage levels, as users may not want to access a lone building in a quarry. In the longer term, a community leisure facility and swimming pool on this site is likely to be surrounded by relatively dense residential provision. These factors could impact on levels of both usage and therefore income generation.

2.9 Based on the findings of the Assessment of Need the minimum facility mix needed in a replacement facility for the existing Hythe Swimming Pool is set out below in Table 1.1. This is the minimum recommended facility mix to be provided in a replacement facility to ensure both current and future participation needs will be met. The total estimated area for the above (including circulation and plant allocation) is 2,200- 4000 m².

2.10 The external requirements for the facility are as follows:

• **Car parking. Capacity to be in accordance with location, good practice and current standards**

• **Coach parking and drop off zone**

2.11 The assessment of need identified the need to enhance the original facility mix with the addition of a larger teaching pool, a 2 court multi-purpose hall, and moveable floors in both swimming pools, to facilitate programming and therefore usage flexibility.

2.12 The capital cost estimate for the proposed facility development on Princes Parade is £11,955,009.
Table 2.1: Recommended Minimum Core Facility Mix New Shepway Swimming Pool

- 1 x 25m x 6 lane competition equipped swim pool with competitor and spectator seating with moveable floor to overall depth of 3m. 150 spectator seats.
- 1 x 4 lane x 20m teaching pool with moveable floor to overall depth of 2m separated from sight and acoustically from the main pool. 30 spectator seats.
- Swim village changing/lockers plus club/school changing room
- 1 x 2 badminton court sized multi-purpose hall or equivalent
- 82 station fitness gym overlooking pools with own changing facilities and changing facilities for 2 court hall
- Sports fixtures/fittings/equipment throughout building
- Small Café/Vending and seating area
- Staff changing facilities
- Staff Management/admin suite
- Adequate storage for all activity areas
- First aid room
- Car parking - 1 space per 22m2 and 8% for disabled parking and 2 coach parking bays per scheme
- CHP to service the building
- All facilities to meet Sport England Design Guidance 2011 and provide for swimming competition timing equipment.

2.13 The site options analysis identified Princes Parade, Hythe as the optimum site for the development of the new swimming pool and leisure facility. This conclusion is further underpinned by the assessment of site suitability in relation to the scale, design and layout of the proposed new facility development.

2.14 There are however significant challenges involved in delivering this site, given the planning issues, relating to the Ancient Scheduled Monument, potential site contamination and ground conditions.

2.15 The challenge identified in selecting this site is overcoming the planning constraints identified, and critically the timescale that may result from such constraints. The development of the new pool should be future proof i.e. provide for future need, not just current need, and this has been an important factor in the selection of this site. In addition, the location and current uses of the site i.e. seafront, adjacent to tourism attractions has significant potential in terms of future users; this is the only site which is likely to attract tourism use on a pay and play basis.
2.16 The existing pool site will not facilitate the development of a facility large enough to meet future demand; therefore it would be a false economy to develop on this site. Although Nickoll’s Quarry is a large enough site, its location, for a community facility, is not ideal, unless a specific timeline can be identified for the development of new housing. Even then, whilst the site might provide a good and accessible location for community facilities for the new residents, it is not necessarily the ideally accessible site for existing residents of Hythe.

SCOPE OF THIS STUDY

2.17 We understand that SDC is minded to progress the development of a new leisure centre on the Princes Parade site, as part of a mixed development. Given that residential development is now less likely as part of this scheme, there is a capital funding gap, in relation to the leisure centre.

2.18 SDC is therefore interested in understanding more about the development options for a new leisure centre, to be achieved within a reduced budget of £5.7m - £6m (excluding parking and external works).

