



Feasibility Cost Estimate (DRAFT)

Project	Canada Water Police Station Relocation
Client	London Borough of Southwark
Date	21 October 2013
Prepared by	Matt Whitehead

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1.00 Notes & Exclusions

Ref	Notes
1.01	<p>.1 This feasibility cost estimate is an assessment of the estimated capital construction cost associated with converting an existing leisure centre sports hall for use as police accommodation at the Seven Islands Leisure Centre in Lower Road Canada Water.</p> <p>.2 This feasibility cost estimate is based on limited information: specifically a proposed layout drawing prepared by AFL S&P and a site visit. We recommend that a detailed elemental estimate, based on worked up scheme proposals is prepared prior to any material financial commitment to this scheme.</p> <p>.3 The layout drawing referred to in the preparation of this estimate is AFLS+P sketch layout entitled "Overlay of possible police area layout, within the existing SILC". No structural or services information was available for the preparation of this feasibility estimate.</p>

1.02	Exclusions
.1	Professional fees and planning / Building Regulation fees
.2	Legal fees
.3	Tender price adjustments - current day assessment only (4Q2013)
.4	Site acquisition costs, legal and funding costs
.5	Any site investigation costs, i.e. topographical surveys, ground investigations, etc
.6	Abnormal costs, i.e. abnormal ground conditions, contamination costs, archaeological finds, service diversions, abnormal statutory service costs, asbestos removal
.7	Statutory services diversions and/or main utility infrastructure reinforcement
.8	Loose furniture and fittings, IT, Security etc.

RIBA Work Stage	A	B	C	D	E	F	G	H	J	K	L
RICS Estimate Stage/Stage Document	Order of Cost Estimate		Formal Cost Plan 1	Formal Cost Plan 2	Formal Cost Plan 3	Pre tender Estimate	Tender Document	Tender Report	Contract Documents	Cost Reports	Final Account

2.00 Schedule of Gross Internal Areas

Schedule of Areas	Refurbishment		Extension		Total	
	m ²	ft ²	m ²	ft ²	m ²	ft ²
2.01 Basement Floor	Excluded		Excluded		Excluded	
2.02 Ground Floor	390	4,198	100	1,076	490	5,274
Total Gross Internal Area (GIA)	390	4,198	100	1,076	490	5,274
Total Gross Internal Area (GIA)	490 m²		5,274 ft²			

(Basement car park area is excluded from this ex)

3.00 Feasibility Cost Estimate Summary

Ref	Description	Total £	£/m ²	£/ft ²	Notes
Estimated Total Building Works Estimate (brought forward from Section 3.01)					
3.01	Decant of equipment etc from existing police station	Excluded	-	-	
3.02	Net build cost of conversion and extension of sports hall	584,042	1,192	111	Excluding works to basement car park
3.03	Sub-total	584,042	1,191.92	110.74	
3.04	Preliminaries (30 weeks @ £5k/week)	150,000	306.12	28.44	
3.05	Sub-total	734,042	1,498.04	139.18	
3.06	Contractor's Overheads and Profit	37,000	75.51	7.02	
3.07	Sub-total	771,042	1,573.56	146.20	
3.08	Contingency	77,000	157.14	14.60	
3.09	Construction Cost Estimate	848,042	1,730.70	160.80	
3.10	Inflation Estimate: Tender Inflation Estimate Construction Inflation Estimate	Excluded Excluded			
3.11	Construction Cost Estimate	848,042	1,730.70	160.80	
3.12	Consultants' Fees (Architect/PM/QS/CDM/C/Engineers)	127,206	259.60	24.12	
3.13	Construction Cost Estimate Inc. Fees	975,248	1,990.30	184.92	
3.14	VAT Assessment (PROVISIONAL ASSESSMENT) Construction works Professional Fees	Excluded Excluded			
3.15	Construction Cost Estimate including Fees & VAT (rounded)	975,000	1,990	185	

