

THE BACKGROUND TO THE RHYL WATERFRONT, TOWN CENTRE AND COASTAL REGENERATION PLAN - A CONSISTENT AND CLEAR RATIONALE

Since the production of the 2010 Hyder, Rhyl Attraction Study, which led to the recognition that the Sun Centre had reached the end of its beneficial life, a significant amount of work has been undertaken, and progress made, in respect of the development of the leisure and tourism offer, as a critical element of the whole coastal front, and Rhyl Town Centre, regeneration plan.

The 'journey' so far has included:

- Completion of a detailed review of the Coastal Improvement Plans in 2012, which supported the need to replace the Sun Centre with an offer, complementary to the other facilities in the area – including a wet weather attraction for visitors, as well as being an essential part of the regeneration plans for Rhyl.
- In 2013, Council agreed to explore options for the future of the coastal facilities and at the same time approved recommendations for the redevelopment of the Nova – it was considered most cost effective to 'rescue' and refurbish. The proposals for a new wet Leisure offer in Rhyl were supported and included as a key element of the Rhyl Going Forward Programme.
- In 2014/15 Council ceased funding Clwyd Leisure due to concerns over the quality and level of service provision and Clwyd Leisure's inability to remedy these. Clwyd Leisure ceased trading with immediate effect and the facilities operated by them in Rhyl and Prestatyn closed.
- Determining that the North Wales Bowls Centre could be reopened alongside the Nova redevelopment and a business case justification for a new wet leisure offer be developed for Rhyl, as the Council gave commitment to replace the Sun Centre with an appropriate a new visitor attraction, recognising the need for such a facility in Rhyl to regenerate footfall in the town.
- In December 2015, the 'new Nova' was opened, following a major refurbishment and building transformation programme. A recent independent evaluation report has shown that the Nova is now considered to be a premier, 'fit for the future', seaside attraction and leisure complex – an important visitor destination.
- Soft market testing and formal procurement was undertaken to appoint commercial and leisure development partners.
- In 2016, the Sun Centre building, which was determined to be beyond repair, was demolished, and work commenced on the detailed business case for its replacement

RHYL WATERPARK AND LEISURE ATTRACTION - DESIGN BRIEF/PROPOSALS SUBJECT TO REVISION AS MARKED FOR OPTION 2



Principles

The proposals to establish RWLA have been designed not simply to replace the former Sun Centre, but to ensure that the new facilities contribute to the regeneration of both the whole community and local economy – placing Rhyll firmly back on the map as a visitor destination and encouraging the additional footfall generated to spill out into the Town Centre.

It was also important, that the new Attraction did not compete with the Nova and Rhyll Leisure Centre (RLC) but instead, created a unique image and appeal for Rhyll as a tourist destination, whilst at the same time responding to local community needs.

Initial design considerations for the new Facility, based on the desire to replace the former Sun Centre, considered the establishment of both leisure and formal water features, health and fitness facilities, together with catering and retail outlets.

Subsequently, and through the detailed design development phase, it was considered beneficial to maintain the successful health and fitness business at RLC. An options review has now concluded that retaining formal swimming waters at RLC is also advantageous.

The future leisure and tourism offer must also take account of, and best serve the local community, as well as recognising and complementing the appeal of attractions provided in existing facilities.

Vision and Rationale

1. To create a destination leisure offer that complements and enhances the economic development of Rhyll

2. To create a commercial and unique attraction
3. To be a catalyst for attracting additional funding from regeneration, commercial and other partners
4. To be a catalyst for stimulating investment in the town centre and on the sea front

The outline design brief sets out the following requirements:

1. To replace the outdated facilities provided at the former Sun Centre and to accommodate the displaced swimming activity following the closure of the pool at RLC
 2. To satisfy local swimming needs by developing swimming facilities, complementary to the offer provided at the Nova
 3. To meet the competitive and associated recreational swimming needs of Rhyl and the immediate hinterland
 4. To satisfy school-aged swimming programmes together with all recreational opportunities for adults and families
 5. To accommodate the training needs of clubs, private groups, individuals, swimming competition and personal fitness
 6. To provide an adventurous wet weather attraction for visitors to the area, complementary to the offer at the Nova
 7. To maintain the outside water features currently provided on the coastal front
 8. To act as an unique statement, contributing to the regeneration of Rhyl - stimulating commercial life and providing both activity and excitement
 9. To create a building with a sense of place to contribute to an improved urban form and character.
- 1, 4 and 5 are retained at RLC under option 2

The current design and access statement includes noise, air quality, and flood risk assessment; drainage and energy strategies; a travel and transport assessment; a bat and bird survey; together with a community linguistic statement.