2.19 The brief for this study confirms the basic specification for a new leisure centre as per the recommendations of the Feasibility Study report (August 2012): -

- 6 lane x 25 metre pool;
- 13m x 10m learner pool;
- 4 badminton court size hall (required instead of the 2 court sports hall recommended)
- 80 station gym;
- 190sqm studio;
- Vending area;
- Central changing space - village of male/female.
  (no moveble floor is included in the brief, although it was suggested in the Feasibility Study 2012)

APPROACH TO THE STUDY

2.20 Given the scope of this study, our approach has been as follows:

- Review of the capital costs of the existing development option for Princes Parade to identify any potential for cost reduction.

- Identification of all other potential options for facility development and provision of comments on the likely level of capital costs, in relation to the current option, including the ARC model.

- Specific exploration the potential of the ARC facility development model, and its likely capital cost in relation to this project, including a meeting between SLL and the GT Architects, and a site visit to Shepway by Gary Thomason (Director, GT Architects).
Provision of short draft and final reports, setting out the issues and options in relation to the existing facility development option, exploring the arc model in detail, and specifically recommending whether the ARC model can deliver the Council's facility aspirations for the available capital budget.
3. The Proposed Facility

FACILITY SCALE AND SCOPE

3.1 An indicative design and layout for a new swimming pool facility, based on the minimum facility mix in Table 1, was developed for Princes Parade and costed at 2012 prices.

Table 3.1 Preliminary indicative estimate costs for recommended minimum Facility Mix New Swimming Pool on the Princes Parade site

<table>
<thead>
<tr>
<th>Estimate</th>
<th>Estimate Cost (£’s)</th>
<th>Cost (£’s) per m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Internal Floor Area 3911 m²</td>
<td>£8,604,200</td>
<td>£2,200</td>
</tr>
<tr>
<td>Allowance for Site Clearance and Demolition</td>
<td>£50,000</td>
<td></td>
</tr>
<tr>
<td>Allowance for External Works</td>
<td>£1,242,939</td>
<td></td>
</tr>
<tr>
<td>Allowance for External Services</td>
<td>£166,000</td>
<td></td>
</tr>
<tr>
<td><strong>SUB TOTAL</strong></td>
<td><strong>£10,063,139</strong></td>
<td></td>
</tr>
<tr>
<td>Construction Contingencies 5%</td>
<td>£503,157</td>
<td></td>
</tr>
<tr>
<td>Design Development Contingencies 3%</td>
<td>£301,894</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>£10,868,190</strong></td>
<td></td>
</tr>
<tr>
<td>Design &amp; Consultant Fees (inc survey and ground investigation fees)</td>
<td>£1,086,819</td>
<td></td>
</tr>
<tr>
<td><strong>SUB TOTAL (ESTIMATED)</strong></td>
<td><strong>£11,955,009</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.2 Whilst no specific procurement strategy was assumed, allowances were made for on-costs such as construction contingencies (5%) and design development contingency (3%).

NOTES ON INDICATIVE ESTIMATED COSTS

3.3 The indicative costs prepared were of a Preliminary nature only and were based on B3 Architects drawings:- Site Plan DRG. NO. 21082/P/99, GROUND FLOOR PLAN DRG.NO 20182/P/100 and FIRST FLOOR PLAN DRG. NO. 20182/P/101.

3.4 The figures were prepared without the benefit of Service or Structural Engineering advice. It was also assumed, in the absence of any information, there are no unusual ground conditions and that piling, ground stabilisation or measures to deal with contamination will not be necessary.

3.5 No Client Contingency Allowance was included in the figures and it was assumed that the project will be let following a selected competition on the basis of a standard JCT Contract.

3.6 The figures exclude:

- Allowance for possible diversion or relocation of existing services beneath or adjacent to the site.
- Value Added Tax.
• All loose items of equipment, including fitness equipment, furniture, computer and telephone installations.

• Any upgrade or alterations to existing infrastructure including roads, services and drainage in order to facilitate development on the site.

OPTIONS FOR COST REDUCTION

3.7 Since the above costs were developed there has been a change in the potential mix of developments on site, and a consequent reduction in capital funding. The amount now likely to be available for a new swimming pool is £5m - £6m.

