



Tides Leisure Centre RIBA Stage 1 Options Appraisal Study

Summary of Findings

July 2022

INTRODUCTION

The Sports Consultancy, in partnership with GT3 Architects, Hadron Consulting and Faithful+Gould, was appointed by Dover District Council (the Council) in October 2021, to complete an options appraisal and initial feasibility study to test the feasibility and financial viability of developing a new centre to replace Tides Leisure Centre in Deal.

METHODOLOGY

The agreed project methodology involved completion of the following stages of work:

- Needs Analysis
- Stakeholder Consultation
- Definition of Facility Mix
- Initial Concept Designs
- Site Options Appraisal
- Initial Capital Costs
- Revenue Projections
- Affordability and Funding Analysis
- Consideration of Sustainability and Green Technologies
- Facility Options Appraisal
- Risks and Issues
- Project Delivery Programme
- Reporting and Presentation

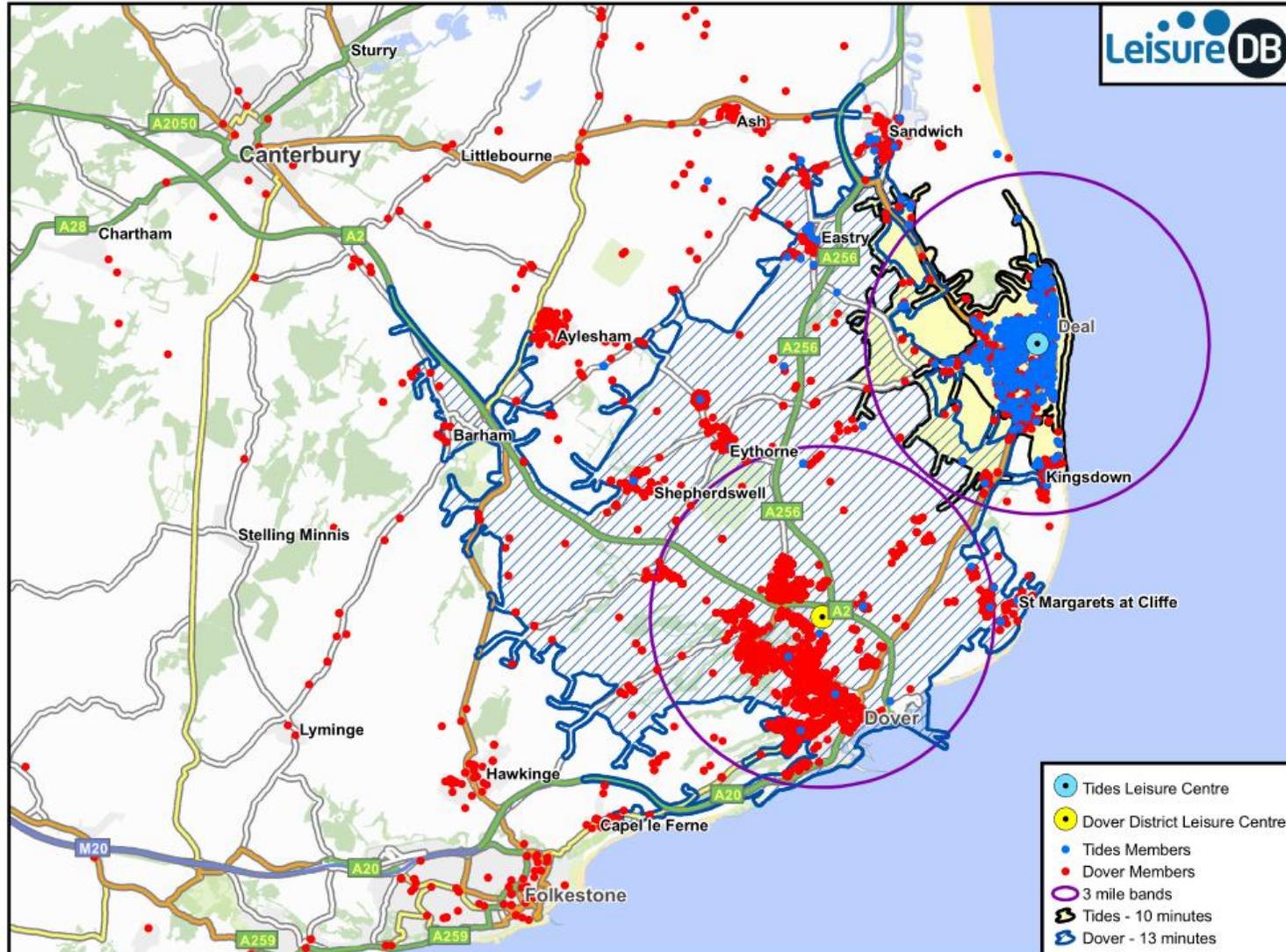
This document contains a high level summary of the findings and recommendations of the study with a focus on the work that has been completed to define the Preferred New Build Option, to be taken forward for development.