Designs up to RIBA Stage 3 have been prepared for Option 1 and are underway for Option 2 by S&P and ISG to include: floor plans/site plan; elevations and visualisation; operational flow; construction surveys; programme; summary project costs.

Location

The site proposed for the Rhyl Aquatic Centre is located on the seafront alongside the Sky Tower:

1. To be built over the current children's paddling pool and skate park
2. With the north boundary of the infrastructure facing the sea front promenade with direct access to the beach
3. With the eastern boundary facing the Sky Tower and car park, which has been earmarked for redevelopment as part of the Rhyl masterplan
4. With the west side facing the Amphitheatre
5. With the main road and vehicular access to West Parade, on the south side of the site.

Architecturally, it is recognised that the new infrastructure will need to be designed to reduce the likelihood of any detrimental seafront visual impact (blocking views of the beach) – considerations have led to the architects designing a structure with a 'double wedge' distribution of the leisure box/children's play area intersection, which does reduce the visual impact of the building, whilst still accommodating the large leisure zones within.

Design Concepts

The aquatic offer is based on an indoor 'splash adventure', aimed at children of all ages and ability groups, providing a variety of high, as well as low, level water features, thus

creating an exciting environment in which children can explore, and develop their water confidence at their own pace.

The leisure area will be based around a large pool that will have a maximum water depth of 300mm, with beach entry at one end, allowing non-swimmers and swimmers alike, to have equal access to play opportunities whilst creating a safe and secure environment.

The pool will have two interactive play areas - a water confidence zone and interactive play structure.

A dedicated 'toddlers area', will cater for the younger and less water-confident child with low-level play, complete with features encouraging both interaction and participation. The indoor leisure offer will include a number of water slides to provide an exciting experience for all ages. It will include:

- A free-fall slide
- A family tyre ride
- A 4 lane, multi-slide

The interactive play structure will provide opportunities for older and more confident children -this will be located in the leisure pool.

The outside 'splash pad' concept will be designed to increase the leisure water area during the warmer, summer months - two wet splash pads will sit amongst the sun lounge areas and café terraces, to provide wet play entertainment in a zero water-depth area

Design Features

In the current design proposals for, **Option 1 which includes formal waters, the Rhyl Aquatic Centre would comprise:**

1. A 25m x 8 lane swimming pool, with moveable floor and associated changing areas
2. Spectator gallery for 110 persons
3. 1,200m² leisure water spaces comprising:
 - a. 500m² of water
 - b. 700m² of leisure facilities
4. Both indoor and outdoor flume rides
5. Children's water play frame and slides
6. Further specialist facilities will include
 - a. a double height children's' play, activity zone
 - b. climbing facilities
 - c. party rooms
 - d. reception
 - e. sales areas

Option 2 would provide all of the above, with the exception of items 1 & 2. Swimming waters would be retained at Rhyl Leisure Centre.

Externally for both options, the development would include:

1. A 600m² splash pad and play facilities, with sun deck and external seating terrace
2. Beach changing huts and WC facilities
3. Bar and terrace to cater for the evening trade
4. Café and bar areas.

RHYL AQUATIC OFFER – OPTIONS APPRAISAL REVIEW

INTRODUCTION

Before proceeding with the final design work and planning application for the proposed new Rhyl Waterpark and Leisure Attraction, officers have undertaken a value for money review of the case for the inclusion of a 'formal swimming pool' and spectator accommodation as part of the new Centre. This has been set in context with a business review of the case for the retention of the swimming pools in Rhyl Leisure Centre (RLC), that currently serve community, competitive swimming and learning needs.

The purpose of the review was to consider the potential for achieving significant savings in both the capital and revenue budgets necessary to undertake the development of the Facility alongside any subsequent conversion of RLC, following closure of the existing pools. Furthermore the review would establish the best delivery model for the formal, community swimming offer to most effectively serve local needs.

BACKGROUND

Initial considerations for the new Aquatic Centre were based on the desire to replace the former Sun Centre - the design was expected to include both leisure and formal water features alongside health and fitness facilities, together with catering and retail outlets.

Subsequently, through the detailed design development phase, it was considered **beneficial to maintain the already very successful health and fitness business at RLC**, whilst concentrating the aquatic activity on the seafront.

Thereafter the proposals were based on delivering 'new facilities' over two sites:

- The existing leisure facility at RLC would be re-modelled and improved to provide an enhanced health and fitness offer, together with continuing to provide the current sports facilities for education and local residents.
- A new and innovative, aquatic park would be developed on the Promenade featuring an exciting leisure offer with a variety of flumes and features, together with an 8 lane x 25 m pool with moveable floor across 2 lengths of the facility, to provide for shallow water swimming lessons; children's play and climbing zone; alongside a food and beverage outlets.

