

Executive Report

Ward(s) affected: whole borough

Report of Director of Environment

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Replacement of Guildford Spectrum

Executive Summary

The Guildford Spectrum is a unique and iconic venue that has served over 42 million visitors since it opened in 1993.

The corporate plan includes an objective to undertake a feasibility study for a new facility and this report outlines the work undertaken to inform this process.

The research undertaken includes examining the national and regional situation, the performance and challenges of the existing venue and the draft aspirations and objectives for a replacement. It also examines the option of refurbishing the existing facility.

The report concludes by recommending that formal work is undertaken to develop a business case for the replacement of the Spectrum and timescales for achieving this.

Recommendation to the Executive

- (1) That the research undertaken into the current performance and challenges of the Spectrum be noted.
- (2) That the option to build a new facility and produce a full business case including public consultation, funding and delivery options, be progressed.
- (3) That the draft vision and aspirations for the new facility be approved.

Reason for Recommendation:

To address the Corporate Plan objective to undertake a feasibility study for a new facility to replace Guildford Spectrum.

1. Purpose of Report

1.1 This report sets out the case for replacing the Guildford Spectrum Leisure Complex.

1.2 In doing so it will:

- Explain how the Spectrum supports the Council's strategies, policies and plans e.g. the Local Plan, Health and Wellbeing Strategy
- Provide an assessment of current and future supply and demand.
- Detail the results of an assessment of the existing performance and facility.
- Provide an overview of the land and planning matters (limitations and opportunities provided by the site).
- Compare the options of new build versus refurbishment.
- Report on initial work to establish a vision and the aspirations for a new facility
- Provide an estimate of costs and financing options.
- Propose the next steps.

2. Strategic Priorities

2.1 The Guildford Spectrum supports the Community theme in the Corporate Plan by:

- Attracting visitors to the borough and making Guildford a more attractive place to live.
- Providing an enhanced leisure offer in an attractive, vibrant setting.
- Promoting physical activities and contributing to public health.
- Providing employment.

2.2 "Undertake a feasibility study for a new multi-use sports and entertainment facility" is an objective within the Corporate Plan.

3. Background

3.1 The Guildford Spectrum Leisure Complex opened on 23 February 1993, covers 26 acres and cost £28 million to build. It is situated on the edge of Stoke Park in close proximity to the main A3 trunk road and the town.

3.2 Guildford Spectrum was designed with a unique range of facilities. The combination of commercial and community facilities all under one roof remains a unique offer in the United Kingdom.

3.3 Facilities provided include:

- An International standard ice rink seating 2000
- 4 swimming pools including a multi flume leisure pool, 25m competition pool, a dive pool with 1m, 3m and 5m boards and a teaching pool
- 32 lane ten pin bowling centre
- 10 badminton court sports hall
- A dedicated group exercise studio
- 72 station fully equipped health and fitness suite
- a 400m athletics stadium with a floodlit football pitch
- a crèche
- a children's soft play

- a number of other smaller facilities including a spinning studio, 2 squash courts and dry sport facilities
 - a number of catering and sports retail outlets
 - a 1000 space car park.
- 3.4 Spectrum is a regional tourist destination and receives around 1.7 million visits each year and has a catchment area of up to a 90 minute drive time for participants and spectators.
- 3.5 The venue turns over in excess of £11 million per year and is one of the few council-owned leisure facilities in the UK that generates an operating surplus.
- 3.6 The combination of age and amount of use it has received, however, means that the venue is becoming increasingly expensive to maintain.

