

# Hythe Swimming Pool & Related Developments

## Appraisal of the Options

3<sup>rd</sup> September 2014

### ABSTRACT

*This detailed appraisal of the 3 possible site options for a new leisure centre for Hythe is based upon detailed research. All relevant arguments that impact on the final decision to be taken by Shepway District Council are considered in detail. Since the Council have already taken the provisional decision to adopt the Princes Parade option, this is taken as the starting point for the appraisal.*

*It is shown that the Princes Parade option has major difficulties as a project because of a long, indiscriminate and uncertain history of landfill that started early in the last century. This is exacerbated by the close proximity of the proposed development to the Royal Military Canal, an ancient monument of national importance and a key visual amenity for Hythe. The site is extremely difficult and expensive to develop, with major technical and financial risks. That project option is also financially dependent on the building of a new school on the site plus an estate of town houses on the seafront. If implemented, this project may also set a precedent for developing the adjacent golf course.*

*Of the alternatives, the option of building on the old Nickolls Quarry site is shown, overwhelmingly, to be the best solution in being of lower risk, financially advantageous and in satisfying the long term needs of the community. It uniquely benefits from land and infrastructure provision already allocated for the leisure centre; that major land asset will be lost if an alternative site such as Princes Parade is chosen.*

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## Appraisal of the Options

### 1 INTRODUCTION

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- 1.1 There is widespread agreement that there is a need for a new swimming pool in the Hythe area. Shepway District Council (SDC) took the decision on 28<sup>th</sup> May 2014 – subject to the acquisition of satisfactory cost data – to meet that need by building a Leisure Centre on Princes Parade, together with a new primary school and up to 36 town houses. It was also decided that the undeveloped one third of the site would be enhanced to become a green open leisure area.
- 1.2 The proposed project has evoked a great deal of emotion within the community, in part because people believe all possible options have not been explored fully and not all relevant information has been placed before the decision-makers.
- 1.3 This paper examines in an impartial manner the Princes Parade solution currently being proposed, and compares the key factors with those for the other realistic alternatives, namely:
  - South Road Hythe – the site of the current swimming pool, and
  - The Nickolls Quarry site, for which outline planning permission was granted in May 2010 for 1,050 houses, including provision of a site for a Sports and Community Centre.
- 1.4 While in principle other possible site options may exist, such possibilities are not addressed within this report since they have been investigated previously by SDC, leading to the above short-list of 3 sites.
- 1.5 The information used in the assessment undertaken for this report is entirely factual and totally consistent with the data provided by SDC and their consultants, as reported in the listed referenced documents. No attempt will be made to produce cost estimates, however the general statements that are made in respect of financial matters are based on figures that have been checked by Chartered Surveyors who are both highly qualified and very experienced in the development of, and have a particular expertise in, financial viability appraisals.

### 2 KEY FACTS

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#### ***A. The people of Hythe have stated clearly that they want a new swimming pool.***

- 1) The existing swimming pool and supporting facilities at South Road Hythe are in poor condition and need replacing. There is a significant risk that the plant equipment will fail, also the building is in a poor state. The facility as a whole is a liability, being both expensive to operate and maintain.
- 2) Local residents have given strong support for a new swimming pool although they have not been consulted on their preferred choice of site. All consultations to date have specifically been undertaken in the context of Princes Parade and the public is unaware that there are viable alternatives that might be favoured if offered.

**B. Many people feel that their views on the Princes Parade Project have been misrepresented by SDC and have not been taken fully into account.**

- 1) While the author can appreciate how that view may have arisen, this is not a matter of relevance to this paper, for which the aim is to make an objective assessment based upon factual information.

**C. The proposed Princes Parade Project is totally dependent on building houses on the seafront site in order to provide sufficient funding.**

- 1) The intention is to make up the shortfall in funding by building a maximum of 36 “quality homes”. It will however be necessary to build the maximum number possible in order to release sufficient funds. The houses, although claimed to be “low profile”, will inevitably be three storeys high in order to offer flood protection. All construction will be on top of ground that is already at an elevated level above the road and this will be increased yet further by the necessity to add a layer of encapsulation above the existing landfill.
- 2) The presence of these houses will remove any ability to view the attractive vista that is an important key feature of Hythe, as is currently appreciated when walking along the promenade. The setting of the Royal Military Canal with open ground to the sea and the ability to appreciate its important historic purpose will be sacrificed, as well as having a detrimental impact on the panoramic views from higher ground.
- 3) It is unclear as to SDC’s intentions regarding the inclusion of the necessary quota of Affordable Homes (AH) on Princes Parade. Since it is arguable whether AH should be classed as “quality homes”, maybe SDC will decide not to include any on the seafront. SDC/KCC might decide instead to place a disproportionate number of AH’s on the Eversley Road site, upon which it is intended to build 40 houses as part of their joint project.

**D. Princes Parade land has been used over a long period in the past as a general landfill dump and a waste tip, and contains unknown levels of contamination.**

- 1) There is much anecdotal information about the history of landfill on the site prior to the 1940’s. From 1946 until 1972 it was used as a domestic waste tip prior to SDC taking ownership in 1974. Development on the site is undoubtedly possible but will be extremely costly and it presents substantial risks due to the unknowns that cannot be finally determined until construction is underway.
- 2) The cost of removal of such a high quantity of contaminated waste to a licensed tip is so high as to rule it out as a financially viable proposition. The depth of waste is about 5 metres over a large proportion of the 18 acres site. In addition it would be necessary to refill the excavated area and re-compact the site, returning it to a level above the flood plain.
- 3) The waste itself would not be expected to present major problems provided it is not disturbed during construction. However much of the area would need to be capped with concrete and an overlay of top soil will be required for gardens; gas venting may be needed around the site; and major piling will be required to a depth of between 6 and 8 metres to support buildings.
- 4) Selling houses built over a rubbish tip can be expected to be more difficult than normal: some solicitors will be reticent to encourage buyers to proceed with any such proposed purchase and insurance premiums are likely to be high. On the other hand, the seafront position will be attractive. It is not however an ideal environment for school-children. For open space areas there are no issues other

than ensuring the ground will not be used for deep cultivation (e.g. allotments), and any gases that are still created after 40+ years should vent satisfactorily into the atmosphere. The ground will be influenced by sea water at a depth of about 8 metres: the impact on any residual contaminants is unknown.

**E. *There is no utility supply infrastructure in the vicinity of Princes Parade.***

- 1) The provision of sewerage and utility services to the Princes Parade site will be extremely costly since they need to be run along the road from Seabrook.
- 2) Such costs would be substantially lower for the existing South Road option since the services already run to that site and, for Nickolls Quarry, the developer is required to provide these up to the boundary with the Leisure Centre land.

**F. *The Local Plan policy that applies to Princes Parade would need to be amended to remove the protection offered by its current LR9 designation.***

- 1) The current policy designation for this land is LR9 – *protection & provision of open space*, with a small area at the eastern end allocated for *low scale recreation/community facilities* (Policy TM8). Neither policy allows houses to be built.
- 2) Options for a new Local Plan are due to be made available for public consultation in Nov 2014, when it can be expected that SDC will propose the necessary amendment to the above Policy designation. This will be followed by a second stage of consultation from July 2015; after public examination, the Local Plan is scheduled for final adoption in Nov 2016. The outcome of the Local Plan review will be a key factor in determining whether planning consent will be granted for the development of Princes Parade.

**G. *It is likely that if the proposed Princes Parade development goes ahead it will set an irretrievable precedent for development of the adjacent golf course.***

- 1) The importance of this was under-estimated by the SDC Cabinet (28 May 2104), at which the belief was expressed that such an application is solely a matter for the Councils' Planning (Development) Committee, and their members would be able to exercise their power to reject it. However it is important to recognise that the recently revised planning procedures now operate on the basis of a "presumption in favour" of approval which is likely to make rejection difficult.
- 2) It is known that GSE, the developers who own the Hythe Imperial golf course, have aspirations to develop the site.

