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Folkestone

Hythe & Romney Marsh
Shepway District Council



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Report Number **C/14/01**

To: Cabinet
Date: 28th May 2014
Status: Key Decision
Director: Jeremy Chambers, Policy and Strategic Initiatives
Cabinet Member: Councillor David Monk, Leader of the Council

SUBJECT: PRINCES PARADE

SUMMARY:

This report outlines the progress made regarding the Princes Parade project since the Cabinet last considered this matter on 23 July 2013. The report provides Cabinet with the results of the revised development options of a new leisure centre and the revised development cost options for a mixed development use on Princes Parade.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations as set out below because it is an appropriate stage in the project for Cabinet to be updated.

RECOMMENDATIONS:

1. To receive and note report C/14/01.
2. To endorse the revised facility model for a new swimming pool on Princes Parade as detailed in the report from Strategic Leisure.
3. To endorse and adopt the principles contained in the feasibility analysis report from GVA.
4. Subject to the capital receipts from the linked development sites being allocated towards meeting the development costs of the project, the Council confirms, in its capacity as landowner, the following:-
 - a) The ARC enhanced model detailed in the report from Strategic Leisure is adopted as the Council's preferred model;
 - b) That a maximum of 36 town homes will be included in the scheme;
 - c) That the proposed new school and pool sites are adjoined in order to minimise infrastructure costs;
5. That given the different views of Strategic Leisure and GVA on the most suitable location within the site for the proposed new pool and school, the local community is asked for views on whether the pool and school should be at the western end (adjoining the golf course) or eastern end (adjoining the existing play area) of Princes Parade.
6. To authorise the Director of Policy and Strategic Initiatives to continue with the project.

7. That the Director of Policy and Strategic Initiatives provides a further report to Cabinet at the next appropriate stage in the project.

1. Background

- 1.1 Princes Parade comprises approximately 7.2 hectares (17.9 acres). It is approximately 1,250 metres long and varies in width between approximately 80 metres at the eastern end to 180 metres at the western end. The site is located between Princes Parade and the Hythe Royal Military Canal and is abutted by a children's play area to the east and the Hotel Imperial Golf course to the west.
- 1.2 The council's vision was to link the coastal strip between Battery Point in the east and the Hythe Imperial golf course to the west, to the Royal Military Canal by providing a linear strip of parkland akin to the Coastal Park in neighbouring Folkestone. Additional community benefits for the redevelopment could include housing, a new swimming pool and a replacement school for Seabrook Primary. Additional community benefits include publicly accessible open space at other locations across the site.
- 1.3 In June 2012 GVA Consultants (GVA) were appointed to carry out an initial study of Princes Parade. The purpose of the study was to secure a residential allocation for the mixed use redevelopment of the site in the council's proposed Site Allocation Development Plan Document. The study included a public consultation, linked with a technical review of the site culminating in the provision of a baseline environmental report and consultation report in order to establish a current and relevant basis for future scenario development and decision making.
- 1.4 The principle objectives of the project were to -
 - Secure an allocation for residential use in the Shepway Site Allocation DPD;
 - Improve the setting for the Royal Military Canal;
 - New public park;
 - New water sports facility;
 - Enhance the promenade and beach for public use;
 - Possible site for replacement public swimming pool;
 - Possible site for the relocation of Seabrook Primary School
- 1.5 The requirement under a section 106 planning agreement for Nickolls Quarry also provided funds to carry out a feasibility study to determine the most suitable location for a sports, leisure and community facility. Strategic Leisure was also appointed in June 2012 to carry out a full feasibility study (Stage 1) on various sites in the district as possible locations for a new swimming pool facility to replace the existing one in South Road.
- 1.6 In December 2012 Cabinet reviewed the results of the initial Princes Parade study which highlighted the key feedback received from key stakeholders and the community as follows:-
 - Enhance open space and public use
 - Improve access to site and landscape
 - Include a variety of open spaces
 - Leave the site as it is

- Improve canoe club facilities
- Swimming pool location – opposed and support
- Potential for café or restaurant
- Opposition to housing at site
- Opposition to flats or high value homes
- Focus on local residents for any homes
- Low density and heights for any homes
- Respect the heritage setting
- High quality design and materials

1.7 The report concluded that the next stage of the study would be to explore a range of scenarios which would consider different options for new public open spaces, new public access, potential new swimming pool locations and the potential to include a new primary school on the site as well as options for housing and a café.

