



# Melton Sports & Leisure Village Business Case

14 March 2016

# Agenda

- Background
- Design Concepts
- Capital Costs
- Management & Operation
- Financial Implications
- Recommendations & Way Forward

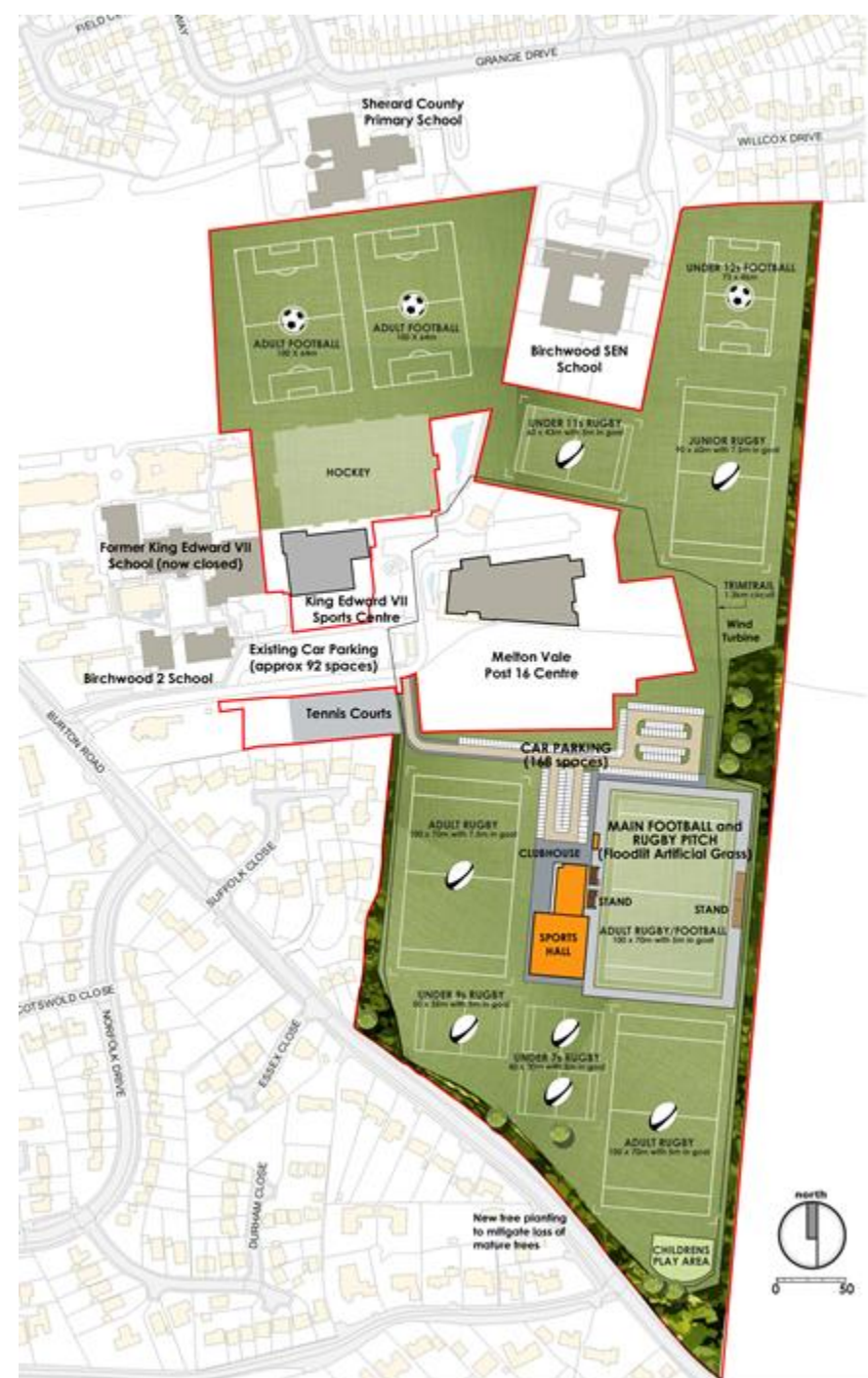
# Background

- **Outline Business Case**
  - Prepared in Late 2014
  - Agreed to progress – early 2015
  - Detailed Business Case – next stage
- **Detailed Business Case**
  - Design Concepts & Capital Costs
  - Detailed revenue projections
  - Funding
  - Way Forward