**H. *SDC has stated an intention to put in place a legally binding covenant to protect the green parkland part of the Princes Parade development***

- 1) Approximately one third of the 18 acre area will be formed into a new parkland area.
- 2) SDC proposes to put in place a covenant covering that area, in which the community as a group would become the beneficiary. The aim is to protect that land from "any future development proposals not directly related to the site's leisure and educational objectives". The form of wording currently proposed will not be effective however in preventing buildings being added in support of the Leisure Centre activities and needs further drafting.
- 3) While an appropriately crafted covenant can be effective for the SDC-owned land it will have no applicability in protecting the golf course from development.

***I. Unless additional funds are made available, none of the Leisure Centre projects (i.e. Princes Parade and alternatives) will be able to proceed without the s106 contribution from the Nickolls Quarry development.***

- 1) The Nickolls Quarry Planning Agreement granted in May 2010 provides for £3.2M to be made available as a contribution to the provision of a Leisure Centre for Hythe. This so called section 106 contribution is one element of a larger sum of money to be made available to SDC to support the needs of the 1,050 new houses and the community infrastructure related to the development.

***J. A 4-acre plot of land has been allocated for a Leisure Centre for Hythe as part of the Planning Approval granted in May 2010 to build an estate comprising 1,050 houses on Nickolls Quarry.***

- 1) Nickolls Quarry is 2.2 miles to the west of Hythe Town Hall on the A259 road to Dymchurch. This will be an attractive development with spaces for a comprehensive range of community facilities, businesses and shops. The plans include a lakeside park and adjacent land has been set aside specifically for a Sports Leisure and Community Centre for Hythe.
- 2) Not all of the benefits conveyed in the s106 Agreement will be realised if the Leisure Centre is built on another site, such as Princes Parade or South Road.
- 3) Provided the Leisure Centre is built on the Nickolls Quarry site, ownership of the land earmarked for the purpose will be transferred to SDC for the sum of £1. Conversely, should the Centre be built elsewhere, the land will revert to Nickolls Properties Ltd and SDC will forego the acquisition of a valuable land asset.
- 4) A further key provision of the s106 Agreement is the requirement that the developer provides infrastructure services up to the Leisure Centre land. For any other site the infrastructure services would need to be provided by SDC and the costs for this will be substantial.
- 5) The house building phases have not yet commenced although the ground preparation work is now progressing well to achieve the desired levels. A £4.7M central government loan has recently been made available to speed up the project. (This information was not available for the 28 May 2014 Cabinet meeting).
- 6) A significant concern is the inevitable increase in traffic density. Not only will this impact on the immediate locality, this will affect the A259 leading up to the RHD railway intersection since there is no sensible alternative route for the new residents to make their way to the M20. The only alternative would be to go through the narrow lanes of West Hythe and Lympne Hill.
- 7) While there was considerable public opposition at the time – with reasons that included concern over traffic levels and flood risk – planning consent was granted in 2010 after having taken this into account and with awareness of the intention to place the Leisure Centre on the site.

***K. Due to the complexity of the Princes Parade site there is a real possibility of cost escalation beyond manageable funding levels.***

- 1) While it is unlikely that difficulties will be encountered that cannot be overcome at increased cost, there are very strong indications that the “high level” estimates, available to SDC for their 28 May 2014 Cabinet meeting, are already too low by a substantial margin.

- 2) It is known that the base cost estimates made by the consultants, GVA, excluded the costs associated with the difficult ground conditions, car parking, infrastructure services and a range of essential external works. They have allowed only a further lump sum of £1.6M for those elements, while omitting a number of additional major items. There can be no doubt that their additional allowance is a massive under-estimation. It is believed that the difference will take the costs up to significantly more than the budget, even after the £3.2M from the s106 has been included.
- 3) The risk of cost escalation is therefore high. This may either become apparent at the tender phase or downstream if the successful contractor is found to have underestimated the complexity of the job or, more likely, the contractor will seek to exclude certain risky elements from the contract price. If difficulties are experienced during the construction work, as is likely, this could either mean that SDC will need to agree to additional work to overcome them, or decide to terminate the contract due to insufficiency of funds and leave the site in an unfinished state. Further, the joint arrangements that intertwine the two authorities, due to the dependence of receipts from each of their individual land assets, is a complication that is likely to mean that SDC could end up carrying a disproportionate financial risk (rather than KCC) which would ultimately get passed down to Shepway's council tax payers.

***L. The existing swimming pool site in South Rd is large enough to accommodate a new pool and enhanced facilities.***

- 1) While there is no numerical evidence to support this, it is believed that the most popular choice would be to replace the pool with improved facilities on the existing site.
- 2) It has frequently been stated that the current site is too small to accommodate a 25 metre, 6 lane pool, plus teaching pool and sufficient additional facilities to make it a viable centre. The existing swimming pool building fails to occupy the site in an effective manner and there is clearly sufficient space for a new building that would accommodate the Leisure Centre "minimum facility mix" proposed by Strategic Leisure (Ref 3). The author has viewed diagrams produced by the Chartered Surveyors & Construction Consultants, Martin Arnold Associates, showing two possible designs for a Leisure Centre on the site. Those example designs fit onto the site and extend up to the promenade to give access to the seafront from where the centre's café can be accessed.
- 3) There are however some issues with this proposal:
  - Although it is possible to provide the same number of car parking spaces as at present, this falls well short of the 100 spaces included in the Princes Parade Project. The provision of fewer parking spaces may however be acceptable due to the closer proximity to the town. In principle, a possible solution would be to seek release of a 4 metre strip from the Hythe Town Council recreation land that sits immediately opposite the pool. This is unlikely to be popular.
  - In order to provide funding for the project it would be necessary to build flats above the pool. The Princes Parade Project includes the building of 60 flats on the South Road site, for which there would need to be some on-site car parking facilities. If flats are built above the pool, as has been suggested by the construction consultant, then the ground floor level would not be available as car parking for the flats, also the number of flats that could sensibly be accommodated would be significantly less than 60 unless the height of the building is permitted to exceed that of the adjacent block of flats.

- The pool would be unavailable for use while the construction work is being undertaken – that is for about 18 months.
- It is known that the residents of South Road have concerns about traffic and parking in the road.

**M. The Princes Parade Project relies on KCC's willingness to build a replacement for the Seabrook primary school on SDC's seafront site.**

- 1) This would be a replacement for the C of E Primary School on Seabrook Road. The responsibility for providing this rests with Kent County Council, who already have outline planning permission (granted Feb 2011) for building a school on their own Eversley Road site. Note too that the church commissioners have an interest.
- 2) The Princes Parade Project requires capital receipts to be generated through the building of houses on KCC's Eversley Road land, which would then provide funding to SDC to enable the proposed Leisure Centre to be built. In return KCC would be permitted to build the school on SDC's Princes Parade land. This means that there will need to be an arrangement between KCC and SDC to enable the transfer of land assets between the two authorities, which is likely to be difficult in view of the uncertainties and risks involved in the project.
- 3) The Eversley Road site has been earmarked as the site for a new school for many years, possessing the planning policy designation LR12 – *protection of school playing fields*.
- 4) KCC's position regarding placing a school on Princes Parade is believed to be generally supportive but open-minded, at least until more detailed information becomes available. The current school in Seabrook Road is very popular, it has a small intake and has been rated by Ofsted as "Outstanding". Clearly it would make sense for KCC (and the Church Commissioners) to give careful consideration to Princes Parade as a site for a new school if it can be shown to be sufficiently attractive in releasing capital receipts to fund the build programme. As far as is known, KCC has not yet been able to address the suitability of the site in regard to its seafront position and land-fill history, nor in regard to assessing the financial risk that applies to all construction work on Princes Parade.
- 5) The Eversley Road site is currently being used informally as a recreation ground but whatever is decided for this site – new school or houses – the ability to continue using it for that purpose will ultimately disappear.