The findings from the needs analysis work from both existing Indoor Sports Facility Strategy (2016) and emerging findings from the updated Indoor Sports Facility Strategy (2022) feed into the analysis work in this section and identify the following priorities, in relation to swimming pools and health and fitness, which have informed the facility mix.

Facility Type	Key Conclusions from Needs Analysis
Swimming Pools	<ul style="list-style-type: none"> • Since the District wide Indoor Sports Facility Strategy was completed (2016), the Council has completed the development of a new 8 lane 25m (county standard) pool at the new Dover District Leisure Centre. This replaces the previous 6 lane 25m pool at the old Dover Leisure Centre. This has resulted in a reduction of the swimming pool water deficit across the district from the equivalent of a 6 lane 25m pool, to a 4 lane 25m pool. • A new 6 lane 25m community pool at Tides would maintain pool provision in Deal and contribute towards significantly reducing the current deficit in swimming pool provision across the District. • Looking forward, population projections for Dover show a population increase from 118,100 (2018) to 129,400 (2038). This is an increase of 10.7%. Sport England's Sports Facility Calculator suggests that this would generate a requirement for a further 2.25 lanes of 25m pool area in the District, in addition to the existing shortfall. We would expect this to result in high utilisation of a new pool at Tides in Deal. • At circa 6 miles / 12-15 minute drive, Sandwich residents would be well served by a new pool at Deal, as opposed to 10 miles to DDLC. Residents of Aylesham would also benefit from a new swimming pool in Deal. Therefore, a new pool at Deal has the potential to serve the areas to the north of the district. • The Indoor Sports Facility Strategy recommendations support the continued provision of leisure water in Deal. This is supported by an analysis of competing facilities in Kent and the catchment analysis.
Fitness Suites/Gyms	<p>The conclusions from the needs analysis show an expected membership numbers of circa 2,400 on maturity. Based on a typical ratio of 25 members per station of equipment, it is recommended that a minimum of 100 stations are provided in the new gym with adequate space to increase to 110 stations if demand supports this in the future. To support the gym area of this scale we would also recommend provision of two multi-activity studios and a dedicated spin studio to provide an attractive offer and to maximise gym membership and the resulting revenue.</p>

Facility Type	Key Conclusions from Needs Analysis
Toning Suite	<p>Consultation with the Council, has identified the need for a number of toning tables which provide opportunities for people with mobility issues to take part in sport and physical activity. This reflects the needs of the local demographics, which indicate there are higher than average numbers of older people. This is highlighted by the dominant Mosaic group in the catchment area: E (Senior Security). It accounts for 17% of local people, a figure which is more than double the national average. The Council has suggested that 12 toning tables should be provided to offer sufficient range for users. These facilities will enable broader outcome around health and wellbeing to be delivered, particularly for people with mobility issues and undergoing rehabilitation.</p>
Cafe	<p>The redevelopment of Tides provides an opportunity to develop improved café facilities for users of the centre. This will improve the visitor experience and help generate additional income from secondary spend. The café should also be designed to allow access by people that are using the outdoor facilities in Victoria Park.</p>

Member Dot Map for Dover & Tides Leisure Centres



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Prepared for The Sports Consultancy by The Leisure Database Company, November 2021

The facility mix that has been identified for the Preferred New Build Option has been identified following completion of the needs analysis work and extensive consideration of the business case and affordability analysis.

Activity Areas	Existing	Preferred New Build Option
Indoor tennis centre	Retained in situ	Retained in situ
4 court sports hall	Retained in situ	Retained in situ
Main pool	Wave pool with beach area (260m ²)	4 lane 25m pool
Learner pool	None	12m x 8m learner pool with moveable floor
Leisure water	Small pools and 1 x body slides	400m ² area (splash pool, aquaplay and 2 x flumes)
Poolside Seating	None	Poolside seating for 50 people
Sauna & steam room	Sauna and steam	None
Health and fitness	40 Stations	110 stations
Toning Studio (ground floor)	None	12 x toning tables
Consultation Rooms (ground floor)	None	2 x consultation rooms
Multi activity studio	None	2 x studios (30 persons per class)
Spin studio	None	1 x studio (25 persons)
Multi purpose/community room (creche/party room/studio/meetings)	1 x meeting room	None
Reception with retail area	Included	Included
Café (150 seats) with poolside viewing	Capacity for 100 people	Capacity for 150 people
Parking spaces (recommended)	122	200

