

This Report will be made public on 11 December 2012

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number

C/12/51

To: Cabinet
Date: 19 December 2012
Status: Key Decision
Head of Service: Jeremy Chambers, Strategic Projects
Cabinet Member: Councillor Bliss, Leader of the Council

SUBJECT: NEW POOL FEASIBILITY STUDY

SUMMARY: The section 106 planning agreement for the Nickoll's Quarry development contains provisions regarding a financial contribution towards a sports, leisure and community centre facility. The financial contribution includes funds for a feasibility study to be undertaken to determine the most suitable location for the new facility. This report outlines the recommendations of Strategic Leisure, the consultants commissioned to undertake the feasibility study.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations as set out below because:

- a) Strategic Leisure has carried out a thorough feasibility study for a new pool in the vicinity of Hythe;
- b) Strategic Leisure's recommendations are clear, particularly regarding the minimum facility mix and preferred site for the new facility.

RECOMMENDATIONS:

1. To receive and note report C/12/51.
2. To support and endorse the recommendations contained in the feasibility study prepared by Strategic Leisure dated August 2012.

1. BACKGROUND

- 1.1 The current pool in Hythe was constructed during the mid 1970s under a 'turn key' contract. These contracts were a typical and popular method of procuring construction projects at that time. They were a quick method of developing a site but had some disadvantages. The building was constructed of basic quality materials, i.e. LBC bricks and the roof covering had to be replaced after approximately ten years.
- 1.2 The building has served its purpose well but it is now expensive to maintain and there is potential for a number of failures that would be expensive to remedy and require the pool to be closed for a relatively long period of time, e.g. boiler failure, pool structure failure and roof repairs. The pool building is now coming to the end of its economic and viable life.

2. NICKOLL'S QUARRY SECTION 106 PLANNING AGREEMENT

- 2.1 Under the s106 agreement there is a total developer contribution of £3,200,000 for what the agreement calls a sports, leisure and community centre. An initial £100,000 is available to the council for a study to determine feasibility of building a sports, leisure and community centre on land at Nickoll's Quarry. The council can require an additional £100,000 for the study if needed.
- 2.2 On completion of the feasibility study the council can either: -
 - a) utilise the balance of the £3,200,000 developer contribution for the improvement of sports, leisure and community facilities in the district **with priority given to Hythe**, or
 - b) submit a planning application for a sports leisure and community facility at Nickoll's Quarry provided the 100th dwelling is completed and sum for making the application does not exceed a further £200,000.
- 2.3 If planning permission is granted for the facility, the council must give the owner of Nickoll's Quarry notice if it intends to implement it or not. Upon being served a notice to implement the planning permission the owner must remediate, grade and compact the land and provide services and access to it within 18 months.
- 2.4 The owner of Nickoll's quarry would have to offer the land to the Council for £1 and pay the sports and leisure contribution in full, less amounts already paid to the Council.
- 2.5 If not implementing the planning permission, the Council can collect the contributions, less expenses already incurred as follows:
 - 20% prior to the completion of 50 dwellings;
 - A further 20% prior to the completion of 100 dwellings;
 - A further 20% prior to the completion of 150 dwellings;
 - A further 20% prior to the completion of 200 dwellings;
 - The balance prior to the completion of 250 dwellings.

2.6 The agent acting on behalf of the owners of the Nickoll's Quarry site is currently discussing with the Head of Planning potential variations to the section 106 legal agreement including the triggers for payment of the sports, leisure and community contribution. These discussions are part of a package of measures that would allow a viable scheme to be submitted for phase 1 of the site. Any proposed changes to the 106 agreement would be subject to a decision by the Development Control Committee.

3. THE SCOPE AND AIM OF THE FEASIBILITY STUDY

3.1 The council's ability to utilise the funding available under the Nickoll's Quarry planning agreement is limited geographically by the wording 'priority given to Hythe'. With this in mind defining the geographical scope of the feasibility study was considered and a radius of 2½ miles from the current pool site was agreed. A 5 miles radius was considered but this took in most of the eastern extreme of the district and it was felt that this would be unlikely to satisfy the constraints of the planning agreement.

3.2 Within the 2½ miles radius of the existing pool site three sites were identified that were either owned by the council or available to the council at no cost. The sites are:

- The current pool site at South Road, Hythe;
- Princes Parade between Battery Point and the golf course adjoining the Hythe Imperial Hotel;
- The land identified and available at Nickoll's Quarry.

3.3 The brief also asked consultants to identify other potential sites (if any) within a 2½ miles radius of the existing pool site.

3.4 The aim was to undertake a feasibility study (nature, location, timescale, capital cost, management and potential funding and procurement routes) to develop a replacement Hythe Swimming Pool.

3.5 The brief to consultants confirmed the key drivers are:

- To release the council from an existing maintenance liability;
- To be cost neutral;
- To reflect demand within the district;
- To secure the most appropriate site for the new facility.

3.6 At the beginning of the year Sport England carried out an analysis of the unmet demand for swimming pool provision in the district using their 'Facility Planning Model'. The modelling shows that, even with the current pool open, there is an unmet demand in the west of the district in the New Romney vicinity.

3.7 The provision of a facility in the vicinity of New Romney remains an aspiration for when funding becomes available. The priority is a new facility for the Hythe area and the funding from Nickoll's Quarry restricts the area to the vicinity of Hythe, as detailed in paragraph 3.1 of this report.