**N. If the Princes Parade Project goes ahead there will be no public open space whatsoever in Seabrook.**

- 1) In prior years Princes Parade was available for public use but it has not been accessible since 2003 when a fence was erected, following the application of a large overlay of silt dredging's from the canal the previous year. Subsequently a ditch was formed alongside the road (it is believed, to prevent access by travellers) and later signs were erected to deny public access. In 2010 an application was made to register the site as a Village Green but SDC challenged and defeated the application on the grounds that the 20-years 'right of access' requirement had not then been satisfied. The land has since become heavily over-grown.
- 2) The residents of Seabrook may currently consider the Eversley Road site to be public open space usable as a "recreation ground". That status is unofficial and recreational access will no longer be possible if either houses or a school are built on the site.



- 3) Some local people consider Princes Parade to be a “mess that needs clearing up”, while others prefer it to be wild and unmanaged. The area is uneven scrub land with rough grasses and wild bushes, and this has helped stabilise the area over time.
- 4) Since the ground on Princes Parade is now considered suitable for a major development, it should likewise be safe for local volunteers to be granted access to turn the area into managed park-land. This could sensibly include the retention of the area as a wild-life habitat together with tidied-up areas for public leisure use. Various sources of funding are believed to be available to enable this to be achieved at no expense to SDC, subject to the Council providing unfettered long term access.

***O. The Enhanced ARC (Affordable Recreation Centre) model proposed for the Princes Parade Project has been built once before at De Montford University, Leicester.***

- 1) The two-storey building has been designed by S & P Architects, the firm behind the London 2012 Olympic Aquatic centre. The De Montford centre, which has very similar facilities to those proposed for Hythe, was completed in July 2012, 15 months after award of contract; the cost is understood to have been approximately £8M. Except for the specific difficulties associated with the Princes Parade site, the basic build cost estimates can therefore be considered to have been reasonably well established.
- 2) The design is likewise suitable for building on the Nickolls Quarry site but a different design would be needed for the existing pool site on South Road.

### **3 ANALYSIS OF THE OPTIONS**

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#### ***3.1 Princes Parade Project***

3.1.1 The history of the Princes Parade site and the background to the 28 May 2014 decision to proceed with this project is, importantly, outlined in Appendix A. The Cabinet decision was based upon “high level” cost estimates presented in GVA’s consultancy report, and it was agreed that the figures needed to be subject to a more detailed investigation.

3.1.2 The project comprises:

- The building of a Leisure Centre at the eastern end of Princes Parade (although that positioning is yet to be confirmed).
- The building of a new primary school on Princes Parade.
- Creation of parkland on about one third of the site for public leisure use, such parkland to be protected from future development by a legally binding covenant.
- The building of up to 36 quality homes, referred to as “quality homes” (i.e. 3-storey town houses) from which sales receipts will contribute funds to the project (but in reality no prospect of returning sufficient funds with fewer houses).
- Building 60 flats with undercroft parking on the site of the existing swimming pool in South Road to generate sales receipts to contribute funds to the project.
- Building 40 houses on KCC’s Eversley Road school playing field site to generate sales receipts to contribute funds to the project.

- Building of houses on the existing Seabrook Rd site (owned jointly by KCC and the Church Commissioners) to generate sales receipts to contribute funds to the project.



*Seaview Bridge from North of the canal looking SW over Princes Parade. Houses will protrude over the bushes.*



*Princes Parade plan with houses to west of Seaview Bridge, School (brown - east of a new bridge) & Leisure Centre (green).*

3.1.3 The GVA estimates were for a Leisure Centre based upon an “Enhanced ARC Model” at a cost of £7.7M. In the absence of any detailed information, a further £1.125M was added to cover “foundations related to conditions at Princes Parade, parking and other external works”, plus £0.5M for contaminant disposal.

3.1.4 It is clear however that the additional sum of £1.625M, upon which SDC have based their decision, will be insufficient by a large margin, since it needs to include:

- Deep piling for all buildings to penetrate about 5 metres of waste
- Ground remediation (waste encapsulation and contaminant disposal, including removal of waste dug out from the pool)
- Car parking for the Leisure Centre
- Flood risk alleviation – sustainable drainage
- Measures to protect the canal from surface water and contamination
- Infrastructure services to run from Seabrook
- Demolitions (relating mainly to the existing pool in South Rd, applicable for all 3 options)

3.1.5 It can be expected that street lighting will need to be provided, spanning the Leisure Centre and up at least as far as the school. It can be anticipated however that light pollution on the seafront is likely to be unwelcome. This will involve a further cost that has not been in the above SDC/GVA estimates. This assumes the Leisure Centre and school will be located towards the eastern end of the Princes Parade site; if placed at the western end, the lights will have a more noticeable impact, as well as the school being in a less convenient position for parents and children.

3.1.6 Wave overtopping episodes are a frequent occurrence, creating a narrow *Zone 1* flood risk area that will require a set-back buffer (typically 20 metres) to be maintained between the sea wall and the building line. A surface water flood risk management system will need to be included in order to counteract the loss of permeable ground when large buildings and car parks are built on the site. This Sustainable Drainage System will comprise “attenuation pools” with impervious linings to hold peak quantities of water and prevent the spread of underlying

contamination (Ref 11). On the opposite side of the plot, the Royal Military Canal is a main water course which needs to be protected by a raised buffer zone, 8 metres wide (often referred to as the “bund”). This must remain undisturbed by any development. Integrity of the bund is an essential requirement to protect the canal from any run-off of salt water or contaminated water. There is however only a narrow width of land onto which to position the Leisure Centre – indeed the width available is less than exists on the existing South Road site. The centre will therefore need to be built in a longer and thinner, less flexible, configuration than the equivalent ARC design previously built for De Montford University. More importantly, the height of the land at this point is several metres above the level of the canal, which will compound the water run-off problem that will need to be accommodated by the Sustainable Drainage System.

- 3.1.7 The close proximity to the canal and the high risk from water run-off, including sea water, caused to the levels of the buildings and car parks, would demand special protection measures and careful consideration by English Heritage. Also the height of the Leisure Centre building will have an overpowering architectural impact on the canal.
- 3.1.8 SDC and GVA have been silent on how and from where they would expect to route the utility services. In theory, the cheapest option would be to run these supplies under the proposed new pedestrian foot-bridge from the Seabrook Road. However if that approach were to be adopted the structure required to house the supplies, including pumped sewerage, would be extremely detrimental to the appearance of the bridge. (The saving in cost of providing the utility supplies would approximately offset the cost of the bridge however).
- 3.1.9 The footbridge can be considered to be a highly desirable facility since, without it, access to the school would be significantly compromised.
- 3.1.10 The nature of the work involved in covering the above additional requirements that were excluded from the GVA estimates is likely to increase the project cost by at least £5M. It is known that GVA’s high level estimates for building costs and sales receipts show the project to be deficient by about £2M. After allowing for the residual s106 contribution (after legal fees), the project can be expected to be in deficit by at least £4M. That figure ignores any potential increase that may well result from SDC’s more detailed investigation of the basic building costs and sales receipts.
- 3.1.11 It is as yet unclear as to what financial arrangement will be established between SDC and KCC to reflect their joint participation in the project and how the risks will be apportioned. The advantage to KCC is that it would allow them to release their Eversley Road land to build houses and gain capital receipts for injection into the joint project to permit their school to be built on Princes Parade instead. The downsides for KCC (and the Church Commissioners) are that they would need to accept the substantial technical and financial risks of building on a land-fill site with surface water dispersal issues, while locating the school on an exposed seafront environment that is a far from ideal for young school children.
- 3.1.12 By placing the Leisure Centre on Princes Parade, SDC will have declined the opportunity to take possession of the land asset on Nickolls Quarry made available through the s106 agreement, having a value in the region of £3M. This lost asset value is over and above the increased cash costs mentioned in para 3.1.10.



### 3.2 Leisure Centre on Nickolls Quarry Land

3.2.1 No specific feasibility study has been undertaken for the Nickolls Quarry option, however Strategic Leisure have included an outline assessment in their Aug 2012 Stage 1 Report (Ref 3). There are no published cost figures for this option but the Enhanced ARC Model will however be equally applicable to this site.