A number of options were considered and tested in order to define the Preferred New Build Option. This are listed below:

- 2 x additional lanes to provide a 6-lane pool
- Learner pool
- 1 x additional multi-activity studio
- 1x additional multi-purpose studio (party/meetings/well-being room)
- Increase leisure water from 400m2 to 600m2
- Increased parking to service larger options (300 spaces).

The following table contains a summary of the findings of the affordability analysis, showing the impact of each of these additional areas on the affordability of the project.

Total capital costs (rounded); mid range feasibility	Impact on affordability/funding
6 lane 25m pool (50% moveable floor)	-£1,516,047
12m x 8m learner pool (100% moveable floor)	-£63,607
600m2 area (splash pool, aquaplay and 2 x flumes)	-£122,498
2 x studios (30 persons per class)	-£12,031
Multi-purpose studio (party/meetings/well-being room)	-£107,444
250 parking spaces	-£470,000

Following a review of the impact of each of these on the affordability, the facilities listed below were added to create the 'Preferred New Build Option'.

- Learner pool
- 1 x additional multi-activity studio.

The remainder of this document contains the summary of the preferred options and the financial implications of this option.

Preferred Scheme *Concept Site Layout*

Please note all areas are approximate only and may fluctuate as the project develops. Plans are indicative only.

Key



— Site Boundary (TBC)