4 Local context

- 4.1 Guildford is Surrey's second most populated borough, with 145,473 residents. The population is growing and is predicted to reach over 167,000 by 2034.
- 4.2 We are also the second largest borough in the county in terms of area, covering approximately 269 square kilometres.
- 4.3 Guildford residents are largely healthy and enjoy well above average life expectancy. The working population is generally well educated, highly skilled and well paid. Unemployment and crime levels in the borough are low. There are, however, significant pockets of less advantage.
- 4.4 More detailed analysis of our area including who makes up our community, how healthy we are, how active we are in sport and how involved we are is detailed in section 5 of the Research Report: Replacement of sports and entertainment venue, attached as Appendix 1.
- 4.5 The Guildford Spectrum makes a significant contribution to a number of the Council's plans and policies including:-
- The Corporate Plan 2018-2023
 - Sport Development Strategy 2016-2021
 - Health and Wellbeing Strategy 2017-2022
 - Guildford Visitor Strategy 2014-2020
 - Leisure Partnership Agreement Objectives
 - Emerging Local Plan 2015-2034
- 4.6 Detail of the links with each of these policies is included in Section 2 of Appendix 1.

5 National Context

- 5.1 A review of the market, national strategies, policies and priorities that should be considered when investing in sports, leisure and physical activity facilities and services together with the outcomes that should be delivered are included in Section 3 of Appendix 1. The national policies examined included:

- Department of Health and Social Care: Prevention is better than cure - (Nov 2018)
- Department for Culture, Media and Sport (DCMS) Sporting Future: A new strategy for an Active Nation (Dec 2015)
- Sport England: Towards an Active Nation Strategy 2016 – 2026
- Public Health England (PHE - Health Matters: getting every adult active every day – Published July 2016)
- Moving Communities – Active Leisure Trends 2018

6 Performance of the venue

- 6.1 A report was commissioned from independent consultants, Max Associates, to review the operation of Guildford Spectrum against Sport England Benchmarks for external contractors (SENBS).
- 6.2 A summary of the key findings of the performance review is outlined below with full details shown in Section 6 of Appendix 1:
- In the majority of indicators, Guildford Spectrum is performing above average, reflecting the high level of income generated by the mix of traditional and commercial leisure facilities.
 - Given the level of income generated, the mix of facilities appears to work well together and makes Guildford Spectrum a destination venue for residents and visitors to the area.
 - Whilst the income benchmarks are all very positive, the expenditure benchmark is not easy to compare due to the high cost of providing some of the facilities e.g. Ice Rink and Leisure Pool.
 - The only benchmark below average is the cost per visit.
 - Utility and maintenance costs are higher than average although it is noted that maintenance expenditure over the last two years is not typical.
 - The centre achieves a good operational surplus. In 2017-18, this was £755,000 (excluding costs that fall to the Council).
 - Customer satisfaction is good at over 70% across activities; however, there is room for improvement.

7 Condition of the venue

- 7.1 There have been a number of problems with the roofs and other defects associated with the building, some of which were due to the original build quality. This has resulted in water ingress and the underperformance of some of the plant and equipment. There have also been some underlying issues with the build quality including the base of the ice rink. Finally, some of the design choices represent missed opportunities e.g. the location of the gym, and some have become outdated e.g. the design of the reception area.
- 7.2 A number of the problems were mitigated in the short term through the £2 million building remedial works project that took place in 2007. Further work has recently been undertaken that has cost in the region of £3.25 million.
- 7.3 The work undertaken includes:
- Repair to steel columns in the pools hall
 - Installation of a new over roof for the pools hall

- Liquid plastic coating the remaining roof to significantly reduce water ingress
- Some roof glazing replacement
- Enhancement of air handling provision in the Leisure and Teaching pool area
- Internal and external guttering improvements
- Repair of smoke vents to reduce water ingress
- Renewal/addition of various stainless steel hangers in the pool hall.

7.4 In addition to the above, a new CHP plant was installed and commenced operation in February 2018. The unit generates heat and acts as the primary boiler for the venue. It also produces electricity as a by-product. The unit cost just under £600,000 but over the first eight months of this financial year has saved £145,000 in comparison with “imported” utilities.

7.5 The Leisure Partnership Agreement includes a provision for a programme of identified investment by the Leisure Operator over the life of the contract. This is updated annually to reflect the needs of the facility. Officers have been concerned that the level of investment has not matched the requirements of a 26 year old facility and a project to produce an agreed programme of investment has now been agreed. Close monitoring of the Leisure Operator will be required to ensure all the required work is undertaken.

