**APPENDIX A**

**SPECIFICATION**

**Project Background**

Shepway District Council currently runs the existing Hythe Pool (South Street, Hythe). It is a long-established local facility with a strong community focus. The pool was built in 1974 and the building is reaching the end of its useful life.

SDC plans to close the existing pool and build a new leisure centre on Princes Parade, Hythe as part of wider development that will include 150 new homes.

The new leisure centre will be based on the Sport England recommended Affordable Recreation Centre design and the council have already employed architects GT3 for the feasibility stage of the project.

The council considers that the new centre would be a popular facility.

* The new leisure centre would replace the existing swimming pool with a modern facility that would notably also include a fitness gym and cafe.
* It would form part of an attractive new residential development which is located along the sea front. Both the gym and cafe would be seaward facing.
* It is intended that the new leisure centre would support the whole Shepway district (population 97,000). It would be the only council operated leisure centre in the district.
* The council has already carried out a detailed assessment of the recreational and health/fitness needs for the community that has identified demand for a new pool and expanded gym provision.

*All information about the new centre and the project generally is available on the project website –*

[www.princesparade.co.uk](http://www.princesparade.co.uk)

The intention is to submit the planning application by June 2017. Subject to approval, the construction phase would start in early 2018. The procurement of the new leisure centre operator is scheduled to begin at the point planning consent has been obtained with intention of contracting early within the construction phase.

**Design Specification**

The design is based on the ARC model. It is proposed the new centre will have the following facilities:-

* 25m x 6 lane competition equipped swim pool
* Spectator seating (100 person)
* 12m x 4 lane teaching pool  (visible from the café seating area)
* Swim village changing /Dry Change facilities
* 100 station fitness gym (overlooking sea)
* 3 Fitness Studios
* Sports fixtures/fittings/equipment throughout building
* Café / Vending Area /Kitchen
* Staff Management/Admin suite /Staff changing facilities
* Adequate storage for all activity areas /First aid room
* 185 spaces and 2 coach bays

**Main Requirements of the New Leisure Centre Operator**

The council considers the main requirements to be the following. These would be incorporated within the operator tender specification: -

* To run the new leisure centre on a cost neutral basis to the council (i.e. no subsidy. The council would want to exercise control over the cost of swimming and swimming lessons.
* A full repairing lease which would include the transfer of all costs and liabilities associated with the facility to the operator for the duration of the contract.
* Market, build membership and increase participation in sport and physical activity at the Leisure Centres and provide value for money to Shepway DC residents and users of the facilities
* Support the council’s strategic objectives through the provision a community programme incorporating local health and wellbeing initiatives.
* TUPE – this would apply to staff currently working at the council’s existing pool at South Road, Hythe. This is a smaller facility and would close to be replaced by the new leisure centre at Princes Parade. Approximately 10 FTE staff would transfer and there would probably be a need for additional recruitment to support the new centre.
* Apply a level of price controls for swimming and swimming lessons.

**SCOPE & REQUIREMENTS**

The project has reached RIBA Stage 2/3 and awaiting planning approval. A report was completed in 2014 looking at customer requirements, local demand and the facility mix. This has informed the proposed design and location of the new leisure centre. The council has also conducted a soft market testing exercise of leisure trust and other providers for research purposes and to test some of its business assumptions.

The council now wishes to complete a more detailed business case including a ‘shadow’ business plan for the leisure centre to inform its decision-making on the type of operator should manage the new centre and specification for the procurement of that operator.

The consultant will be asked to prepare a comprehensive business case report covering the following: -

1. Review of the financial performance of the current Hythe Pool.
2. Updated health and fitness market assessment.
3. Affordability analysis and project cash flow assessment.
4. Preparation of a financial model/business plan showing the projected income, expenditure and throughput projections for the new centre over a 20-year period. The financial model/business plan will need to incorporate the following scenarios -
	* + The council exercising price controls on charges for swimming and swimming lessons.
		+ Expected growth in leisure centre membership.
		+ Operator responsible for all or partial repairing liabilities.
		+ The potential for an operator to run the leisure centre on subsidy, a ‘cost neutral’ (i.e. no council subsidy) or revenue generating basis.
5. Review of the management options for the new leisure centre considering the financial implications of each option and taking into the operator requirements listed previously.
6. Ongoing project management requirements including high-level outline construction programme -
* Outline construction programme showing scheduling of key stages.
* Advice on project team composition and when posts should be appointed within programme.
1. Updated soft market testing exercise of potential leisure operators.

**Main Outputs**

1. New Leisure Centre Business Case
2. High-level outline construction programme with recommendation on ongoing project management.
3. Updated soft market testing exercise and analysis of responses.
4. Deadline for the report – **6 October 2017.**