Option	Facility Mix	Comments
A Standstill	<ul style="list-style-type: none"> <li>Retain existing facility mix</li> </ul>	<ul style="list-style-type: none"> <li>Included as the base option against which other options can be compared.</li> <li>Also provides the Council with comfort that the facilities can continue to be provided if owned by the Council.</li> </ul>
B Stadia Enhancement	<ul style="list-style-type: none"> <li>Same facility mix as Option B except</li> <li>Exclude new 8 court sports hall</li> </ul>	<ul style="list-style-type: none"> <li>Enables the MSV to be developed if funding for the Sports Hall cannot be delivered</li> </ul>
C Vision	<ul style="list-style-type: none"> <li>Main Stadium Pitch (3G artificial) with spectator seating</li> <li>Outdoor grass pitches (football and rugby)</li> <li>Maintain existing Artificial Grass Pitch (AGP)</li> <li>New 8 court Sports Hall</li> <li>Retain existing Sports Hall and Centre</li> <li>Health and Fitness</li> </ul>	<ul style="list-style-type: none"> <li>To support this potential commercial developments could be included and would make use of the existing sports hall</li> <li>Health and Fitness would be focused on a small scale facility which meets the sporting needs but also provides revenue, but not to compete with Waterfield</li> </ul>
D Long Term	<ul style="list-style-type: none"> <li>Same facility mix as Option C except</li> <li>Additional 4 court sports hall to create a 12 court hall</li> <li>Relocation of swimming pool to the site</li> <li>Enhanced Health and Fitness</li> </ul>	<ul style="list-style-type: none"> <li>Included as a long term development options, should there be a need to replace Waterfield</li> <li>Locating both pool and sports facilities would create critical mass and deliver savings</li> </ul>

# Proposed Vision

- Meets Sport/leisure Needs
  - Dual Aspect Clubhouse
  - 3G Artificial Main Pitch
  - Retains Rugby facilities together
  - Additional Football pitches
- Additional Commerciality
  - New Sports Hall
  - Existing Hall – Extreme Sports (clip n climb/skate park/etc)
  - Trim Trail
  - Children’s Play Area



# Clip n Climb

- Replace Sports Hall
- Example – Exeter
- Commercially operated
- Targets non traditional sports
- Delivers 24/7 operation outside of events



# Extreme Sports

- XC Centre, Hemel Hempstead
- New Build – funded by New Opportunities
- Skate Park, Indoor Climbing, High Ropes, Caving, etc
- Commercial Opportunities