1.8 Cabinet also considered the findings of the Hythe Pool feasibility study at the same time which recommended that Princes Parade was the most suitable site for a new leisure facility. The report also recommended that the findings of the study were integrated with the separate, but linked Princes Parade study and that early steps should be taken to start to mitigate against the risks associated with the planning process e.g. through design and site layout.

1.9 The second stage of the project included consultation by GVA on a range of scenarios for future activities at Princes Parade. The purpose of which was to draw out opinion and feedback from a broad section of the community. In February and March 2013 a range of opportunities were provided for the local community and stakeholders to review scenarios for the site which included: -

- A project website;
- A Saturday market stall consultation in Hythe High Street
- A two week library exhibition;
- An evening drop-in session at Seabrook School; and
- Stakeholder discussions.

1.10 In July 2013 Cabinet received a report outlining the results of the second stage consultation and resolved to proceed with the project. The results had highlighted that the future of the site was linked to other sites within the District. The options for Princes Parade potentially include a relocated swimming pool and the provision of a new primary school, alongside any other residential or commercial development that may be appropriate. The report highlighted that the linked sites included:

- Existing swimming pool site;
- Site reserved for the pool at the quarry development;
- Site previously reserved for a primary school at Eversley Road;
- Existing Seabrook Primary School site.

Discussions on the future of these sites are at various stages. Each of these sites could contribute to the delivery of community infrastructure at Princes Parade, through: -

- Capital receipts to Shepway District Council;
- Capital receipt to Kent County Council;
- Capital receipt to Church of England;
- Development contributions secured through planning at these sites.

1.11 The report provided a set of workstreams to define the Council's preferred direction for the site which included:-

- Clarifying Land Use Directions
- Potential development Costs/Costs Estimates
- Confirmation of Community Infrastructure Funding Sources
- Potential Disposal receipts (Based on Site Capacity Concepts and Development Appraisals)
- Additional Potential Community Infrastructure Funding Sources and Cost Analysis by Activity Stream
- Integrated delivery Analysis

The report also recommended progressing the project to the next stage.

2. Further work commissioned from Strategic Leisure

2.1 In November 2013 Strategic Leisure was asked to: -

- Review of the capital costs of the existing development option for Princes Parade to identify any potential for cost reduction
- Identify of all options for facility development and likely level of capital costs in relation to current option and ARC model
- Explore the potential for the ARC facility development model and its likely capital costs
- Set out the issues and options in relation to the existing facility development option, explore the arc model in details and recommend whether the arc model can deliver the Council's aspirations for available capital budget.

2.2 The existing proposed facility was to provide: -

- 6 lane x 25 metre pool (no moveable floor);
- 13m x 10m learner pool;
- 4 badminton court size hall;
- 80 station gym;
- 190sqm studio;
- Vending area;
- Central changing space – village of male/female.

2.3 The indicative cost of this leisure facility was £11.95m.

3. Strategic Leisure's Findings

3.1 Strategic Leisure advised that a new facility Affordable Recreation Centre (ARC) concept had been introduced in to the UK leisure market. It is a high quality creative solution to the requirements of many clients for providing a mix of wet and dry sports facilities in a building that is inspiring, fun, full of activities, planned with people in mind and cost effective.

3.2 The ARC model meets the current baseline to meet aspirations of operators, the local community and revenue models and meets the majority of the core requirements of the Council's brief for a new leisure centre in Hythe as follows: -

- 25m 6 lane swimming pool
- Teaching water
- Wet change
- Cafe/vending/seating area
- Fitness Suite and changing
- Studio
- 4 court sports hall
- Administration

3.3 The model departs from the brief in two areas: -

- Learner Pool size: The Council requires a larger pool than the standard ARC model
- Studio: The ARC base model does not incorporate a studio at first floor level which was identified in the brief.

3.4 The ARC concept is designed to be flexible and can be adapted to meet most client's needs and situations.

3.5 ARC also offers an **enhanced model**. The enhanced model incorporates design flexibility and can therefore meet the Council's brief by incorporating a larger teaching pool and the studio at first floor. The studio could either be retained for flexibility and revenue generation or in this case could be omitted and the air handling plant that might usually be located on the roof would be located there. This site is very sensitive and relocating plant within the building envelope would certainly help to reduce the visual impact of the new building. It would also provide extra protection for the plant in the exposed maritime environment of Princes Parade.

3.6 A number of locations were considered at the eastern end, middle of the site and to the far west of the site.

3.7 The table below indicates the costs of each ARC facility: -

	ARC Base Model	ARC Enhanced Model
Cost	£5.95m	£7.5m

3.8 Strategic Leisure concluded that developing the Base model would not meet the facility mix brief. However the Enhanced model, although more expensive, would meet the Council's brief for the required facility mix for current and future needs. It is also over £5m cheaper than the cost of the original proposal.