In this model, a refurbishment plan for RLC, based on the relocation of the swimming offer to the new Aquatic Centre, included the conversion of the vacated pool hall into a high quality health and fitness offer, to accommodate the latent demand for health and fitness membership. **However, a detailed appraisal of the capital costs and estimated running costs/profit confirmed that the necessary investment of c£1.6m in an upgraded facility, together with the required £2.5m to move the formal swimming offer to the Aquatic Centre would only provide sufficient operating profit to cover the cost of displacement income.**

SWIMMING FACILITIES PLAN - OPTION REVIEW

Before proceeding with the required Planning Application, consideration has been given to the case for the relocation of the 'formal swimming offer' from RLC to the new Facility.

Attached at **ANNEX 1**, is a 'Rhyl Swimming Pools' options appraisal, informing the following review conclusions.

Reasons not to Change the Original, Option 1, Aquatic Proposal to Include a Formal Swimming Offer

Alterations to the design will demand additional design work.

There may be a view that a 'single' Aquatic facility is essential to create a statement facility - providing an attractive, new swimming pool complex being of paramount importance. Furthermore the 'swimming community' may feel 'let down' if the 'formal pool' is not replaced - although the main focus of the Facility is the leisure attractions and the 'formal swimming pool' design does not provide an enhanced offer, when compared with the existing provision in RLC.

The business plan for a single Aquatic Centre has been fully tested, is commercially viable but would require ongoing subsidy from the Council.

Reasons to Proceed with Option 2 – Retaining the Formal Swimming Offer in RLC and Reducing the Design and Cost of the New RAC

It is important **to make sure the decisions made 'today' are in the best long term interests of both the community and economic regeneration of Rhyl.**

There are a number of significant reasons why the retention of the formal swimming pool at RLC – should be considered to be the preferred delivery model.

The omission of the 'formal swimming pool' from the design of the RAC, together with the limited spectator accommodation, would reduce the capital cost by up to £2.5m - reducing the borrowing costs with a consequential impact on annual revenue budgets. As well as this, further financial benefits would be secured, as there would be no requirement to invest in the refurbishment of the swimming pool hall in the Leisure Centre, following the pool closure – an additional potential saving of over £1.6m, based on current estimates.

Furthermore, as a result of the removal of an 8 lane swimming tank, the reduction in building mass of the Aquatic Centre would make it easier to design a facility that 'enhances the urban form' delivering an improved connection with the town centre and seafront. The focus of the new Centre would become more of a commercial, visitor and 'recreational', leisure offer.

The existing learn to swim, training and competitive programmes would continue to be maintained at the RLC pool - under the current commercially and well tested delivery model.

Despite the proposed new aquatic offer on the Promenade showing a financially beneficial operating position, the inclusion of the 'less profitable' competition and training tank with moveable floor, will place a greater strain on its budget and operating arrangements. Furthermore, the removal of the competition and training pool from RLC may create cash flow issues/'financial tensions' between the two facilities, causing unnecessary future financial risk for the Council.

Without the 'formal swimming pool', there will be lower annual running costs for the RWLA.

Finally, and significantly, there is a risk that the customer experience is negatively affected as a result of the relocation of the formal swimming offer to the new Centre i.e.:

- The RLC pool is well located - easily accessible for the local community and best placed to serve the local school swim programmes.
- A separate offer for regular school, community and swim club needs will mean that existing local customer base is not required to compete with visitors, and contend with seafront car parking and access issues, as a result of relocating their activity from the RLC. The Council's experience of operating the successful seaside visitor attraction at the Nova, confirms that there are many occasions when the facility is at capacity, and customers are 'turned away'.
- The current learn to swim programme is commercially successful, and along with the health and fitness offer, it makes a significant contribution to the Centre's annual operating profit – this financial strength 'bucks the trend' experienced across other local authority run swimming pools in Wales. The design of the existing facility i.e. presence of the small learn to swim pool, which can be maintained at a warmer water temperature, helps contribute to this success.