— KCC Lease

▽ Main vehicular site access

- - - Demolished

Ground Floor GIFA approximately - **2910sqm**

First Floor GIFA approximately - **1360sqm**

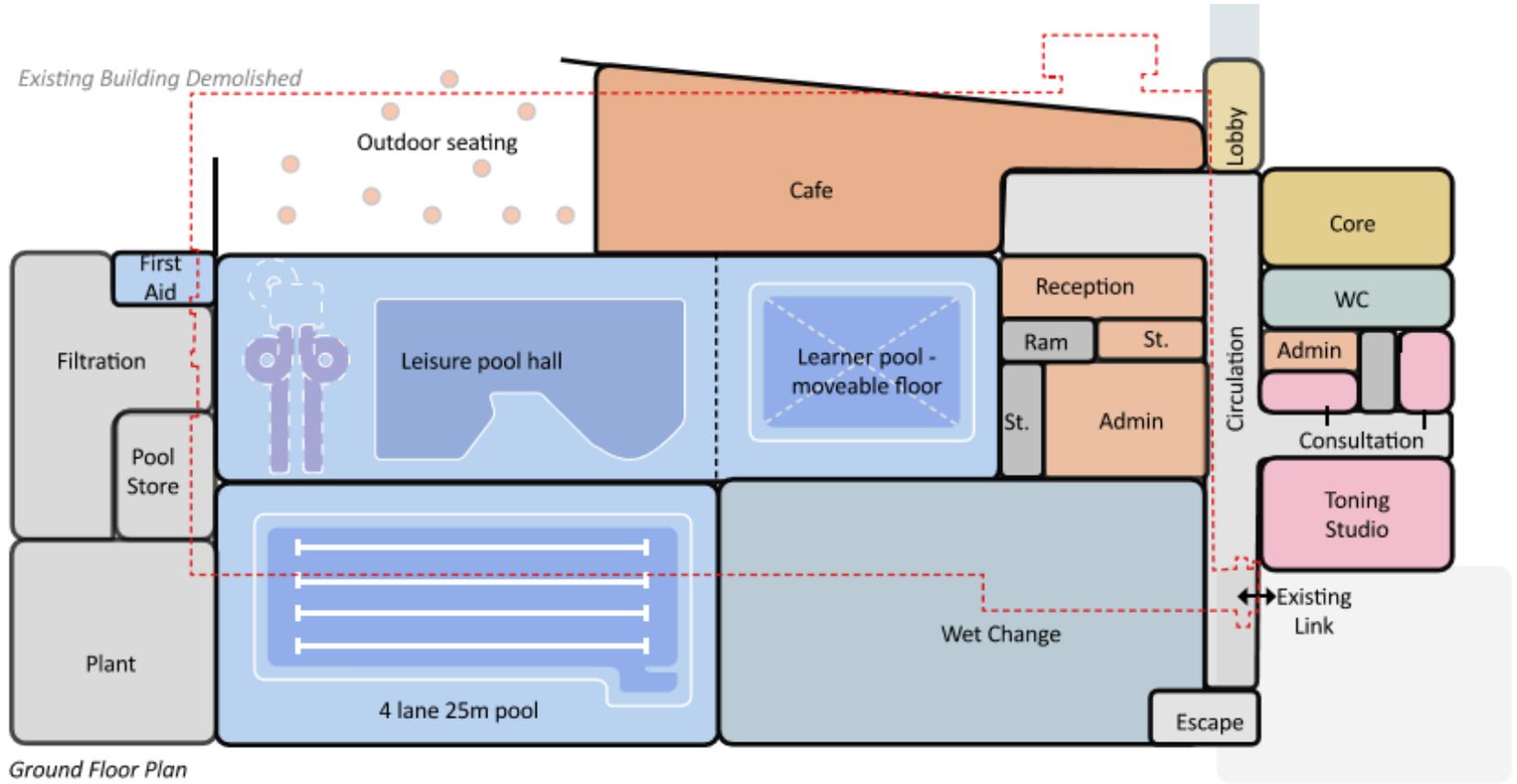
Total GIFA approximately - **4270sqm**

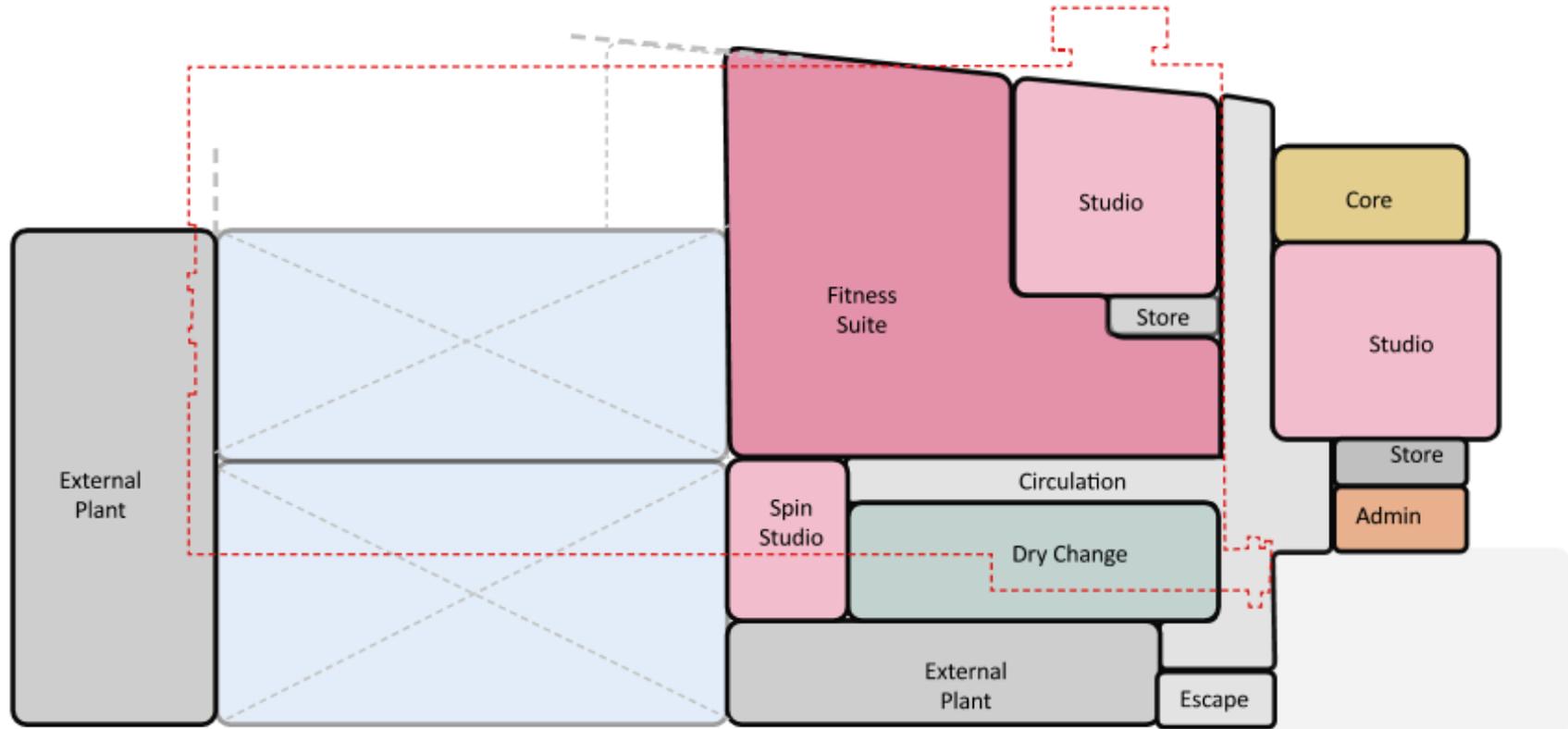
Existing parking - **128 spaces**

Proposed new - **72 spaces**

Proposed total - **200 spaces**







First Floor Plan

The financial implications of the Preferred New Build Option have been considered in detail, including the updated capital costs and revenue projections:

Updated capital costs:

- Build cost inflation from previous cost estimates to present (Q2 2022)
- Build cost inflation forecasts in line with updated project programme
- Contingency and risk, given current market volatility
- Consequential improvements
- Addition of DDC costs (officer time and additional risk allocation)
- Impact of recommended carbon reduction measures.

Updated revenue models:

- Building areas
- Minimum wage legislation changes
- Utilities costs and risk
- Revenue impact of carbon reduction measures on utilities consumption and costs.

The following specific updated costs have been applied to the financial analysis:

- Capital costs have been reviewed and updated by F+G
- Building cost inflation has been increased from 11.4% to 14%
- Prudential borrowing calculations have been updated to reflect increased interest rates
- Additional DDC internal costs and additional risk allowance is provided for on top of the figures presented above.

- Alternative options for the revenue projections have been considered. These are based on only increasing income from health and fitness memberships. The different scenarios are listed below:

- 30% uplift on latent demand forecast, an average yield per member, based on existing revenue performance (this is the basis of the initial revenue modelling)
- ***40% uplift on latent demand forecast and 10% uplift on average yield per member**
- 50% uplift on latent demand forecast and 10% uplift on average yield per member

***It should be noted that the 40% uplift figures and 10% uplift on average yield per member are being assumed as the basis for the business case and base revenue model.**

- It should be noted that capital costs and revenue figures will continue to be reviewed and updated as the project develops further.

FUNDING & AFFORDABILITY OF PREFERRED OPTION - ALTERNATIVE SCENARIOS