3.8 Therefore SDC needs to achieve either significant capital cost reduction on the proposed new facility, or identify an alternative approach to developing the new facility, whilst maintaining the identified minimum level of provision.

REDUCING THE FACILITY SCALE/DESIGN

3.9 Given the minimum size and scale of the facility required to meet identified current and future participation needs in Hythe, it is difficult to reduce the size of the proposed development, without compromising this. It is therefore hard to see where any capital cost reductions could be achieved other than in external provision, if this is developed as part of the overall site, as opposed to the swimming pool specifically. Excluding the cost of external provision i.e. car parking would reduce the capital cost to £10,712.070 (i.e. reduction of £1,242,939).

3.10 The facility design proposed is of high quality, but does not include expensive finishes etc, so there is unlikely to be significant savings from changing finishes, and certainly not of the magnitude of £4m-£5m.

3.11 Equally, at this stage it would be unwise to try and reduce capital costs by taking % amounts for e.g. contingency, services out of the overall costs, given that more detailed costing work will be necessary prior to construction. Such allowances will not, in any case, achieve the required level of cost reduction.

3.12 On the basis that there is little scope to reduce the costs of the proposed leisure centre set out above, the only two other options are:

• To procure the new facility in such a way as to reduce the capital cost to the Council

• or to consider developing the new facility on the basis of a standard facility model, which is pre-planned and costed.

PROCUREMENT ROUTE

3.13 The only way to reduce the Council’s capital costs through procurement is to follow the Design, Build, Fund and Operate (DBFO) route. The Council would need to state its facility requirements and ask consortia to quote competitively to design, construct, fund (on top of what the Council has available), and then operate, the new facility. Consortia would provide capital funding in exchange for a long term operating contract. Given the existing SDC facilities are operated in-house, this would clearly have implications for staff.
3.14 There are some advantages to this type of procurement approach i.e. single contract, but also disadvantages, such as timescales, cost and the overall transfer of risk to the operators which they do not necessarily welcome, which mean that it may not actually provide the most appropriate way forward. In addition, there is potential for a client to have less control over the design process.

3.15 The DBFO route is also only likely to attract a few consortia, as there are not many consortia with the requisite experience to deliver this type of contract.

3.16 A further complication is that the consortia, whilst often led by a leisure operator, may seek to establish a Special Purpose Vehicle (SPV) to develop the facility. Where there is a need to bring capital the SPV often includes a Bank as an equity or loan partner. There have never been many banks willing to get involved in leisure projects (which they view as inherently risky) but the current financial climate has made this situation worse. It is likely that any bids received under this procurement route will include large premiums to cover for bid costs, risk transfer and high profit margins thus negating the benefits of an integrated approach.

3.17 There is a growing body of evidence to suggest that the total capital cost of a leisure facility under this form of procurement is higher than under a more traditional approach because of the pricing of risk but also because all consortium partners are looking for their ‘slice of the cake’. It also doesn’t help that there is an imperfect supply side, which reduces competition. The following bullet points therefore summarise the challenges with the ‘consortium’ integrated approach in the current market from the suppliers’ perspective;

- Cost of bidding high relative to other forms of procurement
- Transfer of risk unacceptable resulting in high premiums
- Difficult to attract all consortium members for leisure projects, especially financiers

STANDARD FACILITY MODEL

3.18 The other option is to look at a standard facility model, where the design, and therefore the costs, are pretty fixed, which keeps the capital cost lower. One such model is the new ARC model, developed by GT Architects. This is explored as a concept and then its potential ‘fit’ with what SDC is trying to achieve in Hythe, in the next section.
4. The Arc Model Option

INTRODUCTION

4.1 GT Architects have developed and introduced the “Affordable Recreation Centre” (ARC) building design concept to the UK leisure market. It is a high quality, creative solution to the requirements of many clients for providing a mix of wet and dry sports facilities in a building that is inspiring, fun, full of activities, planned with people in mind and cost effective.