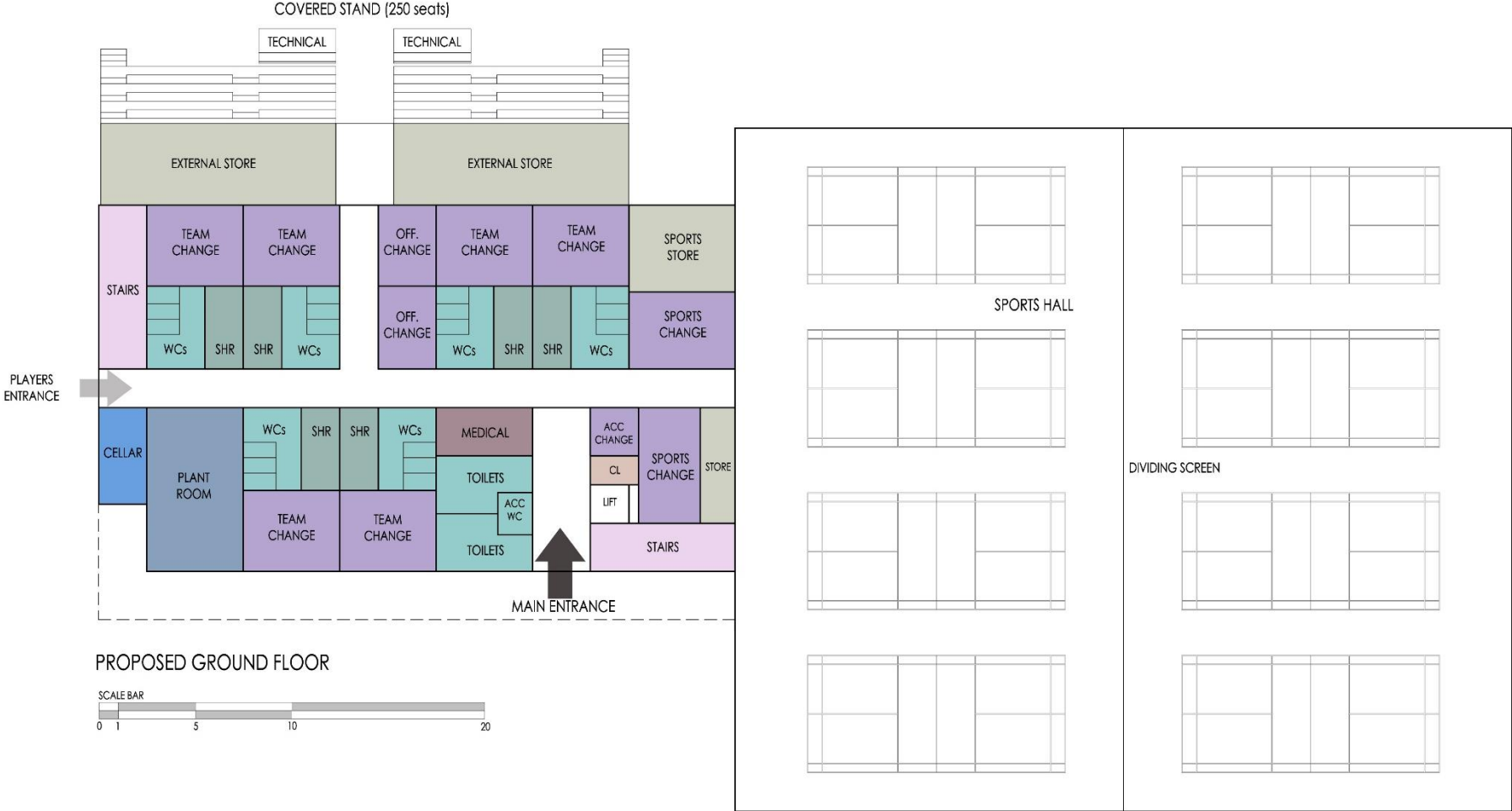
# Jump Zone

- Trampoline Facilities
- Commercial – many in USA
- Jump Zone, Dublin
- Dodgeball, Parties