The following table contains a high level summary of the financial implications of the Preferred New Build Option. This shows the estimated total project cost, total capital funding deficit and the revenue required to close each funding gap under the three revenue scenarios considered. The results show that the total capital funding gap ranges from £2.7m to a funding surplus of almost £2m. The 40% uplift & 10% Increase in yield figures are the basis for the business case and base revenue model. These show a capital funding surplus of £476,104. The cost neutral position is approximately Latent Demand +37% & 10% Increase in Yield.

Total capital costs (rounded); mid range feasibility	Latent Demand +30% & Current Yield	Latent Demand +40% & 10% Increase in Yield	Latent Demand +50% & 10% Increase in Yield
TOTAL PROJECT COST	£24,880,000	£24,880,000	£24,880,000
TOTAL CAPITAL FUNDING SURPLUS / DEFICIT	-£2,726,964	£476,104	£1,987,319
REVENUE REQUIRED TO COVER CAPITAL FUNDING DEFICIT	£128,167	-£22,377	-£93,404

NOTES:

- Sport England are transitioning into a new strategy. Details of the new capital funding programme are not yet released. To continue engaging with SE to seek potential funding as information emerges.

During this phase of work, a study has been undertaken to review the sustainability options to be considered for the retained and new build elements of the Tides Leisure Centre.

There has been a significant change in renewables technology and carbon considerations since the delivery of the Dover District Leisure Centre. Air source heat pumps and photovoltaics (PV) are incredibly efficient and provide carbon reductions and energy savings.

A thermal model has been developed for the existing, areas to be retained and proposed new build elements to inform the potential thermal properties that should be targeted to ensure a reduction in energy consumption, and the baseline of the existing facility to allow an informed comparison of existing vs proposed.

Existing buildings – both the 4 court sports hall and the tennis centre are to be retained. Through utilising the thermal model, potential benefits of improving the building fabric of the two facilities appear beneficial. However, in practice, the two facilities rarely use heating due to the practical usage, and would also require improved ventilation, therefore capital costs may be invested without payback. Improvements to LED lighting are recommended for both retained areas, reducing the energy demands of the spaces.