3.01 Feasibility Cost Estimate Breakdown

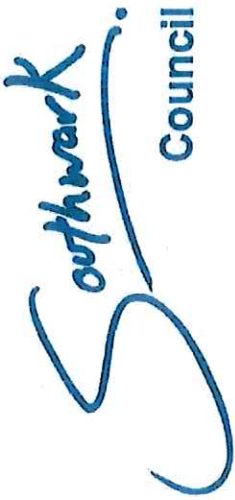
Ref	Description	Qty	Unit	Rate	Total	E/m ²	E/r ²	Notes
				£	£	£	£	
3.01	Demolitions and alterations							
	Existing building	390	m ²	50.00	19,500	39.80		3.70 Stripping out internally to existing building; including minor dia works
	Link building	1	Item	25,000.00	25,000	51.02		4.74 Demolition of existing link buildings; including making good external walls
3.02	Substructure/ Foundations				Excluded			Assumed no works are required to the foundations of the existing building
	Existing building	100	m ²	350.00	35,000	71.43		6.64 Traditional foundations/slab and creation of ramp
3.03	Frame							
	Existing building	1	Item	25,000.00	25,000	51.02		4.74 Provisional allowance for repairs to existing structure at basement and ground floor level (e.g. repairs to cracks as detailed in Roughton structural report)
3.04	Upper Floors	100	m ²	100.00	10,000	20.41		1.90 Simple frame to support new glazed link
	Existing building				Excluded			Assumed no works are required to the existing ground floor construction
	Extension				Excluded			No upper floor to link building
3.05	Roof							
	Roof to existing building	390	m ²	15.00	5,850	11.94		1.11 Minor repairs to existing roof/parapets
	Roof to extension	100	m ²	150.00	15,000	30.61		2.84 New roof structure and covering
	Rooflights to extension	5	nr	1,000.00	5,000	10.20		0.95 Assume average rooflight is 1,000mm wide x 1,500mm long
3.06	Staircases							
	Existing building: refurbishment	1	Item	3,000.00	3,000	6.12		0.57 Allowance for repairs to existing steps and staircases
	New staircase to extension	1	Item	5,000.00	5,000	10.20		0.95 New staircase from basement car park to ground floor accommodation
3.07	External Walls							
	Existing building	225	m ²	25.00	5,625	11.48		1.07 Allowance for cleaning and minor repairs
	Extension	110	m ²	225.00	24,750	50.51		4.69 Assumes cavity wall in render finish
3.08	External Windows and Doors							
	Construction of new openings to extension	10	nr	350.00	3,500	7.14		0.66 Allowance for new openings
	Existing building: replace existing glazing	80	m ²	600.00	48,000	97.96		9.10 Replacement of existing glazing to sports hall
	Extension: new windows	10	nr	575.00	5,750	11.73		1.09 Assume average window is 1,000mm wide x 1,500mm high
	External Doors	6	nr	1,000.00	6,000	12.24		1.14 New external doors; in new openings
3.09	Internal Walls							
	Stud partitions	190	m ²	45.00	8,550	17.45		1.62 Stud partitions, plasterboard both sides
	Blockwork walls	20	m ²	60.00	1,200	2.45		0.23 Blockwork walls to new stair core
3.10	Internal Doors	15	nr	500.00	7,500	15.31		1.42
3.11	Wall Finishes							
	Internal walls	322	m ²	12.00	3,864	7.89		0.73 Skim coat plaster and paint finish
	Inner face of external walls	335	m ²	45.00	15,075	30.77		2.86 Thermal insulation to inner face of external wall
	Tiling	50	m ²	50.00	2,500	5.10		0.47 Tiling to changing rooms
3.12	Floor Finishes							
	Floor finish to existing building	390	m ²	30.00	11,700	23.88		2.22
	Floor finish to extension	100	m ²	40.00	4,000	8.16		0.76
	Skirtings	286	m	8.00	2,288	4.67		0.43
				carried forward	298,652	609.49		56.63

