

Business Case for the Redevelopment of Hiltingbury Pavilion

Proposal from the Project Board to Full Council:

That the feasibility study, Parish Council's Precept level, the indicative occupancy figures (at 25%) and on the advice of experts (EBC and Sports England Officers) indicate that proposals for a 4 badminton court sized extension should be taken forwards with refurbishment of the existing pavilion as a single phase development, based on option 3, at an indicative cost of approximately £1.5M.

That a proposal for such a development be taken forwards to Full Council's 31 October 2016 meeting, with the provision that if it is agreed to take this forwards that TKL Architects be retained as the design team, with Richard Barnes as the Quantity Surveyor (within Fin Reg 11.1.a.ii).

Introduction

Hiltingbury Recreation Ground has the potential for being a first class recreation ground and in recent years has benefited from the introduction of upgraded play equipment. The introduction of a MUGA has been converted to provide informal, multi-sport facilities within a new tarmac, fenced perimeter area. A skateboard park has also been introduced and is well used.

The original Pavilion constructed circa 1950 was subsequently refurbished 2008/09 and benefited from new showers, but utilising the same structure. The building is now outdated and does not encourage community participation in a healthy lifestyle.

The pavilion serves only the football community by means of changing rooms and were modernised in 2008/9. The rest of the building is in urgent need of renovation to make the premises more attractive to existing and potential user groups.

Currently, it is limited to only one small community room to accommodate the other indoor activities.

The pavilion is in need of being upgraded to meet the demands of to-days upbeat active population. The existing pavilion building is very dated and was clearly designed around a different range of activities.

Places for People at EBC have commented as per below about the proposed extension:

*"Eastleigh Borough Council are 7 months into the construction of a new £30M Leisure Centre at Fleming Park. Operated by Places for People, the new centre will boast a 15 court indoor sports hall to be opened in November 2018. Places for People are supportive of the Hiltingbury Pavilion proposal however, and do not see a conflict of interest, nor a threat to their future business. **The Sport & Active Lifestyle Strategy 2015 states that the existing provision in the Borough is at 100% capacity at peak times.** Even with the additional 5 courts to be added to the existing 10 courts at Fleming Park, interest in securing slots is already high. Places for People endorse the construction of a new 4 court sports hall at Hiltingbury Pavilion and believe it will be an ideal facility for some of the smaller local community based clubs to get access to high quality indoor sports provision at peak times. Places for People are also mindful of the recent closure of Eastleigh Colleges 4 court sports hall and the planned increase in population within the local vicinity as part of the local plan that will only further increase demand for indoor sports hall provision."*

Existing Football Foundation Grant Conditions

The Borough Council was awarded a grant of £169,000 from the Football Foundation in 2007 for the changing room refurbishment at the Hiltingbury Pavilion. The grant required a 25 year agreement that sought to protect their investment. This proposal has been discussed with both the football Foundation and the local Hampshire FA. Rather than being concerned by this proposal, they see the addition of the sports hall and the revamping of the building and the changing rooms as a positive. Their latest emphasis is to provide facilities that are inviting to users. The new facility would fulfil this requirement. As long as 2 changing rooms and an official's changing room is retained (along with suitable storage and toilet facilities), they are in support of this proposal.

Youth activities in the Hiltingbury / Chandler's Ford Area

With limited youth activities in terms of The Loft and the provision of the Velmore Youth Café, and various guides, scouts, the Boys' Brigade and various football clubs, Chandler's Ford Parish has a large number of the youth population that are not involved in any organised use of facilities and therefore are potentially liable to get involved in antisocial behaviour (ASB). Initiatives such as 5-a-side early on a Friday evening (as done at Botley Parish) can be a valuable investment for a parish council to underwrite through precept in reducing ASB by such interventions. This facility would enable such a provision (if so resolved) which was not made available by the resurfacing of the tennis courts with asphalt rather than a grass carpet.

Links with National, Regional and Local Priorities and Strategies

Sport and active lifestyles provision in the borough is influenced by a number of documents at a national and local level. This material informed the Council's 2015 Sport and Active Lifestyles Strategy and the resulting action to redevelop Fleming Park Leisure Centre. A detailed review of all influencing strategies and policies across sport, health and planning can be found in the Sport and Active Lifestyles Strategy. There has been a commitment in Sport England's recent strategy, **A Sporting Habit for Life, 2012-2017** that stated 'underpinning any strategy for increasing the number of people enjoying and regularly participating in sport **must be a programme of investment in the provision of high-quality sports facilities**'. National strategies also highlight the increasing pressure and responsibilities that lies with local authorities to try to tackle inactivity. This is highlighted in UK Active's Turning the Tide of Inactivity, 2014 report which states '**Urgent action is required that challenges central government, local authorities and the activity sector to get more people, more active, more often**'.