3.2.2 The following is an extract from the Strategic Leisure report in respect of Nickolls Quarry as a potential site.

*"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."*

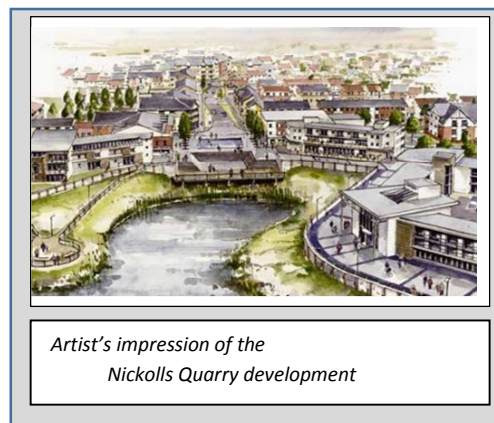
3.2.3 At the SDC Cabinet meeting on 28 May 2014, the reasons for not wishing the Leisure Centre to be built on Nickolls Quarry were stated as:

- Nickolls Quarry is too distant from Hythe.
- It is an "undesirable" location for the pool while the site is still being developed.

3.2.4 The above reasons are unconvincing and certainly insufficient to counter the financial benefit, alluded to by Strategic Leisure.

3.2.5 NQ is 2.2 miles from central Hythe and only 0.5 mile further than the proposed location for the Princes Parade Leisure Centre. Importantly, the site also offers good accessibility for Shepway District residents who live to the west of Hythe or in the Romney Marsh area, for whom there is currently no convenient access to a swimming pool. It's siting on Nickolls Quarry will be greatly beneficial to Shepway residents as a whole: it will be on the side of Hythe that will gain substantially while people living to the east of Hythe will have the choice of the Folkestone centre or the new NQ facilities.

- 3.2.6 As regards being in an “undesirable” location on a building site, the timing of the Leisure Centre build programme is such that much of the first phase – comprising 192 dwellings with planning permission already granted in Dec 2013 – will have been completed with many houses occupied by the time the centre will become available for use. The second phase will also be well advanced. The development can be expected to proceed more quickly than originally planned as a consequence of the offer of a £4.7M loan from central government, which would mean the centre becoming available sooner than for Princes Parade, together with roads and an existing but expanding community.
- 3.2.7 Its position adjacent to the new lakeside park and other community facilities, when completed, will place the centre in a prime location on the estate, with good access from the A259, on a new bus route, a new RHD railway station, and supported by cycle tracks accessible from the canal and potentially from the Dymchurch sea wall cycle route.
- 3.2.8 The provision of a Leisure Centre on the NQ land will contribute to needed regeneration of the area. The prospects for the Leisure Centre, with the high quality facilities that SDC have proposed, placed on the new, attractive, well-populated estate, can only be positive for its long term financial viability.
- 3.2.9 As required by the s106 Agreement (Refs 8 & 9), the land allocated for the centre will be remediated of any contaminants and be raised above the flood plain in readiness for building. The developers, Camland Developments, are currently progressing with the preparation work for the whole NQ site by bringing in large quantities of earth and allowing it to settle before commencing the Phase 1 building programme, for which they have already been granted detailed planning permission.
- 3.2.10 Infrastructure services will be provided up to the boundary of the Leisure Centre land, which will be transferred to SDC ownership for the sum of £1 if this option is accepted.
- 3.2.11 For this option, it will be possible to determine the project costs with reasonable confidence because Shepway DC will not be exposed to significant technical risks, such as the major unknown costs omitted from the GVA Princes Parade study. With the benefit of the s106 contribution, the Leisure Centre would rely on net receipts from the sale of about 60 flats built on the existing pool site in South Road, exactly as proposed for the Princes Parade Project. Any residual shortfall in funding would be substantially less than required for Princes Parade.



3.2.12 The SDC Leisure Centre and KCC's new school build programmes would be undertaken as separate projects, without the complication of transferring land assets of unequal value and without the need to devise an equitable means of dividing the financial risks between the two parties. This would mean that KCC would fund the new school build from their own resources without requiring that SDC build houses on Princes Parade. While this would mean that KCC would gain no financial benefit from SDC's Leisure Centre project, when taken as a whole, the net project costs (in cash terms) would be expected to be slightly less, while SDC will acquire the NQ Leisure Centre land as a new capital asset. KCC and the Church Commissioners would of course still receive the capital receipts from the sale of houses built on the existing school site, as outlined in section 4.

### **3.3 Leisure Centre on Existing Pool Site (South Road)**

- 3.3.1 The general implications of placing the Leisure Centre on this site have already been addressed in *Key Fact L*. The existing site is plenty large enough to accommodate a variant of the "minimum facility mix" recommended by Strategic Leisure (Ref 3). At present, the swimming pool building occupies less than half of the available area. There is therefore scope for producing a building design that meets a reasonable Leisure Centre specification while allowing sufficient flats to be built above the centre to produce close to the necessary sales receipts.
- 3.3.2 The main issue with this solution is that of providing sufficient car parking. First in regard to parking for Leisure Centre users, it is expected to be difficult to provide many more spaces than currently exist (15), which is well below the 100 spaces envisaged by SDC for the Princes Parade centre. While fewer spaces might be acceptable, because of the closer proximity to the town, there would be no obvious solution other than to seek (from Hythe Town Council) the provision of parking facilities on the recreation ground opposite.
- 3.3.3 Likewise for flat owners, there would be very limited scope for providing on-site parking. This will be reflected in reduced sale values. (In comparison, for the Princes Parade option it should be possible to include undercroft parking for the 60 flats).
- 3.3.4 A further difficulty with this solution is that the pool will be unavailable for use while the build programme is underway and alternative swimming facilities will need to be sought during that period. On a previous occasion when the pool was closed an arrangement was made to allow access to the swimming facilities at Shorncliffe Barracks. That is an option that would need to be explored. On health and safety grounds and configuration of the site, it is unlikely to be possible to grant access to the new Leisure Centre until the flats have been constructed, which implies an even longer period without local swimming facilities being available. This period will probably exceed 2 years.
- 3.3.5 Rough calculations suggest that, for this option to be cheaper as an overall project than for Princes Parade, it would need receipts from about 65 flats, which would imply being taller than the adjacent building block of flats (Pensand House). Were it deemed acceptable to construct a taller building to include an even larger number of flats, then that option would likewise become a possibility for the Princes Parade and Nickolls Quarry schemes. Indeed that might be considered as a possibility should the need arise to make up any funding shortfall for either of the other two options.

- 3.3.6 This site option has the important advantage over the Princes Parade solution that it does not suffer any of the expensive, high risk difficulties described in section 3.1. As for the Nickolls Quarry project, it will not incur any of the additional external costs currently excluded from GVA's Princes Parade high level figures.



## 4 NEW PRIMARY SCHOOL FOR SEABROOK

- 4.1 There is need for a new CE Primary School in the Seabrook area to replace the existing school on Seabrook Rd. The current school is extremely popular, in part because of its Outstanding Ofsted rating, but it is too small with an inconvenient layout and old buildings. The responsibility for its replacement rests with Kent County Council (KCC). In principle the provision of a new school is unrelated to the need for a swimming pool/Leisure Centre but SDC have reasonably taken the view that there may be an overall financial benefit from combining the two requirements, and this has led to the current Princes Parade proposal.
- 4.2 In Feb 2011 KCC gained outline planning approval to build a new school on their Eversley Road land in accordance with a long-standing intention. However KCC have not proceeded with the development, primarily due to a shortfall in funding. The site is currently used as a recreation ground although it should be noted that it falls under local planning policy LR12 – “Protection of School Playing Fields”. That policy is currently still applicable since it was not subject to change within SDC’s 2013 Core Strategy Plan. Were the school to be located instead on Princes Parade, as is now being proposed, then the intention would to build 40 town houses/semi-detached homes on the Eversley Rd site, which would require a change of policy when the Local Plan is prepared.