WHAT IS THE ARC MODEL?

4.2 Our 15 years experience in the Leisure Industry has identified that there is a standard baseline brief that usually comes from clients, which meets the aspirations of operators, the local community and revenue models with the following facilities:

- 25m 6 lane swimming pool
- Teaching water
- Wet change
- Cafe / vending / seating area
- Fitness Suite and changing
- Studio
- 4 court sports hall
- Administration
4.3 This facility mix has informed the base design for ARC.

4.4 There is a very large demand for new public, community sports centres, yet there are very few solutions on the market that unlock the ability for councils to deliver new build centres - principally due to budget constraints.

4.5 ARC has been created and developed with the input of experienced consultants, key operators, contractors and council leisure directors. We believe that ARC provides the industry with a creative solution and allows communities to be provided with the very best in recreation facilities.

DOES THE ARC MODEL MEET SHEPWAY DISTRICT COUNCIL’S NEEDS?

4.6 **ARC** - The ARC, as designed, meets the majority of the core requirements of Shepway District Council’s brief for a new leisure centre in Hythe.

4.7 It departs from the brief in two areas as follows:

- **Learner Pool size**: SDC requires a larger pool than the standard ARC model
- **Studio**: The ARC incorporates a studio at first floor which is not identified in the brief

*N.B Neither of the ARC models include a moveable floor.*

4.8 As noted in the brief commentary, the ARC has been put together through many years of experience in the leisure sector, through listening to many client groups and feedback from the commercial marketplace.

4.9 However, the proposals are designed with FLEXIBILITY in mind and can be adapted to suit most clients’ needs and situations.

ARC “ENHANCED”

4.10 The design concept has been developed to incorporate design flexibility. Where we note above the departures from the SDC brief, it is possible to develop the design as follows to meet the specific requirements for Princess Parade site and brief:

- **Larger teaching pool** – we have added this to show the impact
- **Studio** - At first floor level. This could either be retained for flexibility and revenue generation, or in this specific instance it could be omitted and the air handling plant that might usually be located on the roof would be located here. The site is very sensitive and relocating plant within the building envelope would certainly help to reduce the visual impact of the new building. It would also provide extra protection for the plant in the exposed maritime environment of Princes Parade.

ARC MODEL FACILITY MIX

4.11 The basic facility mix is as follows:

- **25m 6 lane swimming pool**
- **Teaching water**
• Wet change
• Cafe / vending / seating area
• Fitness Suite and changing
• Studio
• 4 court sports hall
• Administration
3D – ARC FIRST FLOOR LAYOUT
4.12 As noted, the building design has a degree of flexibility.

**MATERIALS**

4.13 The external material palette is a blend of simple, easily obtainable, yet striking materials, which deliver a fun and vibrant feel to the building.

4.14 The materials both inside and externally have been sourced where there are multiple suppliers around the country. This ensures that the local spend radius is small, no matter where the ARC is based.

4.15 The materials are both durable and easy to maintain. Whilst the ARC costs have been arrived through market prices with supply chain partners, it is important to emphasise that the client and operator can build in their own material palette as required. These changes can then be costed against the base model solution. This allows a high degree of flexibility within the design model.

**SUSTAINABILITY**

4.16 Innovation within ARC extends to the environmental and sustainability principles we are introducing. Some of the key principles are:

- **Careful thought into the choice of materials and their supply chain**

- **Innovation in the water treatment through a moss product.** This reduces the need for chlorine, halves the water consumption due to less backwashing (and hence energy savings) and helps those who suffer with asthma.

- **The use of Myrtha pool tanks (greener construction).** These tanks result in less maintenance and cleaning.