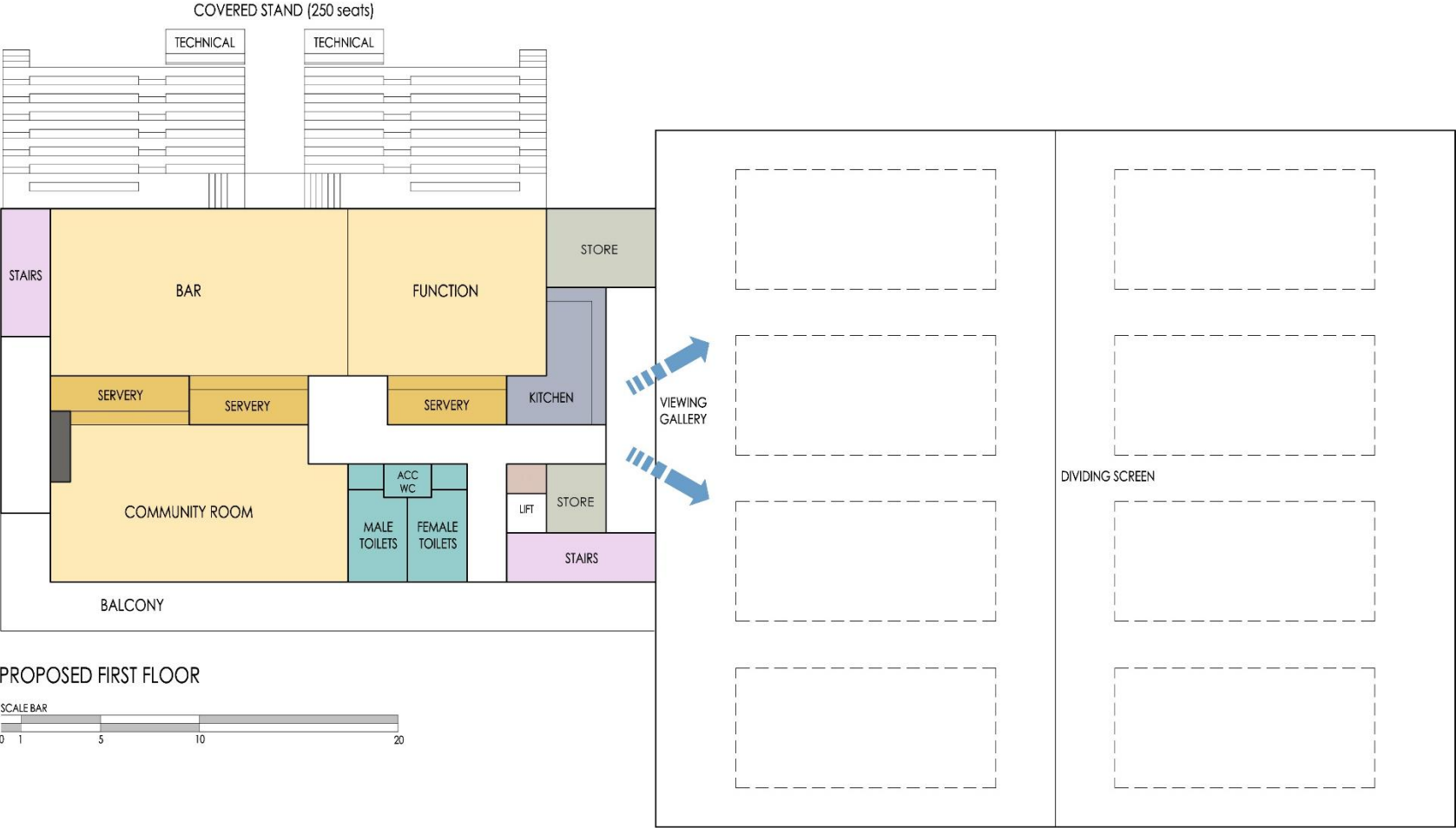




# Outline 'Vision' Layout – Ground Floor



# Outline 'Vision' Layout – First Floor



# DBOM Example Hinckley Leisure Centre

- £15 million capex
- **£0.9 million annual revenue payment to Council**
- 25 m 8 lane pool plus learner & splash + 8 ct Hall
- Desired option delivered
- 78% increase in participation



# Procurement Approach

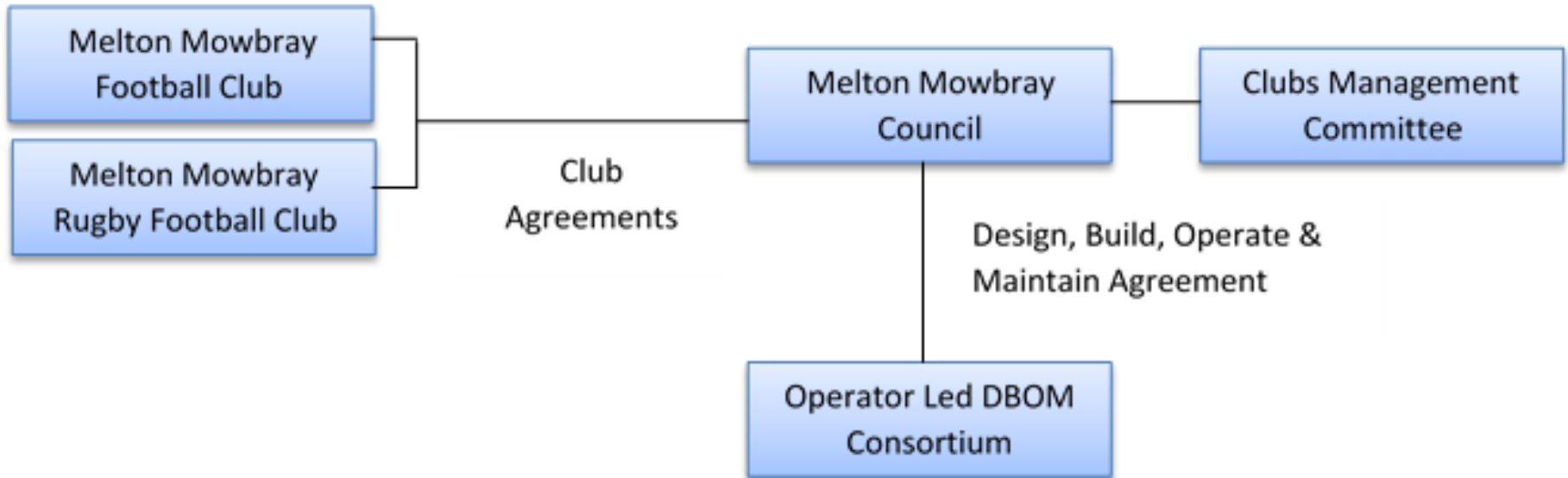
- Present Options to Market
  - Continue to operate Existing – with limited refurbishment – 5 Years to align with WLC.
  - Vision, with the funding identified- 20 years
  - Stadia Enhancement with the funding identified- 20 years
- There is a need to secure long term partner to operate existing, even if funding not available for future developments
- No commitments until contract signed