Photovoltaics (PVs) – Existing & Proposed – the area available for a new PV array on the proposed elements of the facility are approx. 800m². This level of PV will provide around 100kW of electricity for immediate use by the building, or potentially to charge a battery system.

A further study should be undertaken early in the next stage of work to determine if the existing tennis centre and sports hall could also be utilised for further PV arrays.

Renewables – Ground source heat pumps (GSHP) and air source heat pumps (ASHP) are providing ever more efficient means of heating buildings. Some of the heating demands of the Tides Leisure Centre

may be in excess of the heat load available via GSHP or ASHP so may need to be combined with other systems. This is to be developed further in the next stage of work.

Recommendations:

- The Preferred New Build Option will meet BREEAM 'Very Good' standards as a minimum
- Upgrades to LED lighting in retained spaces
- Potential for PVs to be installed on retained spaces and new build roof areas
- U-values for proposed new build areas to ensure reduced energy consumption as reflected in revenue model
- Further work is required on renewables options with a view to de-gas Tides Leisure Centre and seek decarbonisation funding.

Hadron Consulting have prepared an initial high level risk register for the Tides Leisure Centre feasibility study. The risk register should be used in future phases to identify risks to enable the risk to be managed by the risk owner, mitigated and / or transferred to the contractor wherever possible. Due to the nature of some risks and the cost premium attached to transferring certain risks (especially for complex refurbishment/extension projects), some risks will need to be retained and managed by the Council. We would recommend some key risks are costed and a risk allowance is managed throughout the key stages of the project.

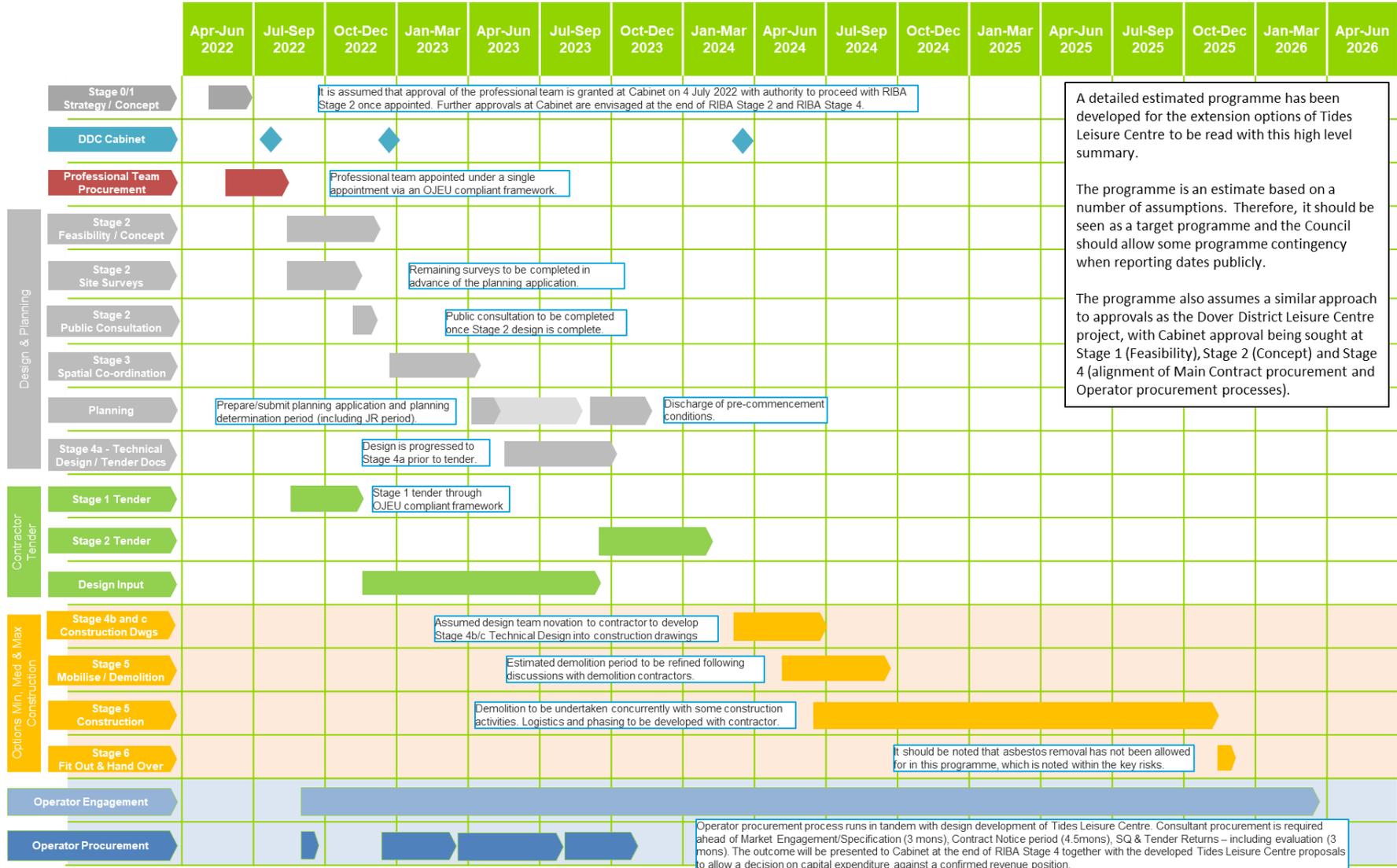
The top risks and issues are listed below:

1. A small risk allowance has been made for temporary facilities or costs incurred with creating alternative means of access to allow areas of the centre to remain open during works, however this will need to be developed in future stages.
2. An allowance has been made for potential loss of profit or compensation to the Operator for closing facilities or terminating the operator contract early, which will need validating in future stages.
3. The construction market is subject to volatility following disruption due to COVID and Brexit related issues and there is the potential for capital costs to increase. The implications of the Russian invasion of Ukraine may impact markets further.
4. Planning permission refused or conditions are not discharged in time.
5. Significant investment in new facilities adjoining existing areas may result in consequential improvements being required that could create additional project cost; a risk allowance has been included for this which will need validating in future stages.
6. Building Control approval delays completion or onerous requirements adds cost to the project. New Building Regulations are likely to be implemented during the project lifecycle that could create additional project cost. The base date for the project and applicable Building Regulations will be ascertained early in RIBA Stage 2. (Note: changes to Part L are now live as of 15 June 2022)
7. Works must be carried out in a sensitive manner to ensure neighbours and users are not disturbed to an unacceptable level.
8. The developing business case and revenue model is to be carefully managed at each stage of work. There is a risk the envisaged business case is not achieved resulting in a potential funding gap.
9. Services may run across site which may need diverting. The servicing strategy for the existing building also needs reviewing in detail.
10. Procurement of the professional and contractor teams are to be OJEU compliant. There is potential to make use of Frameworks to simplify the process and assist with programme.
11. Refurbishment / extension works to wet / leisure buildings are complex and require careful planning and management.
12. Asbestos containing material is located within the existing building and requires removal.
13. Staff will need to be suitably trained to ensure they know how to operate the building correctly, and at each phase of the project.
14. Engagement / communication to ensure, risk priorities and risk controls are debated and decided as part of a wider conversation amongst senior managers and elected members which strengthens governance, accountability and decision making

Once developed, the Register should be used to identify risks to enable the risk to be managed by the risk owner and mitigated and / or transferred to the contractor wherever possible. Due to the nature of some risks and the cost premium attached to transferring certain ones, some risks will need to be retained and managed by the Council.

ESTIMATED PROJECT DELIVERY PROGRAMME

A detailed estimated programme has been developed for the extension options of Tides Leisure Centre. This shows that the new centre could have a target opening date of autumn 2025. A high level summary of the estimated programme is included below.



A detailed estimated programme has been developed for the extension options of Tides Leisure Centre to be read with this high level summary.

The programme is an estimate based on a number of assumptions. Therefore, it should be seen as a target programme and the Council should allow some programme contingency when reporting dates publicly.

The programme also assumes a similar approach to approvals as the Dover District Leisure Centre project, with Cabinet approval being sought at Stage 1 (Feasibility), Stage 2 (Concept) and Stage 4 (alignment of Main Contract procurement and Operator procurement processes).

The following conclusions have been reached, in relation to Tides Leisure Centre, following completion of the options appraisal study:

Facility mix – The Preferred New Build Option has been identified following detailed analysis of the facility mix, as detailed below:

Preferred New Build Option	
Indoor tennis centre retained	1 x toning studio (12 x tables)
4 court sports hall retained	2 x consultation rooms
4 lane 25m pool main pool	2 x multi activity studios (30 persons per class)
12m x 8m learner pool with moveable floor	1 x spin studio (25 persons)
400m ² leisure water (splash pool, aquaplay and 2 x flumes)	Reception & retail area
Poolside seating for 50 people	Café (capacity for 150 people)
110 stations health & fitness	200 parking spaces

Capital cost and affordability – The Preferred New Build Option has a capital funding surplus of £476,104 under the 40% uplift in latent demand scenario with more, or less, optimistic outcomes under the 50% scenarios (£1.9m surplus) and 30% (£2.7m deficit).