8 New Build versus Refurbishment

8.1 New Build

8.1.1 The core facilities of the existing venue remain popular and continue to attract customers. With the right new build design, it would be possible to enhance the offering to customers using the lessons learned from both Guildford Spectrum’s successes and its flaws. The core provision of pools, ice rink, arena, gym and ten-pin bowling can be modified in different ways to better meet market demand.

8.1.2 The length of time required to build a new venue would probably be similar to the original build time of Guildford Spectrum (circa two years) subject to the complexity of the new facility, where it was built, the design etc.

8.1.3 The overall duration of the project would be significantly longer however, due to its complex nature. Elements that need to be addressed include: Planning, public consultation, funding, agreeing on the facilities to be provided, the time needed to appoint specialists, architects and builders.

8.1.4 Examples of new build costs by size are shown overleaf. This work was commissioned from Abacus, a Sport England approved cost consultant. The assumptions made are detailed in Section 9 of Appendix 1.

Cost of New Build

		Extrapolated high level costs (Original cost based on 38,000m ²)			Abacus Estimate
	Size of building	20,000m ²	25,000m ²	30,000m ²	38,000m ²
1	Guildford Spectrum Complex	49,000,000	61,250,000	73,500,000	93,000,000
2	Fixed fit out items	7,850,000	7,850,000	7,850,000	7,850,000
3	Deck parking for 600 vehicles, surface parking for 900 vehicles	8,650,000	8,650,000	8,650,000	8,650,000
4	Demolition of the existing centre	1,300,000	1,300,000	1,300,000	1,300,000
5	General external works	2,000,000	2,000,000	2,000,000	2,000,000
6	Extra Over cost for poor ground conditions based on footprint estimate	1,000,000	1,250,000	1,500,000	1,900,000
7	Infrastructure/Services	500,000	500,000	500,000	500,000
8	Works to access roads	Nil	Nil	Nil	Nil
9	Main contractors OH&P @7.5%	5,272,500	6,210,000	7,147,500	8,640,000
	Base Construction Sub-total	75,572,500	89,010,000	102,447,500	123,840,000
10	Construction Contingency @ 10% of Base Construction Cost	7,557,250	8,901,000	10,244,750	12,390,000
11	Professional Fees @ 9% of Base Construction Cost	6,801,525	8,010,900	9,220,275	11,200,000
12	Location factor taken from BCIS @ 5% (see Abacus notes)	3,778,625	4,450,500	5,122,375	6,192,000
13	Inflation	Exc	Exc	Exc	Exc
14	Client Contingency @20%	18,741,980	22,074,480	25,406,980	30,724,400
15	Irrecoverable VAT @ 20%	22,490,376	26,489,376	30,488,376	36,869,280
		134,942,256	158,936,256	182,930,256	221,215,680

Notes

1. Some works to access roads would also be required
2. An alternate car park option with 1,500 surface spaces is estimated to cost £3.75m or an external decked car park for 1,500 vehicles is estimated to cost £14.5m. (base construction cost only)
3. A 1,500 space multi story car park is estimated to cost circa £19m.