The proposed facility underpins the delivery of the 2015 Sport and Active Lifestyles Strategy and its strategic vision for '**A place where regular participation and enjoyment in physical activity is promoted through the sustainable provision of high quality, accessible community facilities and targeted activities**'. The facility will not only deliver key sporting aims for the local area but also will be cross cutting through other local priorities and agenda's such as the wider health agenda, community cohesion, coach education and training. The development of the Hiltingbury site is directly aligned to the following objectives in particular:

- **Developing green infrastructure**
- **An excellent environment for all**
- **Enabling healthier lifestyles / wellbeing**
- **Tackling health inequalities**

The Eastleigh Borough Local Plan 2011-2029 establishes vision, objectives and priorities for the borough whilst helping to guide development over the coming years. It is still unadopted, however it represents the most recent statement of the Council's strategy for the borough. The vision and

objectives still remain relevant and will be carried forward into the new Local Plan currently being prepared for the borough and are still relevant here. An important part of the Local Plan's vision and objectives is **to promote healthy living, including engagement in sporting activity**. The Council therefore considers **the provision and protection of recreation and open space facilities to be an essential part of its vision and strategy for the communities of the borough. The Council seeks to protect recreation and open space facilities** (policy DM31), and to secure additional provision (policy DM32, which also sets out standards of provision for various typologies of open space) and through the development of new facilities (policy DM33).

Current State:

Hiltingbury Pavilion has suffered significant dilapidation over the past few years. The simplest business case for a refurbishment and sports hall extension is made by just examining the building. It attracts vandalism and does not sit well in its setting next to The Hilt and the refurbished tennis courts.

The feasibility study produced by TKL Architects adequately makes this point:



The interior of the building is unwelcoming, dark, dank and not-fit-for-purpose as a letting space or really fit to be described as 'pleasant changing rooms' for football.

Residents deserve better facilities that are welcoming, bright, dry and a pleasure to use.

Project Objectives

The aim of the Hiltingbury Pavilion project in terms of Sport, Health & Wellbeing is to extend and improve the facilities at the Hiltingbury Pavilion and to provide a much-needed sporting heart for the community for Hiltingbury & Chandlers Ford. Feedback from a survey being undertaken of residents shows that there is a need to provide a local sports facility with less perceived barriers to access than a large/strategic sports complex might create.

Public open space is extremely rare in one of the most heavily populated areas in Hampshire. The project seeks to increase the range of sports, recreation and leisure facilities whilst preserving the green oasis environment in a very built-up housing area.

Do Residents Want a Local Facility?

Survey Results:

Over the spring/summer of 2016 a residents' survey was undertaken through Survey Monkey, advertised in the Parish Council's newsletter that is delivered to every household, linked to on the Chandler's Ford Street Life website as well as promoted on the Parish Council's website. There were a total of 78 responses.

The questions asked about priorities for the Hiltingbury Pavilion.

In terms of creating a multi-use sports hall 73.9% of respondents put this as a 'first priority' or 'important'

In terms of asking why residents might use a local centre with the redevelopment of Fleming Park 81.5% reported mobility/transport as being a barrier to using the larger facility and over 30% reported lack of confidence as they were new to or returning to sport.

66.6% of respondents wanted the existing upstairs room improved and made more accessible for martial arts etc and comment was made about having a room large enough for Ballroom/Latin dance lessons.

In terms of sports facilities wanted badminton scored highest with 65.7% wanting more local courts, 60% favouring a centre that was more suited for martial arts, 50% a climbing wall, 46% an indoor tennis facility and 45% indoor five-a-side football. Petanque and other sports were also mentioned.

In planning terms 70% of respondents felt that it was acceptable to have a high roofline to enable badminton.

In the recreation ground respondents averaged 73.8% in favour of an outdoor fitness trail/jogging/walking track around the grounds.

Sustainability

The Hiltingbury Pavilion will continue to be managed by the Parish Council which should continue in perpetuity. The Parish Council runs on precept and can therefore adjust this to ensure the viability of the recreational asset over the period of use. The Parish Council will monitor usage to ensure it remains relevant to the needs, aspirations and demands of the local residents.

This proposed development has come on the back of the latent demand of the local community and will seek to enhance the facilities already on site. The proposal will seek to provide a flexible space which can be used for both sports and community initiatives, inclusive of diversionary activities and according to expressed accessibility needs.