Additional funding may be available via future rounds of the Governments Public Sector Decarbonisation Scheme (PSDS) and from Sport England. Eligibility and timing of funding will need to be explored further at RIBA Stage 2, to help inform decisions on the inclusion of sustainable measures in design and construction.

The project should proceed to RIBA Stage 2 based on the Preferred New Build Option facility mix.

Sustainability & carbon reductions – The project is currently at RIBA Stage 1 and a review of potential sustainability and carbon reduction options has been undertaken in this phase of work. The Preferred New Build Option will meet BREEAM 'Very Good' standards as a minimum.

There has been a significant change in renewables technology and carbon considerations since the delivery of the Dover District Leisure Centre. Air source heat pumps and photovoltaics (PV) are incredibly efficient and provide carbon reductions and energy savings.

Thermal modelling has been undertaken on the existing building and proposed new build / retained areas to understand areas to target in future design stages such as:

- Upgrades to LED lighting in retained spaces
- Potential for PVs to be installed on retained spaces and new build roof areas
- U-values for proposed new build areas to ensure reduced energy consumption as reflected in revenue model
- Further work is required on renewables options with a view to de-gas Tides Leisure Centre and seek decarbonisation funding.

Delivery programme – The delivery programme identifies the potential for the Preferred New Build Option to be open in Autumn 2025. A number of programme risks and opportunities should be developed early in the next design stage including understanding the existing building further and potential phased opening of refurbished / new build areas to ensure users benefit from the project as early as possible.

The procurement of a Main Contractor early in RIBA Stage 2 will ensure access to the supply chain helping to develop the most efficient delivery programme, whilst ensuring market interest and careful management of delivery costs.

The work completed during this study represents the initial facilities options appraisal stage in developing the new Tides Leisure Centre. It includes benchmarked capital and revenue costs and the outline business case for the initial options, to enable the Council to decide whether to proceed and, if so, which is the preferred option to carry forward. However, it should be noted that all capital and revenue costs are likely to be subject to change as the options are developed and refined.

If the Council decides to proceed with the project, based on a Preferred New Build Option, the next stage should involve completion of a more detailed feasibility study to RIBA Stage 2. This will provide the Council with the information required to take final decisions on the scope of the project and, importantly it will provide further detail to help mitigate financial risks. A consultant project team should be appointed to support the Council through RIBA Stage 2. The key tasks included in a typical Stage 2 study for this type of development are listed in the following table.

Task	Summary
Sustainability Strategy	Develop the sustainability vision and strategy, to minimise energy consumption and carbon emissions from the construction and operation of the centre. This will include a cost benefit analysis of all measures that are considered to inform the design development and business case for the project.
Engagement with Sport England	Sport England should be updated and consulted early in the next stage of development to understand the potential capital funding opportunities, any further information on the launch of the new Sport England capital funding programme and the work required to complete a submission with timelines.
Pre-Application Planning Consultation	Complete initial consultation with the local planning authority to understand what opportunities and constraints there may be in relation to the potential development of new leisure facilities on the proposed sites.
Design Development	Develop the preferred options to RIBA Stage 2, including production of a site plan and floor plans, showing the internal arrangement of the building including all areas listed of the schedule of accommodation. Draw up a detailed technical design brief to RIBA Stage 2.
Capital Cost Plan	Complete pre-tender cost estimates based on the final schedule of accommodation linked to the RIBA Stage 2 design
Business Plan	Refine the business plan model alongside the design and capital cost plan. This will be used to test the impact of changes in the scope of the project and inform the refinement of the business case.
Risk Analysis	Update the project risk register to identify all risks and assess their impact and probability of occurring as well as summarising the actions that should be taken to manage and mitigate each risk.
Governance Structure	Define the governance structure for delivering the project to provide guidance on the most effective structure for delivering the project through to completion.
Project Programme	Develop a detailed project programme covering the delivery of the projects.
Funding Review	Review of all realistic funding opportunities for a project of this type and the possible amounts of funding available from each. Agree the make-up of the project funding and highlight any risks attached to funding sources.
Transport Planning	Complete a transport assessment and travel plan, if required by the local planning authority.
Consultation	Continue consultation with relevant stakeholders, as well as public, to identify further issues and requirements that should be considered in developing the project.
Site Surveys	Environmental, Topographic, Geotechnical, Flood Risk Assessment, Archaeology and others to be agreed.

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