8.2 Refurbishment

- 8.2.1 A refurbishment exercise would require significant work in order to extend the life of the venue. It would likely mean a new roof, replacement of major pieces of plant and equipment as well as re-routing of services such as water and electricity. A refurbished building would also have to comply with modern Building Regulations Part L which could prove to be a significant challenge.
- 8.2.2 There are a number of improvements that may be achieved through refurbishment. Whilst some additional car parking has been included in the cost estimate table below, other potential options include:
- Move the location of the fitness suite to increase size and visibility
 - Use vacated gym space to introduce a larger soft play with catering
 - Review the reception area incorporating retail space at front of house
 - Review the pools changing space to make it larger and easier to clean
 - Addition of some further decked parking e.g. additional 250 spaces to meet the need identified in the Stoke Park Masterplan Consultation
- 8.2.3 In order to generate a guide price for refurbishment it was necessary to make some assumptions about the upgraded facilities. A provisional customer flow diagram was then developed (additional detail at Section 7 of Appendix 1). This is not a design, but an exercise undertaken by an architect to facilitate a high level costing exercise.
- 8.2.4 The choices for the initial flow diagram was based on a visit to the existing site and a detailed discussion arising from the Vision and Aspirations exercise. This resulted in a requirement for a Gross Internal Floor Area (GIFA) of c. 38,000m². This represents approximately twice the size of the existing venue.
- 8.2.5 Two desktop exercises were commissioned, the detail of both of which are attached in Section 7 of the research document at Appendix 1.
- 8.2.6 The report from AP Williamson Limited (the consultant who has supported us throughout the building remedial works) looks at the structural life.
- 8.2.7 The second report was provided by Abacus, a surveying cost consultancy firm on Sport England's approved list which has extensive experience of working in the Leisure sector.
- 8.2.8 The potential cost of refurbishment has been estimated to be £2,900 to £3,000 per m², which is significantly higher than the base construction cost to rebuild (which averages £2,450 per m²). A table setting out the potential estimated costs is below:

		Refurbishment estimate
	Size of building	18,523m²
1	Guildford Spectrum Complex	54,650,000
2	Fixed fit out items	5,000,000
3	Parking for additional 250 spaces	4,000,000
4	Main contractors OH&P @ 7.5%	4,775,000
5	Base refurbishment sub-total	68,425,000
6	Construction Contingency @ 10% of Base refurbishment Cost	6,842,500
7	Professional Fees @ 9% of Base refurbishment Cost	6,158,250
8	Location factor taken from BCIS @ 5%	3,421,250
9	Inflation	Exc.
10	Client Contingency @ 20%	16,969,400
11	Irrecoverable VAT @ 20%	20,363,280
	Base estimated refurbishment cost	122,179,680

8.2.9 The Abacus desktop report indicates a similar timeframe for a refurbishment compared to a new build i.e. two years. This would require closure of the venue. It may be possible to phase the refurbishment to an extent but this would significantly extend the time period (realistically to 5 years plus).

8.3 Summary

The table below summarises the potential implications of a new build compared to refurbishment:

New build	Refurbishment
Bespoke design building - opportunity for new or revised facilities - designed for maintenance and operation - opportunity for modern technology e.g. utility savings	Refurbished building would be on a very similar basis to the existing footprint and potentially represents the least disruption for the park overall.
Significant cost – funding likely to be challenging	Scalable cost – subject to the life span aspiration of the refurbishment and the size of the refurbishment (total refurb is as expensive as new build however).
Would require the new build to be in a different location to the current footprint to enable continued operation	Major service disruption - lengthy closure with no service to the community. Potential loss of key partners and specialist staffing due to closure.

New build	Refurbishment
Continuity of service for the community and clubs as existing facility can meet need until new venue opens.	Increased risk of overrun due to increased complexity of project e.g. compliance with modern building regulations
Opportunity to address other perceived amenity issues for Stoke Park e.g. parking	Physical restrictions in what can and cannot be done as part of the refurbishment in terms of economic efficiency
Would require to comply with land and planning requirements	Will still be a building designed for 1990s with inherent age limitation in the design
	Will not be able to correct some of the flaws in the original build and design.
	Majority of leisure centre staff likely to be made redundant for the duration of the refurbishment
	Would have to recover business after closure
	Previous refurbishment work at the site not attractive to the market when tendered
	Any planned maintenance would require to be compliant with building regulations and any planning requirements

9 Draft vision

- 9.1 The vision for the new facility should focus on making the customer journey and experience an absolute pleasure. It will also reflect that in order to be sustainable, it has to be an absolute joy to operate. i.e. *"A pleasure to visit again and again, and a pleasure to operate."*
- 9.2 A draft vision for a new venue has been developed following desktop research, benchmark visits, a review of the successes and challenges of the current venue and the views, experience and comments of councillors, council officers, key staff from the existing operator and Active Surrey (the County Sports Partnership). The detailed draft vision is shown at Section 8 of Appendix 1.
- 9.3 The initial vision is an attempt to develop a "look and feel" for the venue without setting out details, such as the facilities to be offered, which will be driven by customer demand and community need. The vision has been drafted as a customer journey, which hopefully makes it easier to relate to.
- 9.4 The draft vision will continue to be developed and tested against further research and wider consultation with customers, local residents, Sport England, National Governing Bodies (NGBs), key partners such as the emergency services, the NHS, local sports clubs etc.