Can the Parish Council Afford to Build a Sports Hall and Revitalise the Pavilion?

The risks of phasing the main build portion will be discussed later, but in this part of the business case the assumption of borrowing will be used, with the assumption as well that a quick build/project delivery is desirable.

Before going any further and looking at options, possible layouts, possible income streams, the simplest of questions has to be asked.

Any new facility can take up to two years to establish itself in the community. Therefore, the most basic question is could the Parish Council afford repayments if there was a slow uptake/before the facility was paying for itself or delays that caused the first repayment to be due before the facility was open?

If a four badminton court sports hall was to be built with a refurbishment of the existing pavilion, then the cost could be in the region of £1.5M.

Funding is potentially available (2017/18) from Asset Improvement Reserves at £300-350k, and a NHBS grant of £400,000 this would leave about £750 – 800k of borrowing required.

The Public Works Loan Board (PWLB) is the usual place for a Parish Council to access funding for capital works loans are normally limited in a single financial year to £500k but higher levels are possible or a second loan is taken out the following year.

Working on the basis of a loan of £800k over a 20-year period and the Parish Council keeping its Precept at a level that continues to create £125k per annum of Asset Improvement Funds, then the loan is easily repayable out of Precept, with half-yearly payments of £26.6k, and will still leave £71.8k of funds available for other asset improvements, albeit on a smaller scale, to continue.

If a loan was taken out over the life-period of the potential sports hall, at 30-years, then it is even more affordable, although the interest payable would be in the region of £266k rather than £148k for an initial saving of only £10k p.a. on repayments.

| Example PWLB Borrowing/Repayments | | | | | |
|---|--------|-------------------------------|---------------------------|--------------------------|---------------|
| Loan Amount £800,000 on an Equity of installment of Principal (EIP) Basis | | | | | |
| Period of Years | % Rate | Initial 1/2 yearly repayments | Initial annual repayments | Reduces by each 1/2 year | Total Cost |
| 20 | 1.77 | £26,592.20 | £53,184.40 | £172.68 | £948,680.00 |
| 25 | 1.98 | £23,606.27 | £47,212.54 | £155.29 | £1,005,920.00 |
| 30 | 2.15 | £21,714.75 | £43,429.50 | £140.98 | £1,066,600.00 |

Therefore, the project can be viewed as 'affordable' even before considering income generating streams.

Hiltingbury Pavilion has already been opted into VAT and therefore all VAT on the project costs will be recoverable.

Risks of Phasing

The Parish Council could phase the development over a period of years and avoid borrowing funds; however, this does present some financial risks. These include:

- variations in materials costs,
- partial demolition of works completed to carry out the next phase,
- changes in the Parish Council make-up (elected members) and reprioritisation of funds,
- modifications to design following elections, creating unforeseen costs, and
- non-completion of the project.

Whilst the Parish Council might not have wished to consider borrowing money to enable projects before, the potential benefits to local residents in terms of healthier communities etc, does present the opportunity for a considered approach to borrowing to ensure the cost-effective and timely completion of this proposed project.

As shown above the current precept levels do enable the repayment of a loan (at the current rates of interest which are based on the day of borrowing's Gilts' return and as prescribed by the PWLB) without the generation of income streams.

Officers therefore recommend that adequate borrowing should be undertaken to enable the construction and fit-out of a sports hall and refurbishment of the existing pavilion as a single phase project.

If necessary, the informal ½ mile running track and outdoor gym could be undertaken as a second phase as they are totally separate from the construction of the sports hall.

Feasibility Study

Outcomes

The initial project brief was to look at an extension with a *minimum* of 2 badminton courts as any costs at the early stages were unknown, let alone the state of the existing pavilion, and a precautionary approach was deemed sensible.

During the Feasibility Study period initial feedback was gained from TKLA and Project Sponsors asked for an option with three courts to be considered and costed to make it more functional for badminton club use.

This additional work bought the study fee up to the agreed authorisation level of £5,000 and was agreed by the Parish Clerk under extant resolutions. The costings for the third court came in at an additional £80k.

On presentation of the final study drawings and costing TKL were asked about a fourth court to give better dimensions for five-a-side football. This was estimated at a further £100k.

Following analysis by a Quantity Surveyor the anticipated costs were advised as:

The anticipated full scheme costs for each option are

- a) Two court scheme – refurbishment and alterations - £1,360,000.00
- b) Two court scheme – new build - £1,665,000.00
- c) Three court scheme – refurbishment and alterations - £1,383,000.00
- d) Three court scheme – new build - £1,758,000.00

With a £400k cost difference of demolition and rebuild, the Project Board favour an extension and refurbishment rather than new build.