- 4.3 The Eversley Road plan allowed for a receipt of funds from an “enabling” project comprising the building of 5 houses on the site. Planning permission was granted in Feb 2007 for that enabling project but that has now expired. The basic intention could remain applicable for a similar re-application in due course should the decision be taken to revert to building the school on Eversley Road.
- 4.4 Irrespective of whether the school were to be built on Eversley Road or on Princes Parade, the site would not remain available as recreational space, and indeed it does not formally possess that status now.
- 4.5 Estimates derived from the figures presented in the GVA report, commissioned however in the context of a Princes Parade development, suggested that the build cost for a new school on Eversley Road would be approximately £3.3M. (No comment will be offered regarding that estimate). The same contribution of sales receipts from the building of dwellings on the existing school site would of course be applicable wherever the new school is relocated, although the Church Commissioners are believed to be part-owners of that site and will need to be satisfied that the school rebuild programme meets their teaching and financial objectives.
- 4.6 It is known that the construction costs for the school would be substantially larger if built on Princes Parade. The same difficulties would apply as for the Leisure Centre, for which it is known that GVA has omitted a number of the major costs elements (see section 3.1 and Appendix A).
- 4.7 Other important costs, such as for the provision of a new utilities infrastructure have also been omitted; there are currently no utility services within the vicinity. Street lighting has not been included and will also be required. SDC have stated the intention to provide a pedestrian foot bridge, which is clearly considered essential for the convenience of children and parents (at an estimated to cost a further £0.4M). However it is likely that English Heritage will resist any such construction over the Royal Military Canal. Further, due to the unknowns associated with a build programme on Princes Parade (as outline in Appendix A), there is a high risk that the costs will be substantially larger than expected: whether KCC and the Church Commissioners are willing to carry that risk is a matter of conjecture.
- 4.8 None of the above extra costs and associated risks will be applicable if the new school were to be built on Eversley Road. The sales receipts from the proposed construction of 40 houses on that site would not then become available to KCC; but on the other hand, most of the financial advantage apparently offered for the Princes Parade option will not be realisable in practice, and indeed it may be completely swamped by the extra costs and risks associated with that site. Taken as a whole – not just from the viewpoint of KCC – in cash terms the overall project costs can be expected to be broadly similar, however this does not take into account the major risks involved nor the loss in land asset value that would result from rejection of the Nickolls Quarry land set aside for building the Leisure Centre.
- 4.9 The Eversley Road site offers significant advantages as a quiet location for the new school in that, being in a road that is not subject to heavy traffic, it is ideal for safely depositing and picking up children. The plans approved in 2011 included an access road, on-site parking and turning facilities, a playing field plus a new level games pitch. It is understood that there was generally good support from parents to the Eversley Road application (although the author admits to not having checked all the comments received by SDC). Other than being on a slightly sloping site, the ground conditions are straightforward and, unlike Princes Parade, it is free from contamination and flood risks.



- 4.10 It is arguable whether Princes Parade is a suitable site for a primary school, having been used as an indiscriminate depository for all types of materials and as a waste tip over many years, with unknown levels of contamination; also the exposure to wind and wave-topping would frequently render the school playing field and playground cold and unpleasant, and unusable during storms.
- 4.11 If the Princes Parade Project does not go ahead then the new school build programme would need to proceed as an entirely separate project as originally envisaged by KCC.

## 5 PLANNING IMPLICATIONS

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- 5.1 The current Policy designation for Princes Parade land is LR9 – *Protection & Provision of Open Space*, with a small area at the eastern end being specifically allocated its own Policy (TM8) for *low scale recreation/community facilities*. Neither Policy allows houses to be built.
- 5.2 Similarly, Policy LR12 is applicable to the Eversley Road land – *Protection of School Playing Fields*; this also precludes the building of houses. For the Princes Parade Project to proceed it will be necessary to change this Policy designation in order to permit houses to be built on the Eversley Road site.
- 5.3 In Sept 2018, SDC officially adopted its new Core Strategy Plan (Local Plan), which retained the above three policies (LR9, TM8 and LR12) within its overarching Policy CSD4 – Green Infrastructure of Natural Networks, Open Spaces and Recreation. A key principle of Policy CSD4, as stated in the Core Strategy Plan, is that:
- “Green infrastructure (GI) will be protected and enhanced and the loss of GI uses will not be allowed, other than where demonstrated to be in full accordance with national policy, or a significant quantitative or qualitative net GI benefit is realised or it is clearly demonstrated that the aims of this strategy are furthered and outweigh its impact on GI”.*
- 5.4 However, SDC’s stated aim for Princes Parade is *“to secure a residential allocation for the mixed use redevelopment in the council’s proposed Site Allocation Development Plan Document”* – the latter document forms part of the Local Plan. That aim is clearly in conflict with the recently adopted Strategic Plan and would require the above Policies to be changed when the new Local Plan is being prepared. In accordance with the government’s new simpler planning system, this would then mean a **“presumption in favour”** of any such planning application submitted to their planning department. ***It is emphasised that any planning application that satisfies the policies laid out in the Local Plan would be treated in accordance with the presumption in favour principle, unless “material considerations” indicate otherwise; in other words, it would be too late to object to something that could have been considered during the Local Plan consultation stage.***
- 5.5 Options for a new Local Plan are due to be made available for public consultation in Nov 2014, when it can be expected that SDC will propose the necessary amendment to the above Policy designations. This will be followed by a second stage of consultation from July 2015. After public examination, the Local Plan is scheduled for final adoption in Nov 2016 (see Ref 14). The outcome of the Local Plan review will be a key factor in determining whether planning consent will be granted for the development of Princes Parade.

- 5.6 The previous review of Shepway's Local Plan took place in 2004, when similarly SDC sought to include an allocation of housing on Princes Parade. A principle recommendation of the inspector was to delete Princes Parade from the housing land allocation list. She upheld the view expressed by the previous inspector 10 years earlier, stating in her report (Ref 16):

*"To my mind the prospect eastwards along Princes Parade from the vicinity of the Hythe Imperial Hotel is one of the finest vistas in the District. The main characteristic of the area is its grassy openness coupled with public access to the seafront, somewhat akin to the clifftop open space of The Leas and rare elsewhere in the District. The character, appearance and historical interest of the area is enhanced by the Royal Military Canal (RMC) which separates it from the built-up part of Hythe to the North. The view is closed to the east by the high ground of Sandgate, and inland by tree clad slopes rising towards the AONB. The sharp contrast revealed in travelling westwards between the closely-developed nature of Sandgate, constrained by topography, and the sudden openness of the Princes Parade area, adds to its character and strong sense of place."*

She goes on to say: *"I agree therefore with the Inspector in his report on the previous Local Plan inquiry that residential development would be out of character with the site's open nature. This part of Seabrook is deficient in every sort of public open space, according to the plans"* – and further – *"and the tourism industry is of great importance in Shepway."*

- 5.8 Continuing with the same theme, Shepway DC, on its current website (Ref 15), specifically promotes Princes Parade and the Royal Military Canal as being of key importance for *Tourism*, stating:

*"6.24 The Princes Parade site is an extensive area of open land next to the seafront at Seabrook, Hythe. The site includes the Royal Military Canal which is a scheduled ancient monument of national importance. It was designed as a long distance defensible fortification and communication system and there are no comparable works surviving elsewhere. For this reason, this site has potential for tourism uses which are closely related to the use of the canal but also due to its proximity to the sea. This site is also a suitable location to provide a local park, which would address the open space deficiency in Seabrook."*

*6.25 In order to preserve the open character of the site and to enhance the setting of the Canal, any use should be low key. Built development will only be acceptable where it is essential for the use, and should be limited in scale."*

- 5.9 Any change to Policy LR9, as would be necessary to enable the proposed Princes Parade development to go ahead, would therefore run in conflict with the Council's published desire to promote tourism as well as being contrary to the recommendations of the previous two inspectors. The question is therefore:

***"Have the needs of the local community changed to such an extent as to justify overturning the Council's current policy on Tourism or in changing the open character of the site, especially when other good – indeed better - alternatives exist for providing the needed facilities?"***

- 5.10 Another key matter of concern is that, if there is a change to the Policy designations in the Local Plan such as to permit the Princes Parade Project to proceed, then there will be a strong argument for making a matching Policy change for the adjacent golf course land. While it is known that local residents, and Shepway Councillors alike, are opposed to any development on the golf course, the owner/developers (GSE) have

already expressed a desire to develop the site. If such a Policy change were to be made to the Local Plan in respect of the golf course, then an ensuing planning application for development would almost certainly succeed.