10 Land and Planning

- 10.1 The location of Stoke Park is ideal for Guildford Spectrum due to its excellent transport access and a new development would require a site of similar size. Building on the existing site would also allow the continued use of the existing athletics track and possibly areas of the surface parking and access roads.
- 10.2 Ideally the existing venue would remain open until the replacement venue is open and the new building location would need to facilitate access to the existing venue, including parking facilities. At this early stage, the best position appears to be the North Park area.
- 10.3 A large part of Stoke Park falls within the definition of protected open space. Open space is defined in section 336 of the Town and Country Planning Act 1990 and includes land that is laid out as a public garden or used for the purposes of public recreation.
- 10.4 The athletics track (including the football pitch) and Park & Ride extension are all designated protected open space. This would need to be excluded from the calculation of the existing permitted development footprint. The footprint of Spectrum (the building itself), including the original 750 space car park fall outside the area of protected open space and covers an area of 26,000m².
- 10.5 From a planning perspective, a new venue of the same size with the old facility returned to protected open space would likely be policy compliant. The athletics track could remain as this is considered as protected open space anyway. A separate All Weather Pitch (excluding any changing rooms or toilets) or an adventure golf offer may meet the criteria as protected open space.
- 10.6 There are no specific restrictions relating to height, however consideration must be made in how it looks from different angles e.g. the A3, Stoke Park etc.
- 10.7 Roads to service the facility (e.g. main access routes, emergency access, delivery routes, contractor access etc.) would form part of the overall site development in terms of space taken up.
- 10.8 A detailed breakdown of the land and planning issues are included in Section 8 of Appendix 1.

11 Potential funding sources

- 11.1 One option is for the Council to fund the replacement of the Spectrum and this is explained in the financial implications section at paragraph 12 below.
- 11.2 External companies might also wish to join the Council in this venture. Market interest will be assessed as part of the overall business case work.
- 11.3 There are other sources of funding such as Sport England's dispersal of lottery funding via the Strategic Facilities Fund. Grants are given up to a maximum of £2m. In addition to the funding, Sport England can offer assistance with the project to ensure it meets the desired outcomes.

- 11.4 It may also be possible to secure funding from sponsorship/naming rights but these only become significant where there is exposure for the brand in question e.g. premiership football or rugby with lots of TV coverage.

12 Financial Implications

- 12.1 £100 million is currently shown as a gross cost in the Council's Capital Vision for the replacement of a Leisure Centre/multi use sports centre (scheme number CV18), and is, therefore, not currently included in the Council's current underlying need to borrow, or Minimum Revenue Provision (MRP) projections.
- 12.2 Spectrum currently generates a net surplus for the Council of circa £400,000 (excludes Freedom Leisure losses), with gross income of £11 million, over circa 1.7 million visits a year.
- 12.3 There are two base options: Refurbish or rebuild:

Refurbish

The capital cost of a base refurbishment is £122 million. If there were any enhancements to the existing facilities, the cost will increase. A refurbishment will have an impact on the revenue account, the financial impact being the centre having to close for at least two years, before financing costs are taken into account. In a refurbished centre, it may not be possible to use beneficial technology leading to additional running costs. There is also a business risk of closing the centre for a significant period of time.

Rebuild

The existing centre would remain open during a rebuild, so it is anticipated a minimal impact on the revenue account during construction. Maintenance costs in the early years will also be reduced due to life cycle maintenance and using the most appropriate technology.