- **Natural daylight through large amounts of transparency**

- **Natural ventilation to the sports hall via windcatchers**

- **Innovation in improved air quality to wet side spaces.**

- **Sustainable sourcing of timber.**

- **Recycling of pool water for toilet flushing**

**WILL THE ARC FIT ON THE SITE? – 3 SITE OPTIONS**

4.17 Princes Parade has been identified as the preferred location for a new leisure centre. No specific location has as yet been identified for a new facility within this site. In terms of assessing the potential for development of the ARC on Princes Parade, three alternative locations along the Princes Parade waterfront site have been considered:

**Site Option 1** – To the East, close to existing buildings

**Site Option 2** – To the middle of the site, adjacent to the existing footbridge

**Site Option 3** – To the West, adjacent to the existing golf course
4.18 These three site options are shown on Map 1 below:

Map 1

4.19 The ARC building appears to fit on all site locations, although there will be costs associated with potential infill and support in site Options 1 and 2 due to the narrow nature of the site, and the proximity of the existing listed Military Canal. The site widens significantly towards the Western edge of the plot, which allows more breathing space for the building on the plot adjacent to the existing golf course.

DESIGN OPTIONS

4.20 For the purposes of this facility development review, we have indicated two alternative design proposals for each of the three sites, to show that they will fit on each site:

- **Option A**: ARC – the standard design model

- **Option B**: ARC “Enhanced” – Design amended to incorporate the larger pool required in the SDC brief and with plant located within the space formerly indicated as a studio (bear in mind that if plant is acceptable on the roof, and SDC wishes to incorporate a studio within the brief, then this is easily achieved in this design option)

SITE OPTION 1A - ARC

4.21 This site is to the east of the plot, adjacent to existing buildings and close to the existing road junction, petrol station and restaurant, Figures 1 and 2 overleaf.
Figure 1. Proposed ground floor plan & indicative car park

Figure 2. Roof Plan, with indicative car park layout
SITE OPTION 1B – ARC “ENHANCED”

4.22 This site is to the east of the plot, adjacent to existing buildings and close to the existing road junction, petrol station and restaurant, Figures 3 and 4 below.

Figure 3 Proposed ground floor plan with indicative car park

Figure 4 Roof Plan, with indicative car park layout and extended second pool and canopy
SITE OPTION 2A – ARC

4.23 This site is to the middle of the plot, adjacent to the existing footbridge, Figures 5 and 6 below.

Figure 5 Proposed ground floor layout with indicative car park

Figure 6 Roof Plan, with indicative car park layout
SITE OPTION 2B – ARC “ENHANCED

4.24 This site is to the middle of the plot, adjacent to the existing footbridge, Figures 7 and 8 below.

Figure 7 Proposed ground floor plan with indicative car park

Figure 8 Roof Plan, with indicative car park layout and extended second pool and canopy
SITE OPTION 3A – ARC

4.25 This site is to the West of the plot, adjacent to the existing golf course. As the site widens significantly at this point, there is greater flexibility in the proposed location of the building on the plot. We have indicated the building close to the beach frontage with the car park located to the side. (Figures 9, 10 and 11 below and overleaf). An alternative would be to set the building further back from the road and locate the car park in front of it, with enhanced landscaping and tree planting.

Figure 9 Proposed ground floor plan with indicative parking
Figure 10 Roof Plan, with indicative car park layout

Figure 11 Aerial view of Option 3A in context
SITE OPTION 3B – ARC “ENHANCED

4.26 This site is to the West of the plot, adjacent to the existing golf course. As the site widens significantly at this point, there is greater flexibility in the proposed location of the building on the plot. We have indicated the building close to the beach frontage with the car park located to the side, (Figures 12 below, and Figures 13, 14, 15, 16 and 17 overleaf and on the subsequent page). An alternative would be to set the building further back from the road and locate the car park in front of it, with enhanced landscaping and tree planting.

Figure 12 Proposed ground floor plan with indicative car park

Figure 13 Roof Plan, with indicative car park layout and extended second pool and canopy
4.27 Option 3B is the building layout that meets SDC’s brief and is located on the widened site plot. This is the site option that appears to offer the greatest flexibility in terms of where the building could be located on the site.