- 5.11 It is of critical importance to ensure that any revisions to the Local Plan are in precise accordance with the best interests and wishes of the community insofar as the future of the whole of Princes Parade is concerned. It is unfortunate that the recent decision by Hythe Town Council to withdraw from preparation of the Neighbourhood Plan means that it is now more difficult to gain the desired assurances.

## 6 TIMESCALES

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- 6.1 The tables presented in Appendix B give an indication of the stages that would need to be scheduled for each of the three possible programmes. An attempt has been made to produce rough estimates of the comparative timescales and these also provide an indication of the factors that influence the cash flow requirements.
- 6.2 While more detailed cost estimates are awaited from SDC's consultants, and because the costs associated with the external works requirements are unknown, it is not possible at this stage to estimate the cash-flow requirements. It can be seen however that the Princes Parade Project is only capable of meeting the delivery dates shown below if an intensive parallel-working programme is undertaken. This in turn leads to a high peak exposure to debt (albeit split between the two parties), which could well make the potential delivery dates for Princes Parade unachievable in practice. It is however a complex project with many inter-dependencies such that problems in one area could have a knock-on effect elsewhere and adversely affect timescales.
- 6.3 The required sequences of events suggest the following **potential completion dates**:

	<b>Leisure Centre</b>	<b>School</b>
<b>Princes Parade</b>	Oct 2020	Jan 2020
<b>Nickolls Quarry</b>	Sep 2019	
<b>South Road</b>	May 2019	

- 6.4 The above dates should however be treated with caution due to the large number of unknowns. Nonetheless the potential dates offer a reasonable guide for comparison purposes, with a number of the factors being applicable across all three possible solutions.
- 6.5 The planning process has a significant impact on the Princes Parade timescales because it requires changes to be agreed within the Local Plan, a document that is not due to be adopted until November 2016. Further, the Princes Parade dates could turn out to be optimistic in view of the landfill uncertainties.
- 6.6 The Nickolls Quarry timescale is determined by the provisions of the section 106 Agreement, being an essential element included in the planning consent to allow the developers sufficient time to prepare the site alongside their house-build programme and provide the services infrastructure.

6.7 The South Road option (existing pool site) is free of the above constraints and, in principle, can be made available earlier. However, setting to one side the problem of non-availability of a pool during the construction period, the programme suffers from the need to construct flats above the centre in order to provide the necessary funding. It is not expected to be practically possible to open the new Leisure Centre until the flats have also been completed.

## 7 COMPARISON OF THE OPTIONS

### 7.1 Features of Princes Parade Project

Good	Neutral	Bad
If project is successful it would turn a (currently) zero value land asset into realisable value.	£3.0 – £3.2M NQ s106 contribution provided in 5 stages (per 50 houses built).	Risky project technically, financially & re timescales; many unknowns.
Quite a good position for a Leisure Centre to be provided, other than for the environmental issues.	Uncertainty about whether suitable as a site for a primary school due to its exposed position and maybe contamination issues.	Water run-off problems into the canal, exacerbated by high ground levels (above canal).
Slightly closer to Hythe than Nickolls Quarry		Requires houses to be built on PP seafront to provide funding.
		Tall Leisure Centre building close to the canal will be visibly overpowering.
		Requires changes to Local Plan for both PP and Eversley Rd.
		Will set a precedent for developing the adjacent Hythe Imperial golf course, which may be difficult to counter.
		Service infrastructure has to be provided – expensive.
		Requires deep piling to penetrate 5m+ of landfill.
		Unknown risks arising from landfill and possible contamination.
		Eliminates last area of green open space in Seabrook.
		Site too narrow for desired configuration of Leisure Centre.
		Fails to take advantage of NQ free land asset (estimated value £3M).

## 7.2 Features of South Road (Existing Pool) Option

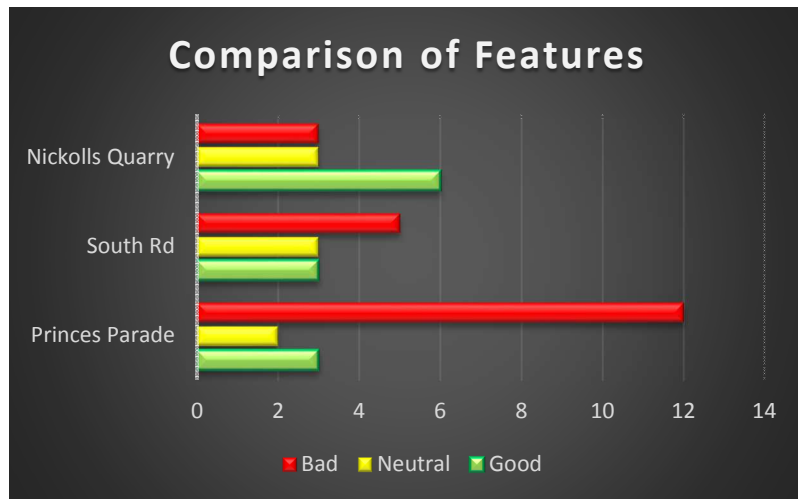
Good	Neutral	Bad
Convenient central location.	<b>Overall</b> project costs broadly similar to Princes Parade Project.	<b>Overall</b> project costs likely to be slightly higher than for Princes Parade, unless the design is able to accommodate more than 60 flats, which is problematic.
No change needed to Local Plan.	£3.0 – £3.2M NQ s106 contribution provided in 5 stages (per 50 houses built).	May need higher building than the neighbouring block - to provide sufficient sales receipts.
Potentially achievable more quickly than alternatives (est. May 2019).	SDC costs will be substantially less than for Princes Parade, while KCC's costs will revert to previously expected level since they will "go it alone".	Limited car parking space for Leisure Centre users (similar to now) and very little scope for providing any parking for flat owners.
		Swimming pool not available for use for nearly 3 years
		Fails to take advantage of NQ free land asset (estimated value £3M+).

## 7.2 Features of Nickolls Quarry Option

Good	Neutral	Bad
Service infrastructure provided (at no cost) up to boundary of Leisure Centre land.	<b>Overall</b> project costs expected to be slightly less than Princes Parade, and substantially cheaper for SDC (more expensive for KCC).	Half a mile further from Hythe than proposed Princes Parade Leisure Centre.
No significant risks.	SDC costs will be substantially less than for Princes Parade, while KCC's costs will revert to previously expected level since they will "go it alone".	Dependent on performance of Nickolls Properties Ltd in developing the site.
Will regenerate the area to the west of Hythe.	£3.0 – £3.2M NQ s106 contribution in a single stage (after 250 houses built).	
Achievable more than a year before PP (est Sep 2019).		
No change needed to Local Plan		
Brings the NQ land asset onto SDC's books (est. value £3M).		

## 7.4 Key matters for consideration

7.4.1 The above tables identify the key differences of substance between the three options, which can be summarise as follows:



7.4.2 There is no overall project cost advantage in building the Leisure Centre and school on Princes Parade. The project is complex due to the inter-dependencies and there are major risks, such that both SDC and KCC would be exposed to the prospect of major cost escalation and delays – even the possibility of being unable to complete the project. The inevitable need for a housing estate on the site and the setting of a precedent for development of the golf course are major considerations.