- 12.4 A summary table of the revenue impact of the capital costs is:

Option	Capital Cost (£)	Life for MRP (yrs)	MRP pa (£)	Borrowing Cost (3.5%) pa (£)	Total Cost of Financing pa (£)	Financing cost per m2 (£)
Refurbishment	122,000,000	25	4,880,000	4,270,000	9,150,000	494
<u>New build</u>						
20,000m2	135,000,000	40	3,375,000	4,725,000	8,100,000	405
25,000m2	159,000,000	40	3,975,000	5,565,000	9,540,000	382
30,000m2	183,000,000	40	4,575,000	6,405,000	10,980,000	366
38,000m2	221,000,000	40	5,525,000	7,735,000	13,260,000	349

- 12.5 The Council currently has an underlying need to borrow for its approved capital programme, and expenditure on Spectrum 2.0 will need to be funded from borrowing. The Treasury discount rate of 3.5% has been used as an estimate of interest borrowing costs. Actual borrowing will be undertaken as part of the treasury management activities of the Council.

- 12.6 Officers will calculate a Net Present Value (NPV) as part of the detailed business case.
- 12.7 The Council will source funding opportunities towards the cost of the scheme. S106 could be a source of funds contributing to the scheme, however unless the centre is offering something in addition to what is currently being provided, there is no mitigation of any future development needed, so S106 would not be applicable. Community Infrastructure Levy (CIL), whilst not yet in place at Guildford, is another opportunity, but we may need a separate Supplementary Planning Document (SPD) setting out the relationship and need for future sports and leisure amenities, related to housing development growth, for it to be considered for the s123 list. Again, a new offering would be essential, and it would offer by far the greater access to grant funding.
- 12.8 The implication of VAT is a key consideration, not only for the cost of a refurbishment or construction, but also the operation when it is open to the public.
- 12.9 VAT on the costs of supplies where they generate exempt income, can be recovered from HMRC up to a limit across the Council of 5% (called the partial exemption calculation).
- 12.10 Leisure income is exempt income, and if the Council itself spends money on a new centre, it will impact the partial exemption calculation and we will not be able to reclaim VAT, this has been included as irrecoverable VAT in the costings.
- 12.11 The VAT incurred on running expenses will impact the partial exemption calculation and any unrecoverable VAT on the operation of the centre will be a cost to the service.
- 12.12 The issue of VAT will still be applicable if the Council sets up a company to build and run the leisure centre.
- 12.13 When developing the detailed business case, specialist VAT advice will be sought.

Operating cost implications

- 12.14 Due to the unique nature of the venue, the best data to assess past and future performance is historical data from the site. The estimates of costs and the operational costs used in this report should only be regarded as indicative as a new facility will have a potentially different combination of facilities, different utility consumption and a different physical design, which may affect staff requirements. It is also likely to have a different programme of activities.
- 12.15 Base facility surplus – the table below sets out a summary of potential improvements to the current profit and loss position of the facility. These potential improvements will be subject to development of detailed business cases over the next twelve months:

SPECTRUM - using the base position 2017-18 These figures are estimated based on a 20,000m2 to 25,000m2 size building	£ Impact
Revenue profit for 2017-18 (See Appendix A section 10)	79,609
150 station gym	250,000
Improved group exercise facilities including expanded spinning room	30,000
Expansion of soft play	100,000
Specialist gymnastics facility/dry training for dive/figure skaters	30,000
Increased event programme	20,000
Digital marketing opportunities	20,000
Increased size of leisure pool	80,000
Design Leisure Pool to decrease pool positions by 2	50,000
Redefined pool courses handover – swim course programme growth	80,000
Installation of moveable dive pool floor to increase utilisation	100,000
Change in maintenance and equipment life cycle position	150,000
Improved utility impact	100,000
Catering uplift	200,000
Second, small training pad for ice lessons	10,000
Outdoor offer e.g. Adventure golf	100,000
	1,399,609

12.16 Even allowing for all the above potential enhancements the surplus would not match the capital financing costs. It is expected there would also be a general uplift in the number of visits as a result of the new facilities.

Project costs

12.17 Revenue funds to continue with the next stage of this project have previously been agreed split over two schemes over three years. These two schemes have been combined and the total allocation amounts to £380,000. So far the total amount spend is just under £70,000, including legal/consultants fees and surveys.