SUMMARY APPRAISAL OF THE ADVANTAGES AND DISADVANTAGES OF INCLUDING AN 8 LANE SWIMMING POOL IN THE RHYL AQUATIC CENTRE OR RETAINING THE EXISTING SWIMMING POOL IN THE LEISURE CENTRE

Facility	Advantages	Disadvantages/Risks
<p><u>Option 1</u></p> <p>The Original RAC Scheme</p> <p>Rhyl Aquatic Centre designs including and 8 lane x 25m swimming pool with spectator accommodation for 110 people; moveable floor to 2 lanes to create learn to swim zones</p>	<ul style="list-style-type: none"> • All of the local swimming activity contained in one building • Concentration of swimming pool expertise under one roof • Shared plant and reduced M&E costs • Integrated marketing of the aquatic offer • Less facility competition 	<ul style="list-style-type: none"> • The inclusion of the 'less profitable' competition and training tank will put a disproportionate financial strain on the RWLA budgets • The loss of the competition and training pool at RLC is likely to put the existing facility into deficit which will create a cash flow issue for the Leisure budget as well as 'financial tensions' between the two facilities and present a potential future financial risk to the Council • The capital cost of moving the 'formal offer' to the Aquatic Centre is £2.5m which demands more revenue to meet borrowing costs • The removal of the swimming facility at RLC would demand capital expenditure (current estimate is over £1.6m) create a useable space • The moveable floor model will not create warm water teaching zones – the temperature of the waters will need to be maintained at cooler competitive swim training levels.
Facility	Advantages	Disadvantages/Risks
<p><u>Option 2</u></p> <p>The retention of the formal swimming</p>	<ul style="list-style-type: none"> • The current swimming offer at RLC provides for two pools with the opportunity to have the water temperature in the learner pool higher than the main 	<ul style="list-style-type: none"> • A change to the design of the RAC will: <ul style="list-style-type: none"> ○ incur additional costs – i.e. up to £50k of additional design work

<p>offer at RLC</p> <p>A 6 lane x 25m competitive, training, and teaching pool with spectator accommodation and separate warmer water learn to swim pool</p>	<p>pool – this will not be provided in the Aquatic Centre</p> <ul style="list-style-type: none"> • Parents wishing to drop-off children for 30 minute lessons would find the RLC easier to access • The RLC is closer to the ‘local community’ • A single aquatics destination on the seafront would demand that local people attending classes, swim training and competitions, crossing the town and ‘competing’ with visitors at peak times in the summer months • A 25mx 8 lane pool at the Aquatic Centre significantly increases the building mass which makes the integration of the structure into the urban form, more difficult to achieve • The facility on the seafront would be a more distinct, unique, recognisable tourist and visitor attraction • RLC is viewed as a lifelong learning centre with strong links to both School, College and local community • There would be a capital saving of up to £2.5m by not replacing the current formal swimming pool in Rhyl as well as which the c. £1.6M cost of refurbishing the vacated pool hall will be saved. The reduction in capital costs will have a direct bearing on the levels of borrowing required, reducing repayments/the level of annual revenue budget required • Without the formal swim pool, there will be lower annual running costs for the RAC 	<ul style="list-style-type: none"> ○ demand re-worked business plan income and expenditure projections ○ potentially delay the planning process and project start ○ potentially undermine confidence in the scheme – communication would be key ○ require a change of name to better reflect the new focus of the facility <ul style="list-style-type: none"> • The removal of the formal pool offer from the RAC would take away one of the ‘year round’ features of the facility <p>However, if adopted, this options appraisal could be completed before the Scheme is presented to Council thereby avoiding any further project delays</p>
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Facility	Advantages	Disadvantages/Risks
Option 3		

<p>Do Nothing/Status Quo</p> <p>Do not proceed with the development proposals for a new Waterfront Aquatics Centre/Waterpark and Leisure Attraction</p>	<ul style="list-style-type: none"> • The Council would make financial savings • The Council would avoid the risks of project delays and cost overruns; forecast income projections failing to meet targets or running costs exceeding estimates 	<ul style="list-style-type: none"> • Negative public and partner opinion • The confidence of commercial partners would be undermined – current investment plans are pending the Council’s decision to proceed with a new coastal leisure offer and visitor attraction • There is no other equivalent visitor offer and catalyst for economic regeneration that would deliver the proposed increase in: <ul style="list-style-type: none"> ○ 350k town centre and coastal front footfalls ○ Over 60 new jobs and related training opportunities ○ New apprenticeships • There would be a negative impact on visitor perceptions damaging the holiday trades, visitor market and impact on the local economy • The demand for leisure waters and fun aquatic features have been excluded from the Nova redevelopment so as not to compete with the proposed Rhyl Aquatics Offer. This omission has been noted by the local community – and particularly young people • There will be significant abortive costs • Funding opportunities would be lost
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Conclusions/Recommendations: It is important make sure the decisions taken are in the best long term interests of both the community and economic regeneration of Rhyl.

Option 3 – the status quo/do nothing approach, whilst financially risk averse would jeopardise investment and have a significant negative impact on the local economy, visitor trade and public and investor perception – there is no alternative leisure attraction that could have the same positive effect on the desired economic coastal regeneration

In comparing Options 1 and 2, there are a number of significant reasons why Option 2 – the retention of the ‘formal swimming pool’ at RLC, is recommended as the preferred aquatics model for Rhyl.