Figure 14 Aerial view of Option B in context

Figure 15 Aerial view of Option B in context

Figure 16 Aerial view of Option B in context
HOW IS THE ARC DELIVERED?

4.28 There are many different vehicles and procurement processes for delivering ARC, including traditional procurement methods eg procurement up to RIBA Stage D via “SCAPE” (access agreement), or for consultancy up to RIBA Stage D (through a project manager eg Faithful & Gould) or direct appointment through contractors such as Willmott Dixon (“SCAPE”) or Morgan Sindall (“LIFT”) to deliver a design and build solution. As a practice GT Architects have a wealth of experience of designing leisure buildings from concept through to delivery on site, and we have also worked with all of the main contractors in this field, so whichever procurement method is chosen, we can deliver.

CAPITAL COSTS

4.29 The capital costs for the two arc design options are as follows:

1. ARC “BASE MODEL” DATA

<table>
<thead>
<tr>
<th>Ground Floor GIFA</th>
<th>2510 sqm</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Floor GIFA</td>
<td>1165 sqm</td>
</tr>
<tr>
<td>Basement GIFA</td>
<td>150 sqm</td>
</tr>
<tr>
<td>Total GIFA</td>
<td>3825 sqm</td>
</tr>
</tbody>
</table>

Base Scheme Cost £5,950,000

Cost per Sqm £1555 / sqm

- Assumptions
  - No external works / site services and infrastructure / car park not included
  - Excludes loose fixtures and fittings
  - Includes fixed items such as lockers and cubicles
  - Includes fees
  - Inflation depending on time of build
  - Assumes good ground conditions

4.30 These are the base costs at today’s market conditions without allowances for inflation etc.
2. ARC “ENHANCED MODEL” DATA

Ground Floor GIFA       2720 sqm
First Floor GIFA        1207 sqm
Basement GIFA          150 sqm
Total GIFA             4077 sqm

Base Scheme Cost          Estimate £7.5 Million

• Assumptions

  No external works / site services and infrastructure / car park not included
  Excludes loose fixtures and fittings
  Includes fixed items such as lockers and cubicles
  Includes fees
  Inflation depending on time of build
  Assumes good ground conditions

4.31 These are the base costs at today’s market conditions without allowances for inflation etc
5. Conclusions and Recommendations

INTRODUCTION

5.1 This study looks at the need for SDC to reduce the capital costs of the proposed replacement facility for Hythe Swimming Pool, given the changes in the make-up of the mixed use development which the Council is considering for Princes Parade.

5.2 The study identifies the potential options that SDC should consider, and identifies the one that could provide the optimum capital solution, without reducing the proposed facility scale and mix.

CONCLUSIONS

5.3 Achieving a £4m-£5m reduction in the capital costs of the proposed leisure centre on Princes Parade is a significant challenge; this level of cost reduction cannot be achieved by simply reducing the quality of the internal finishes, taking out contingencies, or even excluding the external works.

5.4 A saving this significant can really only be achieved through either procuring and funding the new facility through an external consortia, who would then require a long term operational management contract, in exchange for the capital investment, or by constructing the identified facilities using an alternative design and model.

5.5 Using a DBOM procurement route has both advantages and disadvantages, but on balance is unlikely to achieve the Council’s aspirations, and would result in externalisation of the facility’s operational management.

5.6 The only option therefore, unless the scale of proposed facility provision is reduced, which means the new facility would be unlikely to meet identified current, let alone future need, is to consider a standard design model.

5.7 The ARC is a new facility model in the UK leisure market, developed as a result of market feedback. It is designed to provide core community facilities which are accessible, fun to use, and efficient to use.