Further they also are in favour of a single contract approach rather than phasing of the build project over several years as this would be a more cost effective approach and more sensitive to making proper use of public monies.

Preferred Design Basis

The preferred design by the Project Board is option 3 but designed as a 4 court hall. There is enough level, external space to move the football pitches down the recreation ground to accommodate the necessary footprint.

Secondly it provides a very functional and large studio area in the reconfigured first floor layout and a concessions (treatment etc) room which can provide a regular rental income as well as additional building security by increasing occupancy.

Occupancy Levels/Income

Peak Hours

It can be extrapolated from other sports halls that the primary hours for occupancy are 5pm to 10pm weekdays (a key card access system will probably be needed).

In terms of income, taking occupancy levels of 75% and 50% as indicators and an assumption of use in the weekday evenings only, with an averaged income of £45 per hour (split use between badminton and 5-a-side, and an indicative price only at this stage) in the sports hall only would give an income (inc VAT) of £843p/w @ 75% occupancy and £562.5p/w @ 50%.

On an annual basis this would indicate a potential income, from these very limited times, of anywhere between £29,250 to £43,836 (inc VAT).

Off Peak Hours

It would be sensible to see these set at a level that would increase uptake in promoting a healthy community as well as occupancy by the retired and very young.

Football

2 changing rooms and officials changing rooms have to be kept as part of the Football Foundation's funding requirements (who will need to be consulted formally on the agreed proposals) which in 2015-16 brought in earnings of £2,391. Pitch usage is significantly up this year on last season's levels from AFC Hiltingbury.

Room Lettings

2015-16 saw hall hire income of £5,388 (ex VAT) from the Hiltingbury Pavilion with the building in its current state. These are all regular bookings and would expect to see them continue after the improvements were made. Most of these bookings are in off-peak hours.

Peak studio rental could be set at £24 per hour (indicative) which again at 25% peak occupancy could create a further income stream of £7.5k p.a.

The 'concessions room' could produce a regular income from long-term hiring out to physiotherapists, sports massage/rehabilitation, etc potentially bringing in £5-10k p.a. at a 50% occupancy.

Based on the assumptions above, potential income for the sports hall could realistically achieve:

| | |
|-------------------|--------------------|
| Sports Hall Peak- | £29,250 to £43,836 |
| Off Peak - | £ 5,000 to £10,000 |
| Studio Peak | £ 7,500 |
| Studio Off Peak | £ 6,500 * |
| Concessions - | £ 5,000 to £10,000 |
| Football - | £ 3,000 |

Totals: £56,250 - £80,836

* Extrapolated from current usage.

Even at a peak hours' occupancy of 25% for badminton (the most requested facility) and 25% 5-a-side in peak hours (representing 50% of the Sports Hall's peak capacity) and at the equivalent of 12.5% of off-peak capacity, the income generation streams are relatively significant at approximately £1,475 p.w. some £76,700 per annum.

Currently repairs, maintenance, utilities costs are in the current budget at £19k p.a. which should not need to be increased in a more modern and cost-effective/energy efficient building.

Local comparative rates are as follows:

Fleming Park

5-a-side Adult Peak £60.00

5-a-side Adult Off Peak £45.00

5-a-side Junior Peak 60.00

5-a-side Junior Off Peak £24.50

Badminton per court per hr Adults Peak £11.45

Badminton per court per hr Juniors Peak £11.45

Badminton per court per hr Adults Off Peak £7.45

Badminton per court per hr Juniors Off Peak £3.10

The Hub, Bishopstoke (peak 1700 to 2200 weekdays)