BUSINESS FEASIBILITY PROCESS

A feasibility exercise, including an outline business case, together with a design and access statement has been commissioned through DCC's development partner Alliance Leisure Services Ltd. (ALS), together with an economic impact assessment (EIA) undertaken by OB3 Research - the summary findings of the EIA are attached as **APPENDIX E.**

The feasibility exercise and outline business case for the proposed development has been based on delivering a sustainable, appropriate and engaging community facility, as well as a regional tourist attraction, that would attract visitors to the area delivering significant regeneration benefits.

The professional team appointed to develop the project thus far has comprised: ALS; ISG Construction; Savernake Property Consultants Ltd; AFLSP Architects; Furnace Partnership Structural, Civil and Drainage Engineers – all the companies are specialist in the design and delivery of leisure facilities and attractions. All detailed surveys have been complete in order to obtain a cost confidence position to inform the business case being presented to Council.

RPT Consulting have provided an independent business feasibility appraisal to establish the estimated revenue projections, taking into account the potential footfalls and estimated activity levels that will be delivered by the new facility. This business appraisal has been challenged at every stage by a cross-departmental project team, with sub groups reviewing income and expenditure projections in detail.

To ensure confidence in the projections, and scheme viability, the business appraisal has been further subjected to an internal scrutiny exercise undertaken by the DCC financial team, including sensitivity analysis; critical review by a second set of accountants as well Head of Service, Section 151 Officer, and Corporate Director. The income and expenditure projections have also been independently reviewed and validated by Local Partnerships (a HM Treasury LGA venture providing independent services to Local Authorities). Business Case commentary and Financial Summary in **Appendix F and G.**

ECONOMIC IMPACT ASSESSMENT

OB3 Research were commissioned to undertake an Economic Impact Assessment of the proposed Rhyl Aquatic Centre.

In summary the conclusions were as follows:

- The new facility could deliver significant economic benefits to both the local and regional economy despite the current challenging financial climate
- Anticipated **new** footfalls in the Town Centre as a result of the development are approximately 350,000 per year. The Business plan for the new facility is based on year round opening, with a mix of indoor and outdoor wet and dry side family oriented activities. Catering and retail opportunities within the proposed facility have been minimised to encourage out flow into town centre businesses, and sessions will be offered on a half day basis for the same reason.
- It is estimated that the Gross Value Added (GVA) in Wales supported directly and indirectly by the development and construction phases of the Rhyl Aquatic Centre will be in the region of £7.3m; with 210 FTE Person year opportunities directly and indirectly supported over this 2 year phase
- The GVA supported directly and indirectly during the Centre's first year of operation will be in the region of £1.7m
- 47+ jobs will be directly 'guaranteed' to be connected to the operation of the Centre on the day of opening, and the development will result in an increase in employment of 61FTE jobs. ***The Nova Centre currently employs 75 people, but initially only assumed just over 42.***
- It is recognised that parts of Rhyl experience persistent economic problems – particularly in respect of access to local employment opportunities for local people. The employment opportunities to be provided by the new Centre would be significant. However it must be recognised that the presence of a new, unique facility could lead to a 'spending leakage' from elsewhere in the local economy, particularly with an increase of up to 350,000 visitors through the Town centre.

Over and above the high level of business feasibility scrutiny already reported, as well as the acknowledged prudence of the business case/footfall assumptions, additional assurance in respect of deliverability can be drawn from other comparable case studies.

Case Study 1: The Nova, Prestatyn (Headlines taken from an independent impact evaluation study in 2016)

DCC's commitment to the Nova led to a significant investment in the facility – with the 'new look' facility designed to serve both the local community and visitors to the north Wales coast - **turned the historical annual trading losses into an operating surplus. The Nova is now considered to be a premier, 'fit for the future', seaside attraction and leisure complex – an important visitor destination.**

In the 1st 6 months of opening the Nova attracted:

- Over 22,300 swims

- Over 26,700 play visits
- Over 20,393 fitness swipes
- A 41% growth in DD memberships
- Over 1,000 visits and over £8.5k income from nearby caravan park owners as a result of a local business partnership with Lyons - boosting visit numbers by working in partnership with local business and recognising the importance of the local holiday camp industry as an important contributor to the economic well-being of the area
- 66% - excellent or very good, Trip Advisor feedback

The Nova is a 'major employer' of local people - 75 jobs - over 65% are local employees
During construction:

- Over 20% of the construction costs benefited local industries
- 57% of the 'work' went to local contractors
- 23% was spent on the purchase of materials from local suppliers