# Process & Approach

- Design, Build, Operate & Maintain (DBOM)  
Procurement – through Competitive Dialogue

Stage	Key Outputs
Pre Qualification (PQQ)	<ul style="list-style-type: none"><li>• Market the Opportunity</li><li>• Select a Shortlist (5 bidders) based on experience and track record</li></ul>
Invitation to Submit Detailed Solutions (ISDS)	<ul style="list-style-type: none"><li>• Bidders to consider a number of variant bids</li><li>• Enable Council to decide on shortlist (3 bidders) and option to pursue</li></ul>
Invitation to Submit Final Tenders (ISFT)	<ul style="list-style-type: none"><li>• Preferred options by Council put to market</li><li>• Final Offer and best price received</li></ul>
Contract Award & Preferred Bidder	<ul style="list-style-type: none"><li>• Preferred bidder (and reserve bidder) appointed</li><li>• Finalisation of contract, award and contract mobilisation/handover</li></ul>

# Management & Operation



- Council enters into DBOM agreement with a partner (such as SLM, Places for People Leisure)
- Terms of Club Agreements – built into DBOM agreement
- Club Management Committee – support Council in monitoring the DBOM Agreement

# Club Agreements – Heads of Terms

- Agreed Levels of Use
  - Exclusive Areas
  - Shared Use of main facilities – provision for matches & training
  - Access for functions and club bar use
- Financials
  - Income & Expenditure of Facility – retained by Operator
  - Club retains matchday income, club bar/catering, membership fees, etc
  - Sponsorship – club based retained/facility based retained by operator

# Key Decisions & Timescale

Decision Required	Implications	Timescale
Approve Detailed Business Case	<ul style="list-style-type: none"> <li>No financial commitment</li> <li>Commencement of Procurement</li> <li>Formal Funding Applications</li> </ul>	March 2016
Pre Qualification	<ul style="list-style-type: none"> <li>No financial commitment</li> <li>Shortlist 5 bidders</li> </ul>	May 2016
ISDS Shortlist	<ul style="list-style-type: none"> <li>No financial commitment</li> <li>Shortlist 3 bidders</li> <li>Select Option to proceed</li> <li>Firm financial offers</li> <li>Funding Bids</li> </ul>	July-Sep 2016
ISFT – Preferred Bidder	<ul style="list-style-type: none"> <li>Select Preferred Bidder</li> <li>Firm Financial Offers &amp; Funding</li> </ul>	Sep—Feb 2017
Contract Award	<ul style="list-style-type: none"> <li>Council enter into DBOM Contract</li> </ul>	Mar 2017
Construction	<ul style="list-style-type: none"> <li>Construction undertaken</li> </ul>	June-Aug 2017



# Recommendations

- Commence DBOM Procurement of an Operator for the development of the new Melton Sports & Leisure Village, in accordance with the Design & Costs identified, to include
  - Bids for both 20 year Options
  - Bid for continued operation of the existing Facilities
- Liaise with Funding Bodies to confirm funding and apply for funding
- Negotiate with Clubs based on the heads of terms and subject to project proceeding
- Liaise with Members Working Group throughout the procurement

# QUESTIONS ...