Sports Hall per hr Peak £34.00

Sports Hall per hr Off Peak £27.00

Studio per hour £24.00

Badminton per court per hr Adults Peak £10.80

Badminton per court per hr Juniors Peak £10.80

Badminton per court per hr Adults Off Peak £7.30

Badminton per court per hr Juniors Off Peak £3.10

Valley Park

Badminton: Adult: £8.80 Junior: £4.35

| Sports Hall Extension Potential Income | | | | | | | |
|--|--|------------------|------------------|----------------|------------|------------|----|
| | Potential Occupancy Income Per Week | | | | | | |
| | £ p.h | h/d | d/wk | 25.00% | 50% | 75% | |
| Sports Hall Weekdays | | | | | | | |
| Badminton Peak 4 cts @ £40 p.h | 40 | 5 | 5 | £250.00 | £500.00 | £750.00 | |
| Badminton Peak 3 cts @ £30 p.h. | 30 | 5 | 5 | £187.50 | £375.00 | £562.50 | |
| Badminton Peak 2 cts @ £20 p.h. | 20 | 5 | 5 | £125.00 | £250.00 | £375.00 | |
| Badminton Peak 1 ct @ £10 p.h. | 10 | 5 | 5 | £62.50 | £125.00 | £187.50 | |
| | | | | | | | |
| Badminton Off Peak 4 cts @ £20 p.h | 20 | 9 | 5 | £225.00 | £450.00 | £675.00 | |
| Badminton Off Peak 3 cts @ £15 p.h. | 15 | 9 | 5 | £168.75 | £337.50 | £506.25 | |
| Badminton Off Peak 2 cts @ £10 p.h. | 10 | 9 | 5 | £112.50 | £225.00 | £337.50 | |
| Badminton Off Peak 1 ct @ £5 p.h. | 5 | 9 | 5 | £56.25 | £112.50 | £168.75 | |
| | | | | | | | |
| 5-a-side Football Peak @ £60 p.h. | 60 | 5 | 5 | £375.00 | £750.00 | £1,125.00 | |
| 5-a-side Football Off Peak £30 p.h. | 30 | 9 | 5 | £337.50 | £675.00 | £1,012.50 | |
| | | | | | | | |
| Sports Hall Weekends | | | | | | | |
| Badminton Off Peak 4 cts @ £20 p.h | 20 | 15 | 2 | £150.00 | £300.00 | £450.00 | |
| Badminton Off Peak 3 cts @ £15 p.h. | 15 | 15 | 2 | £112.50 | £225.00 | £337.50 | |
| Badminton Off Peak 2 cts @ £10 p.h. | 10 | 15 | 2 | £75.00 | £150.00 | £225.00 | |
| Badminton Off Peak 1 ct @ £5 p.h. | 5 | 15 | 2 | £37.50 | £75.00 | £112.50 | |
| | | | | | | | |
| 5-a-side Football Off Peak £30 p.h. | 30 | 15 | 2 | £225.00 | £450.00 | £675.00 | |
| | | | | | | | |
| Studio | | | | | | | |
| Weekdays | | | | | | | |
| Studio Peak @ £24 p.h. | 24 | 5 | 5 | £150.00 | £300.00 | £450.00 | |
| Studio Off Peak @ £12 p.h. | 12 | 9 | 5 | £135.00 | £270.00 | £405.00 | |
| Weekends | | | | | | | |
| Studio Off Peak @ £12 p.h. | 12 | 15 | 2 | £90.00 | £180.00 | £270.00 | |
| | | | | | | | |
| Concessions/ Treatment Room | | | | | | | |
| Weekdays Peak @ £10 p.h. | 10 | 5 | 5 | £62.50 | £125.00 | £187.50 | |
| Weekdays Off Peak @ £6 p.h. | 6 | 9 | 5 | £67.50 | £135.00 | £202.50 | |
| Weekends Off Peak @ £6 p.h. | 6 | 15 | 2 | £45.00 | £90.00 | £135.00 | |
| | | | | | | | |
| For Example an Income Stream @ 25% Occupancy | | | | | | | |
| Amount used | 4 cts | 3 cts | 2 cts | 1 ct | | | |
| Peak Badminton | £250.00 | £187.50 | £125.00 | £62.50 | | | |
| Peak 5-a-side | £375.00 | £281.25 | £187.50 | £93.75 | | | |
| | | | | | | | |
| Off Peak Badminton | £375.00 | £281.25 | £187.50 | £93.75 | | | |
| Off Peak 5-a-side | £562.50 | £421.88 | £281.25 | £140.63 | | | |
| | | | | | | | |
| Studio Peak | £150.00 | £112.50 | £75.00 | £37.50 | | | |
| Studio Off Peak | £225.00 | £168.75 | £112.50 | £56.25 | | | |
| | | | | | | | |
| Concessions Peak | £62.50 | £46.88 | £31.25 | £15.63 | | | |
| Off Peak | £112.50 | £84.38 | £56.25 | £28.13 | | | |
| | | | | | | | |
| Total Weekly Income @ 100% of 25% Occ | £2,112.50 | £1,584.38 | £1,056.25 | £528.13 | | | |
| | | | | | | | |
| Reality @ 50% Peak (25% 5-a-side + 25% Badminton) + (50% of 25%) Off Peak | £1,475.00 | | | | | | 10 |