N.B. It is noteworthy, that all of the young people surveyed as part of the impact evaluation, commented negatively about the lack of water slides and more adventurous activities and water features - the design of the Rhyl Waterpark will address this demand whilst ensuring a complementary offer to the Nova

The impact evaluation of the recent Nova upgrade showed that:

- Over 20% of the construction costs benefited local industries
- 57% of the 'work' went to local contractors
- 23% was spent on the purchase of materials from local suppliers
- 8% was spent on local labour – through local agencies
- More than 6% was spent on local accommodation for contractors and sub-contractors

Case Study 2: LC, Swansea

LC, located on the sea front in Swansea with facilities including a major water park with many leisure features (flumes and waves); indoor play, climbing wall, health and fitness, food and beverage as well as sports halls

The rationale for LC is to enhance Swansea's reputation as a high quality visitor destination accessible to all – providing reasons to visit Swansea as well as making the most significant single impact on physical activity levels in Swansea

- LC is Wales' most visited paid attraction – for the 7th year running (Visit Wales)
- LC attracts 775k footfalls pa - an increase of over 225,000 since the opening of the Centre including:
 - over 10k climbing wall visits (over half of whom are young people)
 - over 40k play visits
 - over 200k fitness visits
 - over 36k visits to Swansea annually through events

RHYL WATERPARK & LEISURE ATTRACTION BUSINESS CASE Option 2 (Excluding 25m Pool) – Finance Context / Narrative

Senior Finance & Assurance Officer

The below outlines the rationale behind the financial calculations in relation to the five year operating requirement for the Rhyl Water & Leisure Attraction. The Business Case includes the costs of the development return for Neptune and the relocation of the Skate Park. It presumes that the first full trading year for the facility will commence in April 2019, the financial narrative excludes the partial year operational and cash flow requirements for the previous financial year 2018/19 (year 0). The Business Case has been developed in conjunction with RPT Consulting and Alliance Leisure.

1. Employee Costs

The employee costs have been calculated based on the operational hours required for the facility. The operational hours includes the hours that the facility is open to the public plus the additional hours required for the daily set up and closure of the building and shift handovers. The total employee costs are based on varying operational hours for each of the trading elements of the facility. Each area has been costed separately, the 'General' area includes the overall direct Management Team for the facility: Assistant Leisure Officer (full time post to be shared between the other Coastal Leisure Facilities, included at 0.5 FTE in this Business Case), Duty Officers, Receptionists, Technician (responsible for pool plant maintenance, again this is expected to be a shared post). These posts will be permanent positions with additional Casual/Seasonal staff hours included in the financial forecasts to cover school holidays, weekends and staff holiday entitlement. The staff costs associated with the municipal swimming pool (Lifeguards & Swimming Instructors) have been excluded for the Option 2 Business Case.

The 'Water Fun Park' includes the Lifeguards for the indoor Water Fun pools and additional General Operatives for the external Splash Pad. These posts have been included as Casual/Seasonal contracts as the operating hours of this area will differ significantly between school term time and holidays, with the external Splash Pad only open during the summer season. There will be an option to annualise permanent contracts for an average of the term time requirement, this can be considered at the recruitment stage of the project.

The 'Play & Climbing Centre' includes the Leisure Attendants for this area which will include permanently contracted staff and Casual/Seasonal posts to allow for additional operational hours for school holidays and weekends.

We have presumed that the 'Food & Beverage' area will be managed in-house and will include a permanent Catering Manager post, Front of House Supervisor, Chefs, Catering Assistants and Front of House staff. There is additional Casual/Seasonal staff required for the school holidays.

All staff members will be employed on the same generically graded posts as current Leisure Centre staff and staff costs will incrementally increase based on the point at which they are employed on the grade. We have included additional pay costs that are likely to arise from the imminent increases in the employer pension contributions, the impact of the apprenticeship levy and the increases to the National Living Wage.

There is no provision for a designated Senior Management post as it is presumed that the overall management of the facility will be included within the current Leisure Officer structure.

2. Premises Costs

The total 'Repairs & Maintenance' costs include devolved repairs & maintenance, maintenance service contracts, and external grounds maintenance (sand clearance) costs. All contract costs are based on current requirements at Nova and include an element of annual inflation.

The total 'Utilities' costs include Gas, Electricity and Water, these costs are based on the current average costs for Rhyl Leisure Centre & Nova. The Gas and Electricity costs include a price increase from 2017 of 24% and an additional inflationary increase of 10% per annum.

The Water costs include 5% inflation per annum.

The 'External Premiums' relate to the building insurance based on a £15m re-build cost as advised by DCC's Risk & Insurance Manager and includes 2% annual inflation.