13 Legal Implications

13.1 There are some restrictions imposed by legislation, planning policies, and the legal title of the land which will shape the development proposals and will need further exploration and advice as the business case develops.

13.2 Appropriation – If Stoke Park is held as pleasure grounds or open space and part of it is now required for an alternative use, such as for planning purposes, then as above, GBC is required to publish its intention to appropriate the open space land and to consider the responses received. Pre-application discussions with planning officers will assist with guiding the planning options for the site.

13.3 The impact of the new development on neighbouring land and local residents will need to be considered in the business case and appropriate consultation will need to be factored into the time scales.

13.4 An Equality Impact Assessment and Environmental Impact Assessment will need to be completed.

13 Human Resource Implications

14.1 There are no direct human resource implications at this stage of the project.

14 Comments from the Executive Advisory Board (EAB)

15.1 The most recent EAB of 14 February 2019 confirmed its support for this project and was overwhelming in favour of building a replacement facility as opposed to the refurbishment

15 Conclusion

15.1 Guildford Spectrum remains an amazing facility that is important to the local and regional community.

15.2 The provision of sports and leisure facilities are consistent with Council strategies and policies, government policy and national strategies for health and wellbeing and sport. These policies are best fulfilled by an affordable, volume-based offering. The approach to the business (pricing and programming) needs to reflect this as we need to provide great facilities at an affordable price, these facilities need to be within reach of the entire community.

15.3 The predicted increase in population detailed within the emerging Local Plan will require additional facilities to meet the community's needs.

15.4 Guildford's community is healthier than the national average, with a longer life expectancy and a greater propensity to exercise although there remain inequalities within wards within the borough.

15.5 In respect of income, facilities at Guildford Spectrum still perform above the Sport England National Benchmarking Scheme (SENBS) benchmarks. The mix of the facilities on the site mean that comparison of the whole site cost per visit (i.e. operational expenditure per visit) is not comparing like with like.

15.6 The recent remedial works have improved the condition of the venue to a point where the operational life of the roof has been extended to ten years as long as there is ongoing maintenance.

15.7 The current condition of the building means that a long term solution is required before the temporary remedial works expire in 2028. It has been assumed that ceasing provision is not an option to be considered and therefore is outside of the scope of this report. The two remaining options are therefore to either refurbish or rebuild the venue. As the cost of refurbishment is broadly similar to building an equivalent sized new venue and considerably more disruptive, a new build is

therefore the recommended option although further work will be undertaken as part of the business case process.

- 15.8 The vision and aspirations exercise produced a top priority of being financially self-sustaining. Whilst it is possible to generate a significant operating surplus, it is extremely unlikely that the capital financing cost could be met, let alone the additional surplus over and above this to reinvest in the venue.
- 15.9 Within a 30 minute catchment of Guildford Spectrum, there are currently 1.17 million people and within a 60 minute catchment this rises to 8.5 million people.
- 15.10 A well-informed business plan will take into account the combination of the facilities, their detailed design and the programme of operation (including pricing). At this early stage of the process, and bearing in mind the unique status of the venue, historical performance of the venue is the best available indicator. A business plan will go through a number of iterations reflecting decisions made about the site as the work progresses. These will be addressed over the next twelve months.

16. Next steps

- 16.1 Resolve the outstanding queries in relation to the land.
- 16.2 Engage external assistance, including that of Sport England, to develop a detailed business case for facility.
- 16.3 The timeline and stages are outlined below:

Outline Stage	Milestone	Time	Target date
1	Full Business Case & initial consultation	12 months	Mar 2020
2	Decision to proceed	2 month	May 2020
3	Procurement – Design	4 months	Sep 2020
4	Design	7 months	Mar 2021
5	Procurement – Construction	6 months	Sep 2021
6	Construction	24 months	Oct 2023
7	Handover	2 months	Dec 2023
8	Opening	1 month	Jan 2024

17. Background Papers

None

18. Appendices

Appendix 1: Research report – Replacement of sports and entertainment venue