3.9 A copy of the Strategic Leisure report is attached as **Appendix 1**.

4. Further work commissioned from GVA

4.1 In November 2013 GVA were requested to provide a report to: -

- Consider options for the mix and extent of new uses at Princes Parade;
- Establish costs of provision at Princes Parade;
- Establish potential receipts from disposal of public sector sites for residential use as they are vacated or their requirement voided;
- Provide the Council with the basis to make an informed decision across community infrastructure and site development domains.

4.2 GVA assessed that the provision of the ARC Enhanced Model (£7.5m), and included an allowance for other external works costs (£1.125m) totalling £8.625m. GVA were asked to provide scenarios that included capital receipts from associated sites and housing within the development site to support funding the whole development.

5. Linked development sites

5.1 Details of the potential capital receipts from the linked development sites are contained in the GVA report attached as **Appendix 2**.

5.2 The total capital receipts for the linked sites are estimated to be circa £9.35m.

6. On-site housing options

6.1 GVA reviewed the following options: -

- Scenario 1 – Focussing on 12 low rise single storey larger homes which could be integrate into the landscape with the potential to deliver higher capital receipts associated with larger homes.
- Scenario 2 – The provision of 36 Townhomes with the intention of improving efficiency of land use and reduce site preparation costs per unit.

6.2 The table below indicates the development costs and capital receipts associated with these two scenarios: -

Sites	Build Cost	Sales Receipts	Net Receipt
Scenario 1	£6.8m	£6.7m	-£0.1m
Scenario 2	£9.5m	£11.9m	£2.4m

6.3 The tables below provide a summary of build costs and total indicative capital receipts (based on 36 townhouses).

Site	Capital Receipt	Site	Build Cost
South Road	£4.5m	Leisure Centre	£8.8m
Seabrook School	£0.75m	School	£3.3m
Eversley Road	£4.1m	Open Space	£0.3m
Princes Parade	£2.0m	Soils	£0.5m
		Pedestrian Bridge	£0.4m
Total	£11.35m	Total	£13.3m

6.4 Based on this analysis there remains a funding gap of £1.95m. However, these figures **do not include £3.2m of Section 106 contributions from Nickoll's Quarry.**

7. Summary of consultants' reports

7.1 It is clear that the provision of a new state of the art pool, new school, enhanced open space and canal setting can be achieved on the site with no more than 36 town houses being included.

7.2 The linked developments sites play an important role. Informal discussions have previously taken place with the Headteacher and Governors of Seabrook School as well as KCC officers. In order to achieve the Council's aspirations and deliver significant community benefits on Princes Parade, further negotiations need to take place with the owners of the linked development sites.

7.3 The consultants have different views regarding the location of the pool and school on Princes Parade. It is proposed that the views of the community are sought regarding the potential location of the combined pool and school site, i.e. the eastern end or western end of the site.

8. Financial position

8.1 At this stage of the project there are no capital budget issues to address.

8.2 Should Cabinet approve the recommendations, there is sufficient approved budgetary provision in place to meet any further costs that may be incurred in advance of any further report to Cabinet.

9. Conclusion

9.1 Cabinet is asked to note the contents of this report and confirm that the principles contained in the consultants' reports are adopted by the Council as its preferred option in its capacity as owner of the site.

10. RISK MANAGEMENT ISSUES

10.1 A summary of the perceived risks follows:-

Perceived Risk	Seriousness	Likelihood	Preventative measures
The owners of the linked development sites and key stakeholders no longer wish to be involved in the project in the manner envisaged.	Low	Medium	Further discussions and negotiations take place.
The proposed preferred option for the site is undeliverable in planning policy terms.	Medium	Medium	Early and ongoing informal consultations with the local planning authority continue.

11. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

11.1 Legal Officer's Comments (EC)

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

11.2 Finance Officer's Comments (LW)

The budget position for the project has been addressed in the main body of the report at section 8.

11.3 Diversities and Equalities Implications (JC)

There are no diversity or equality implications within the report.

12. CONTACT OFFICER AND BACKGROUND DOCUMENTS

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

Jeremy Chambers, Director of Policy and Strategic Initiatives
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The following background documents have been relied upon in the preparation of this report:

Appendices:

Appendix 1 – Strategic Leisure Report

Appendix 2 – GVA report