The NNDR costs have been calculated based upon advice from DCC's Valuations Department, using the rateable value based on the cost of the building with an annual inflationary increase of 2% per annum.

The Cleaning Materials and Facility Cleaning costs are based on Nova and includes additional 'Housekeeping' and annual inflationary increases.

3. Supplies & Services Costs

The supplies & services costs include the purchase, rental and servicing costs of all equipment within the facility. This includes all telephony, ICT maintenance, general equipment purchase, chemicals, marketing and the cost of the F&B provisions. These costs have been calculated based on contract agreements already in place at the other DCC Leisure facilities and applying varying rates of annual inflation. The service contracts for the Water Fun Park equipment, air handling etc have been included in year 2 as the first year will be included in the original purchase cost.

The cost of the F&B stock purchase has been calculated as a direct percentage of the income forecasts, this is based upon advice from DCC's Catering Services and the cost of provisions experienced at other Leisure facilities including the North Wales Bowls Centre and Nova.

The year 0 'set up' costs have been excluded from the Business Case.

4. Income

Option 1 originally included the income for the Municipal Swimming pool, which included swimming lesson provision, Primary school swimming, general public usage and club hire. The original expectation was to be able to grow the current Rhyl Leisure Centre lesson programme as the new facility would have greater programming flexibility as it is not a Dual Use (Leisure & School) site. These swimming figures have been excluded from the Option 2 Business Case model.

The visitor numbers and income projections for the Water Fun Park have been developed through a combination of analysing market positions and utilising local knowledge and data, these forecasts have been developed in partnership with RPT Consulting and Alliance Leisure. The process included:

- Reviewing and agreeing levels of utilisation based on industry norms and local performance (in particular the Nova performance)
- Assessing the catchment area and identifying likely visits based on industry norms and local analysis of existing performance. This has included the impact of tourism visitors and likely visits from day and overnight visitors
- Comparing the overall visitor numbers achieved and forecast with other facilities comparable in nature, including reviewing previous visitor numbers from the Rhyl Sun Centre
- The Water Park reflects tourist use as well as comparing with other facilities.

The visitor numbers for the Waterpark have been developed through assessing the utilisation levels as above taking into account term time and holiday use and then utilising an agreed pricing based on existing pricing (where appropriate), competitors and comparable facilities to project income, which reflects different levels of utilisation during term time and holidays. The pricing also reflects leisure card use predominantly utilised during school term time by residents of Denbighshire. We have included a price increase of £1 (gross) in year 3, for this exercise we have excluded any further price increases in year 4 and 5 (Leisure Services currently review their pricing every two years), no additional RPI increases have been applied for this area. The occupation levels included in the Business Case for both Option 1 and Option 2 in year 1 is 50% with the facility operating on a morning and afternoon sessional basis with the expectation of annual growth in visitor numbers years 2 to 5, with the school holiday occupancy expected to grow to 60% by year 5 and term time occupancy growing to 55%.

The Play and Climbing income has been calculated using occupation levels achieved at Nova and advice from both Alliance Leisure and other external providers of Climbing centres. For the Climbing we have used an occupation level of 34% per hour during term time week days and 83% during weekends and school holidays. The staff costs for this area are based on the ratio between staff and customers required at 1:6. This area of the facility will require prior booking for all sessions.

Additional income has been included for Water Fun Park, Play and Climbing parties, again based upon the number of parties currently being held at Nova.

Food and Beverage income is based on spend per head on the attendances in line with industry norms and local performance at the Nova. This has largely been built in as 50% of visitors spending in the café and external catering provision. However this has been quantified by type of visitor: families, adults, children etc. and is also based upon varying spend levels per visitor type.

5. Financing

The 'Prudential Borrowing' costs are based on a total project cost of £15.395M (Option 2, including Neptune development return & Skate Park relocation). The life cycle of the borrowing varies depending on the equipment, however it is presumed that this will be a cyclical requirement where equipment purchased on a shorter borrowing term will require full replacement at the end of the borrowing term, therefore there is no reduction in annual borrowing costs. The purchase of the café equipment and external catering provision costing approximately £144K is expected to be paid for over 5 years, Auto belays for the Climbing centre at a cost of £29.75K over 3 years, Play & Climbing equipment at £364.5K over 10 years, the Water Fun Park equipment at £1.465M over 15 years and the redevelopment /construction cost of approximately £13.391M paid for over 25 years. The prudential borrowing costs have been calculated based on estimated future interest rates.