5.8 The ARC design is also very flexible.

5.9 In relation to the SDC brief, two potential design options have been identified:

- The Base ARC Model
- The Enhanced ARC Model

5.10 There are two main differences between the Base ARC Model and SDC’s minimum facility brief, as follows:

- **Learner Pool size:** SDC requires a larger pool than the standard ARC model
- **Studio:** The ARC incorporates a studio at first floor which is not required in the brief
5.11 It is, however, possible to design the ARC Model incorporating the SDC brief – this is the Enhanced Arc Model. This model retains a 4 badminton court sports hall, and a studio at first floor level.

5.12 It is important to emphasise that the Enhanced ARC Model is the only option which provides sufficient water space to meet both current and future needs, as identified in the 2012 Feasibility Study. The fact that there is a studio means that this option also provides more revenue generating opportunities, without compromising on the minimum facility mix required by SDC.

5.13 Both the identified ARC design options (Base and Extended) fit onto all the three site options highlighted as potential locations on Princes Parade.

5.14 Option 3 is the location to the West of the Princess Parade site. This site option provides the optimum location for a new leisure centre; as a site this location provides more space for a new building than either site Options 1 or 2.

5.15 The Enhanced ARC option provides the best facility mix in terms of meeting the SDC brief. It also incorporates additional space i.e. the studio, which will generate additional revenue.

5.16 The capital cost of the Base ARC Model is £5,950,000.

- **Assumptions**
  - Assumed good ground conditions (standard foundation solution and not piled)
  - Level site
  - No Contamination
  - Service connections not included
  - Drainage connections included (no provision for attenuation)
  - External works by others
  - Excludes loose fixtures and fittings such as gym equipment but includes fixed FF+E (such as lockers and cubicles)
  - Fees included
  - Inflation may need to be factored in dependent on build time

5.17 The capital cost of the Enhanced ARC Model is £7,500,000.

- **Assumptions**
  - Assumed good ground conditions (standard foundation solution and not piled)
  - Level site
  - No Contamination
  - Service connections not included
  - Drainage connections included (no provision for attenuation)
  - External works by others
  - Excludes loose fixtures and fittings such as gym equipment but includes fixed FF+E (such as lockers and cubicles)
  - Fees included
  - Inflation may need to be factored in dependent on build time

5.18 This means that the cost of developing the Base ARC Model on Site Option 3 would be within the identified SDC cost envelope of £5.7m - £6m. However, the Base Arc Model does not meet the minimum SDC facility mix brief.
5.19 This means that the cost of developing the Enhanced ARC Model on Site Option 3 would be outside the identified SDC cost envelope of £5.7m - £6m.

5.20 It is recognised that there is a £1.5m capital funding gap between the SDC affordability envelope and the cost of the Enhanced ARC model; however, the capital cost of £7.5m is almost £5m cheaper than the facility design previously costed on the same site on Princes Parade (2012 Feasibility Study report), and as identified in the analysis it is unlikely that there will be a less expensive option of developing a new leisure centre.

RECOMMENDATIONS

5.21 On the basis of the above review and analysis it is recommended that:

**RECOMMENDATION 1 (R1):** SDC should proceed with the development of a new leisure centre on Princes Parade to replace the existing Hythe Leisure Centre.

**RECOMMENDATION 2: (R2)** Given the reduced capital available to develop a new leisure centre, SDC process with development of the ARC Model.

**RECOMMENDATION 3 (R3):** Given the fact that the Base ARC Model does not meet the minimum specified brief of SDC for facility scale and scope, SDC should proceed with the Enhanced ARC Model.

**RECOMMENDATION 4 (R4):** Site Option 3 is confirmed as the location for the new leisure centre.

**RECOMMENDATION 5 (R5):** SDC identifies additional capital funding to facilitate the development of the Enhanced ARC Model.
DISCLAIMER

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Strategic Leisure Limited
The Whitehouse
Greenalls Avenue
Warrington
WA4 6HL
United Kingdom

Tel. 01925 438064
Fax. 01925 438 065
www.strategicleisure.co.uk