4. APPOINTMENT OF STRATEGIC LEISURE

- 4.1 Eight tenders were received with costs ranging from £9,925 to £23,588. The tender appraisal process was carried out in two stages, namely a desk top appraisal of the written submissions and secondly further appraisal following presentations and interviews.
- 4.2 The consultant was requested to provide quotations for each of the identified activities and following submission of quotations attend an interview with the project team to discuss the quotation in more detail.
- 4.3 The tender was to be awarded in accordance with the Procurement Guidance Document for the appointment of Consultants and Contractors, published by HM Treasury with a quality/price split of 60%/40% respectively. The quality of the submission was assessed against the following criteria: -

Methodology	(10% weighting)
Experience of similar consultancy work	(25% weighting)
Personnel	(20% weighting)
References	(15% weighting)

The final 30% was awarded for innovation and flexibility following the presentation and interview process.

- 4.4 The tender list was compiled using a combination of known consultants that have a proven track record of working with public organisations and the Sport England framework of consultants.
- 4.5 The assessment concluded that Strategic Leisure submitted the most advantageous tender in terms of price and quality combined and as a result offered best value.

5. STRATEGIC LEISURE'S FEASIBILITY STUDY

- 5.1 Cabinet will receive a 10 minute presentation from a Strategic Leisure representative at the meeting.
- 5.2 Based on Strategic Leisure's analysis, the preferred site for the development of a replacement swimming pool in Hythe is Princes Parade, Hythe. The challenge will be overcoming the planning constraints identified in the report, 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 Princes Parade as the recommended 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.
- 5.3 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.

5.4 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.

5.5 Set out below is a summary of the recommendations from the feasibility study.

5.6 Recommendation 1

The minimum facility mix to be developed should be: -

- 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 multi purpose 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;
- One car park space per 22m², 8% of car parking for disabled spaces and 2 coach parking bays;
- Combined heat and power to service the building.

All facilities to meet Sport England Design Guidance 2011 and provide for swimming competition timing equipment

5.7 Recommendation 2

The recommended site for the development of the new Swimming Pool is Princes Parade.

5.8 Recommendation 3

Given the planning challenges on the Princes Parade site, it is recommended that the findings of this study are integrated with the separate, but linked masterplan study as soon as possible, and that early steps are taken to start to mitigate against the risks associated with the planning process e.g. through design and site layout.

5.9 Recommendation 4

A detailed project plan is developed setting out the project stages and timescales, as soon as these become clearer.

5.10 Recommendation 5

The Council gives early consideration to the operational management options for the new facility, to agree the future delivery model and direction.

5.11 Recommendation 6

The Council should take steps to: -

- Develop indicative revenue estimates (income and expenditure), for the new facility;
- Confirm the level and sources of all project capital funding;
- Confirm the location of the new leisure facility on Princes Parade;
- Develop detailed facility designs and layout;
- Undertake all necessary pre-development/planning surveys;
- Develop outline and detailed planning applications;
- Review and assess all procurement options for the facility development – construction and operational management;
- Confirm project timescales;
- Develop a detailed Project Plan to facilitate project progress and also monitoring of progress.

5.12 A copy of the full report can be accessed on the council's website at the following address: <http://www.shepway.gov.uk/content/view/201481/54/>

6. FINANCIAL IMPLICATIONS

6.1 Whilst there are no direct financial implications the feasibility study has confirmed that the cost of a new pool will considerably exceed the balance of the £3,200,000 available as planning contributions from the Nickoll's Quarry section 106 agreement.

6.2 Strategic Leisure suggest that the cost of any new facility will be in the region of £11m - £12m. Should a new pool, as suggested, be built on Princes Parade, the council will need to find approximately £9m to fund the new facility. There is insufficient detail at this stage to comment further on how this gap could be bridged although the current pool site could contribute, as potentially could other developments, including Princes Parade itself.

7. CONCLUSION

7.1 Strategic Leisure has carried out a thorough feasibility study for a new pool in the vicinity of Hythe. Strategic Leisure's recommendations are clear, particularly regarding the minimum facility mix and preferred site for the new facility.

7.2 The challenges for the sites are also equally clear and should not be underestimated.

7.3 Cabinet can choose to endorse and support the recommendations contained in the feasibility support. Alternatively, Cabinet is free to make a different decision. The results of the feasibility study do not bind the council or require it to take any steps.

8. RISK MANAGEMENT ISSUES

8.1 A summary of the perceived risks follows:

Perceived Risk	Seriousness	Likelihood	Preventative
Difficulty in overcoming Planning constraints causing delay to programme.	High	Medium	Ensure that a site specific risk register is developed that includes all relevant planning issues. Also ensure that regular updates with the local planning authority. Ensure the timetable for the project includes a contingency covering planning constraints.
Inappropriate facilities mix	Medium	Low	Ensure a robust needs assessment carried out by the consultant.
Inability to address funding gap.	High	Medium	All potential funding streams fully assessed.
Lack of support from Sport England.	High	Medium	Continue to involve representatives from Sport England in the project particularly at planning stage.

9. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

9.1 Legal Officer's Comments (PW)

All the legal issues that arise have been addressed in the main body of the report.

9.2 Finance Officer's Comments (MF)

Financial implications are considered in section 6 of the report.

9.3 Diversities and Equalities Implications (JC)

There are no diversity or equality implications within the report.

10. CONTACT OFFICER AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officers prior to the meeting: -

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The following background documents have been relied upon in the preparation of this report;

Nickoll's Quarry Section 106 Planning Agreement

Appendices:

None