RHYL WATERPARK & LEISURE ATTRACTION BUSINESS CASE SUMMARY - OPTION 2

	Year 1	Year 2	Year 3	Year 4	Year 5
RHYL WATERPARK & LEISURE ATTRACTION - NET OPERATING COST/(SURPLUS)	£572,697	£542,289	£317,566	£304,482	£293,757
TOTAL EXPENDITURE	£2,652,279	£2,749,370	£2,796,288	£2,848,682	£2,888,627
TOTAL INCOME	(£2,079,582)	(£2,207,081)	(£2,478,722)	(£2,544,200)	(£2,594,870)
TOTAL EMPLOYEE COSTS	£937,420	£990,404	£1,003,940	£1,016,642	£1,037,484
TRAINING & STAFF ADVERTISING	£4,300	£4,500	£4,750	£5,000	£5,250
MANAGEMENT STAFF	£21,476	£21,952	£22,177	£22,405	£22,875
DUTY OFFICERS	£88,494	£87,976	£88,677	£89,384	£70,849
RECEPTIONISTS	£74,394	£77,723	£78,534	£79,353	£81,047
TECHNICIAN	£5,256	£5,579	£5,850	£6,070	£6,388
LEISURE ATTENDANTS & PLAYLEADERS	£457,753	£485,289	£490,836	£498,484	£507,437
CATERING	£264,763	£279,977	£285,212	£289,543	£296,344
CLEANING OPERATIVE	£9,882	£10,515	£10,625	£10,736	£10,966
RELIEF/CASUAL	£33,102	£36,893	£37,278	£37,667	£36,328
TOTAL PREMISES COSTS	£478,811	£501,327	£525,247	£550,697	£577,814
REPAIR & MAINT. - CONTRACTORS & GROUNDS & FIRE	£17,070	£19,427	£21,787	£24,151	£26,518
UTILITIES	£144,757	£157,909	£172,310	£188,082	£205,358
PREMIUMS - EXTERNAL	£12,000	£12,240	£12,485	£12,734	£12,989
N.N.D.R.	£234,340	£239,027	£243,808	£248,684	£253,657
CLEANING MATERIALS/REFUSE COLLECTION & CLEANING	£70,643	£72,723	£74,857	£77,046	£79,291
TOTAL TRAVEL & TRANSPORT COSTS	£500	£500	£500	£500	£500
CASUAL USERS - MILEAGE	£500	£500	£500	£500	£500
TOTAL SUPPLIES & SERVICES COSTS	£273,642	£295,232	£304,694	£318,937	£310,923
GEN. EQUIP. - PURCHASE/RENTAL/SERVICE AGREETS/SIGNAGE	£9,954	£30,228	£36,778	£48,078	£38,147
CHEMICALS	£4,500	£4,635	£4,774	£4,917	£5,065
PRINTING	£8,500	£8,800	£7,100	£7,400	£7,700
PUBLICITY & MARKETING	£10,000	£7,500	£7,750	£8,000	£8,250
PHOTOCOPYING	£1,450	£1,450	£1,450	£1,450	£1,450
RESALE, VENDING & F&B STOCK PURCHASE	£225,666	£228,372	£230,094	£231,834	£232,592
TELEPHONES & COMPUTER COSTS	£2,700	£2,770	£2,840	£2,910	£2,880
STAFF INSURANCE	£4,423	£4,673	£4,736	£4,795	£4,893
SUBSCRIPTIONS, CASH COLLECTION, LICENCES	£8,448	£8,804	£9,171	£9,552	£9,946
TOTAL INCOME	(£2,079,582)	(£2,207,081)	(£2,478,722)	(£2,544,200)	(£2,594,870)
RETAIL SALES	(£20,000)	(£20,200)	(£20,402)	(£20,606)	(£20,812)
F&B	(£533,979)	(£539,319)	(£544,712)	(£550,159)	(£556,660)
FEES - WATER FUN PARK	(£1,149,383)	(£1,267,580)	(£1,529,826)	(£1,585,816)	(£1,626,902)
PLAY & HANGFAST	(£267,033)	(£269,703)	(£272,400)	(£275,124)	(£277,875)
PARTIES	(£109,188)	(£110,279)	(£111,382)	(£112,496)	(£113,621)
TOTAL FINANCING	£961,907	£961,907	£961,907	£961,907	£961,907
BUILD - PB	£758,593	£758,593	£758,593	£758,593	£758,593
CAFE - PB	£30,560	£30,560	£30,560	£30,560	£30,560
PLAY & HANGFAST - PB	£51,951	£51,951	£51,951	£51,951	£51,951
WATERPARK - PB	£120,802	£120,802	£120,802	£120,802	£120,802

ANNUAL NET DCC REQUIREMENT AFTER £135K BUDGET + £2M RTC + £800K WG FUNDING APPLIED	Year 1	Year 2	Year 3	Year 4	Year 5
	£278,939	£248,532	£23,808	£10,725	(£0)