7.4.3 The South Road site offers no advantages, apart from its central location, it has significant problems in respect of car parking and closure of the pool over a lengthy period.

7.4.4 The Nickolls Quarry option avoids the difficulties of the other options and will not be subject to any abnormal risks. While this option is dependent on the performance of the Nickolls Quarry developers, that house build programme is taking advantage of a central government loan that will speed up a programme which is now underway.

## 8 CONCLUSIONS & RECOMMENDATIONS

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- 8.1 The Nickolls Quarry option is found to have overwhelming advantages and is concluded as being the best site for the desired new Leisure Centre. This can be based upon SDC's preferred design – the Enhanced ARC Model.
- 8.3 While the existing swimming pool site in South Rd site is notionally large enough, it has some major disadvantages that would need to be overcome. This would only be possible by reducing the leisure facilities that are provided.
- 8.3 The multi-site Princes Parade Project exhibits serious difficulties and unacceptable risks, which need not be suffered in view of the existence of an alternative, better solution – namely the Nickolls Quarry option. While this report has sought to avoid the vexed issue of the views of the local community, it is believed that a great deal of opposition exists to the building of houses on Princes Parade. A key question is therefore: *“Can the building of 36 town houses on Princes Parade be justified in order to potentially yield a net contribution of only £2M into a high risk project, while damaging a visual amenity of such importance to Hythe – when a better low risk alternative exists?”* The answer that comes out of the analysis presented in this report is a resounding “NO”.
- 8.5 The opportunity should be taken to accept that Princes Parade offers no realistic possibility of creating a developable asset out of the site. This needs to be recognised within the forthcoming revision to SDC's Local Plan to ensure it is retained as a public recreation space, with the public being allowed unfettered long term access. SDC should explore the possibility of allowing volunteers to turn the site into an appropriately managed parkland in accordance with the vision expressed by the Council to turn it into a linear strip of parkland akin to the Folkestone Coastal Park.

## APPENDIX A: BACKGROUND TO THE PRINCES PARADE PROJECT

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- 1) The eastern half of Princes Parade land, which is owned by Shepway District Council, has had a somewhat uncertain history of excavation and land-fill since about 1900. An environmental report produced in Aug 2012 by URS (Ref 11) and commissioned by SDC to assess the suitability of the site for development, summarises the best available information. The site is reported to have been excavated for gravels from 1872 and much of the site remained as a gravel pit up until the 1930s. The information available on use of the site from the early 1900s up until the end of WW2 is somewhat sketchy and largely anecdotal, but it is apparent that it became an indiscriminate, uncontrolled depository for a wide range of unwanted material – including it being used to dump military and hospital items. The site is known to have been used as a waste tip over the period 1947 to 1972, with SDC taking ownership (from Hythe Borough Council) in 1974. At various times since the 1980s onwards the area has been overlaid with silt dredgings from the canal, the most recently-known significant overlay being in 2002. The land-fill depth is about 5 metres, which elevates the site to be above the flood zone level. Ground stabilisation and robust piled construction methods will need to be employed for any buildings such as are being proposed.
- 2) The URS study drew upon a geo-environmental investigation undertaken for SDC by Ground Solutions Group Ltd (GSG) in 2002 (Ref 13), which involved test bore samples being taken. GSG identified a number of issues with respect to soil and groundwater contamination and the presence of soil gas. They raised concerns that the groundwater level would be tidally-influenced and that the contamination would possibly be affected by saline intrusion. In addition they pointed out that the saline nature of groundwater should be considered in respect of aggressive attack on buried concrete. Based upon the sites' former use as a landfill and GSG's 2002 intrusive investigation, URS categorised "the potential for contamination at the site as being moderate to high". They also identified concerns and uncertainties arising from the significant gaps in the information currently available. They added that the potential costs for clearing up the site to the standard required for the proposed land use may be much higher than expected.
- 3) The feasibility studies, referred to below, have indicated that it is possible to apply construction methods that will overcome the building difficulties that are likely to arise from the history of land-fill. This will be expensive however. Tidying up the area to safely create a green open leisure space would however be a much more straight-forward matter.
- 4) The western half of Princes Parade is a golf course, being a facility of the Hythe Imperial Hotel, and owned by the development company, GSE. The company has well-known aspirations to develop the golf course site, and indeed they have made overtures to SDC with a view to considering a joint development project. While such overtures have been rejected by the Council, should however the Princes Parade development proceed, it would be almost impossible to prevent a similar residential development from being extended to that adjacent site. While planning approval would need to be sought for such a further development, the recently-introduced planning procedures are now based upon a "presumption in favour" of approval, which would mean that objections would carry little weight and consent would almost certainly be granted. The rationale for this is outlined in section 6.
- 5) During 2012, SDC appointed a consortium of contractors, under the lead of GVA Ltd, to investigate and consult on options for the development of Princes Parade. The stated aim (Ref 1) was to "*secure a residential allocation for the mixed use redevelopment of*



*Shepway District Council owned land at Princes Parade*”, leading to an input to their Site Allocation Development Plan Document for inclusion in the revision of the Shepway Local Plan scheduled for public consultation starting in November 2014. The council’s vision included providing a linear strip of parkland akin to the Folkestone Coastal Park, while possibly including housing, a new swimming pool and a replacement school for Seabrook Primary.

- 6) The first stage contract included consultation sessions undertaken by Allies & Morrison Urban Practitioners with stakeholder groups and the public in July 2012. While some of the participants picked up on the suggestion of placing the much-desired swimming pool on Princes Parade, the predominant theme throughout was either to leave the site unchanged (most votes) or enhance the green open space by making it more accessible as a recreational area (see Ref 2). Those who supported the idea of a swimming pool frequently commented on the importance of not including housing on the site.
- 7) In parallel during 2012, Strategic Leisure and GVA undertook related studies to investigate the siting options for the swimming pool and recommend the facilities that should be provided (Refs 3 & 4). The Strategic Leisure report considered the three possible sites but concentrated on Princes Parade, based it seems on meeting the principal aim of releasing value from that site.
- 8) Strategic Leisure also advised the need for enhanced facilities, referred to as a “minimum facility mix” to create a Leisure Centre, rather than just a swimming pool, with a view to increased long-term viability of the facility. This therefore has been adopted as the preferred option; the basic public desire is for a swimming pool but the full facilities of a Leisure Centre would, of course, be greatly welcomed.
- 9) On 19<sup>th</sup> Dec 2012 SDC Cabinet endorsed Strategic Leisure’s report that recommended Princes Parade as the preferred site for a Leisure Centre, also agreeing to adopt the recommended “minimum facility mix” as being a future proof specification, while the location would attract tourism use on a “pay and play” basis. The existing pool site was rejected as being too small for the development of a facility large enough to meet future demands. The Nickolls Quarry site was considered to be non-ideal as a community facility unless a specific timeline can be specified for future housing and that it would not offer ideal accessibility for the residents of Hythe. The desire to link the project with the other sites (namely Seabrook School, Eversley Road, the existing South Road pool site and the Nickolls Quarry development through its s106 Agreement) was identified. It was additionally recognised that a funding shortfall of about £9M had to be bridged in view of an estimated development cost of £11 - 12M for the Leisure Centre.
- 10) During 2103, GVA and Strategic Leisure (with GT Architects) carried out further studies with a view to recommending an affordable solution for providing a Leisure Centre and new Primary School on Princes Parade. Those studies (reported in Feb 2014, Refs 6 & 7) culminated in the recommendation adopted by Cabinet on 28<sup>th</sup> May 2014 based upon the “Enhanced ARC Model” design of Leisure Centre to be placed on the Princes Parade site, estimated to reduce the overall project costs of more than £5M.

## APPENDIX B: MILESTONES

### 1) Princes Parade Project

The following is a tentative sequence of events with approximate estimates of achievable dates:

	Milestone	Estimated Date	Relevance / Notes
1	NQ Phase 1 house build start	Jan 2015	From discussion with Camland Developments
2	50 houses completed on NQ	Jul 2016	Stage 1 release of s106 funds – awaits item 7
3	Local Plan adopted	Nov 2016	Change of Policy designation for PP & ER land
4	Planning applications submitted	Dec 2016	PP (Leisure Centre, School, Houses), + 3 linked development sites (prepared in advance)
5	100 houses completed on NQ	Sep 2017	Claim legal fees from NQ - £0.2M (28 days))
6	Planning applications approved	Dec 2017	All 4 sites
7	Advise Nickolls re intentions	Dec 2017	Advise non-use of NQ land. Claim £1.2M s106
	Release of s106 funds (2 stages)	Dec 2017	Stages 1 & 2 s106 funds available = £1.2M
8	Start site preparation PP	Dec 2017	
9	Start build programme Eversley Rd	Dec 2017	40 houses
10	Start ground encapsulation program	Mar 2018	Services/infrastructure programme in parallel
11	150 houses completed on NQ	May 2018	Stages 3 s106 release of funds = £0.6M
12	Start piling & ground consolidation	Jun 2018	
13	200 houses completed on NQ	Nov 2018	Stages 4 s106 release of funds = £0.6M
14	Start Leisure Centre construction	Oct 2018	Enhanced ARC model, reconfigured to fit
15	Start School build programme	Oct 2018	Princes Parade
16	Start PP house build programme	Jan 2019	
17	First sales receipts from Eversley Rd	Mar 2019	Initial house sales
18	250 houses completed on NQ	Jul 2019	Stage 5 s106 release of residual funds = £0.6M
19	School ready for commissioning	Nov 2019	Princes Parade
20	<b>New school opens on PP</b>	Jan 2020	
21	Start work on PP recreation area	Jan 2020	Western end of PP site
22	Start work on old school site	Feb 2020	
23	First sale receipts for houses on PP	Mar 2020	House sales
24	Leis Centre ready for commissioning	Jul 2020	
25	<b>PP Leisure Centre open for use</b>	<b>Oct 2020</b>	
26	Demolition of existing pool	Nov 2020	
27	Start work on existing pool site	Feb 2021	60 flats to be built on South Rd
28	First sales from old school site	Mar 2021	
29	Flats available for sale	Sep 2022	South Rd
30	First sales from existing pool site	Dec 2022	

- (a) The Nickolls Quarry dates are based upon the status of overall site preparation work known to be currently underway. The developer has advised that the £4.7M government loan is enabling the earth works to proceed faster so that the house build programme can commence sooner, rather than actually speeding up the construction work itself
- (b) The project is dependent on adopting changes to the Local Plan Policies in respect of both Princes Parade and Eversley Road.
- (c) Assumes an aggressive parallel build programme with access to loans. This implies however a high peak exposure to debt, which may in turn mean that elements of the programme will have to be delayed.
- (d) Section 106 money is releasable in 5 equal stages (per 50 houses), after Nickolls Properties Ltd have been advised that the Leisure Centre is to be built off-site.
- (e) No allowance has been made for unforeseen technical problems.

## 2) Leisure Centre on Nickolls Quarry Land

The following is a tentative sequence of events with approximate achievable dates:

	<b>Milestone</b>	<b>Estimated Date</b>	<b>Relevance / Notes</b>
1	NQ Phase 1 house build start	Jan 2015	From discussion with Camland Developments
2	NQ & South Rd – 2 Planning Applications submitted	Jun 2015	Leisure Centre on NQ + 60 flats on existing pool site on South Rd.
3	NQ Planning Applications approved	Mar 2016	
4	Advise Nickolls re intentions	Apr 2016	Plan to build on NQ land (18 months' notice)
5	South Rd Planning Application approved	July 2016	Assumed will take longer due to local objections
6	100 houses completed on NQ	Sep 2017	Claim legal fees from NQ - £0.2M
7	Start site preparation NQ	Oct 2017	Completion of 18 months' lead time (re: s106)
8	Start Leisure Centre construction	Jan 2018	Enhanced ARC model, as per De Montford
9	250 houses completed on NQ	Jun 2019	Claim residue of £3.2M s106
10	Leis Centre ready for commissioning	Jun 2019	
11	<b>NQ Leisure Centre open for use</b>	<b>Sep 2019</b>	
12	Start work on existing pool site	Sep 2019	Demolition, 60 flats to be built on South Rd
13	Construction of Flats	Dec 2019	South Rd
14	First Flats available for sale	Apr 2021	
15	First sales from existing pool site	Jun 2021	Initial sale of flats on South Rd

### Notes:

- (a) The Nickolls Quarry dates are based upon the status of overall site preparation work known to be currently underway. The developer has advised that the £4.7M government loan is enabling the earth works to proceed faster so that the house build programme can commence sooner, rather than actually speeding up the construction work itself.
- (b) The Seabrook school programme is not included since it is a separate project with no inter-dependence. This therefore is a simpler programme to manage.
- (c) This option is not dependent on amending the Local Plan.
- (d) The Nickolls Quarry dates are based upon the status of overall site preparation work known to be currently underway, which suggests allowing 12 months before commencing Phase 1 of the house build programme. In view of the availability of the £4.7M loan the NQ programme might progress faster than shown after house building commences.
- (e) Note the different release requirement for the s106 cash, based upon 250 houses having been built, as per the Agreement.

### 3) Leisure Centre on Existing Swimming Pool Site

The following is a tentative sequence of events with approximate estimates of achievable dates:

	<b>Milestone</b>	<b>Estimated Date</b>	<b>Relevance / Notes</b>
1	NQ Phase 1 house build start	Jan 2015	From discussion with Camland Developments
2	Planning application submitted	Jun 2015	Leisure Centre Complex on existing pool site with flats built above. Single site.
3	Planning applications approved	Jun 2016	Leisure Centre + Flats above, South Rd
4	Advise Nickolls re intentions	Jun 2016	Advise non-use of NQ land
5	Demolition of existing pool site	Jul 2016	
6	50 houses completed on NQ	Jul 2016	Stage 1 release of s106 funds - £0.6M
7	Start construction of complex	Nov 2016	Special design Leisure Centre with Flats over
8	100 houses completed on NQ	Sep 2017	Stage 2 release of s106 funds + legal = £0.8M
9	150 houses completed on NQ	May 2018	Stage 3 release of s106 funds - £0.6M
10	200 houses completed on NQ	Nov 2018	Stage 4 release of s106 funds - £0.6M
11	<b>Leisure Centre open for use</b>	<b>May 2019</b>	
12	First Flats available for sale	May 2019	
13	250 houses completed on NQ	Jun 2019	Stage 5 release of s106 residual funds - £0.6M
14	First sales of Flats	Aug 2019	

#### Notes:

- (a) The Seabrook school programme is not included since it is a separate project.
- (b) This option is not dependent on amending the Local Plan.
- (c) The Nickolls Quarry dates are based upon the status of overall site preparation work known to be currently underway. The developer has advised that the £4.7M government loan is enabling the earth works to proceed faster so that the house build programme can commence sooner, rather than actually speeding up the construction work itself
- (d) Construction programme difficult to predict because of need to include large number of flats in the complex, with Leisure Centre not likely to be usable until the combined use building has been completed. Construction of the whole complex likely to take 30 - 36 months.
- (e) Section 106 money is releasable in 5 equal stages (per 50 houses), after Nickolls Properties Ltd have been advised that the Leisure Centre is to be built off-site.

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### About the author:

**Dr Geoff Burrell** has been a resident of Hythe for 6 years. He is a retired Director of his own Management Consultancy Company (now closed on his retirement) with extensive expertise in designing, bidding for, and project-managing large development projects, in particular those for which Private Finance is involved. He has provided specialist support to both central and local government, also to construction and service-delivery companies, covering new build schools, hospitals and military establishments. He originally qualified with a doctorate in physics and mathematics before joining the Ministry of Defence, where he progressed from research to project management, becoming Commercial Director of the Defence Research Agency before setting up his Consultancy Company.