3.01 Feasibility Cost Estimate Breakdown

Ref	Description	Qty	Unit	Rate	Total	E/m ²	E/R ²	Notes
				£	£	£	£	
				brought forward	298,652	609.49	56.63	
3.13	Ceiling Finishes	2	m ²	45.00	90	0.18	0.02	
3.14	Fixtures & Fittings	1	Item	10,000.00	10,000	20.41	1.90	Allowance for fitting out
3.15	Rainwater Installation	1	Item	3,000.00	3,000	6.12	0.57	Minor adaptations to existing rainwater goods
3.16	Sanitary Fittings	15	nr	750.00	11,250	22.96	2.13	Allowance for replacement of sanitaryware
3.17	Mechanical Installation	490	m ²	220.00	107,800	220.00	20.44	Allowance for overhaul of existing heating and mechanical services and plumbing
3.18	Electrical Installations	490	m ²	175.00	85,750	175.00	16.26	
3.19	BWIC with Services	5%			10,000	20.41	1.90	
3.20	Lift Installation	1	Item	20,000.00	20,000	40.82	3.79	New lift from basement to ground floor
	External Works, Drainage and Services							
	Services	1	Item	10,000.00	10,000	20.41	1.90	Assume existing utility services capacity is sufficient for new use
	Landscaping	1	Item	10,000.00	10,000	20.41	1.90	Allowance for paving, lighting and signage following demolition of link building
	Works to basement car park	1	Item	7,500.00	7,500	15.31	1.42	Minor works to basement car park; painting, line markings, lighting and signage
	Drainage	1	Item	10,000.00	10,000	20.41	1.90	Minor adaptations to existing below ground drainage
3.21	Total Building Works Estimate; carried forward to Summary Page				584,042	1,192	111	



The Sports Consultancy



Canada Water Leisure Centre

Business Planning and Options Appraisal

9 December 2013

Lead Consultant	Tom Pinnington
Version	Final Report
Quality Assurance	Simon Molden
Date	9 December 2013
Client Organisation	London Borough of Southwark
Client Contact	Tara Quinn & Matthew Rees

Introduction

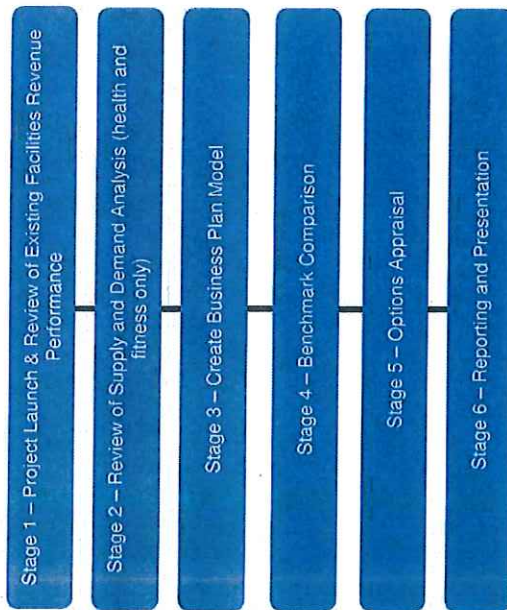
The Brief

The Sports Consultancy was appointed by Southwark Council (the Council) in October 2013, to complete a review of the business case for possible options for the replacement of Seven Islands Leisure Centre in Canada Water, Southwark. The work was completed in partnership with AFLS&P Architects and Stace LLP. We provided the following services:

- Review of the performance of the existing facilities
- Creation of a bespoke business plan model for the two facility options, to test the two schemes and to provide a sound rationale for decision making
- Review of the overall business case based on these options. This includes a review of the outcome of the revenue projections, capital cost estimates and funding assumptions, so the affordability of the options can be thoroughly tested
- Make a clear recommendation on the affordability of the options.

Overall, the aim was to determine which of the two options would provide the best balance for the Council, in terms of being financially viable and affordable while meeting the sporting and social needs of the community.

The diagram below illustrates the key stages of work undertaken in completing the business planning and options appraisal:



Current Revenue Performance

Review of the Existing Revenue Position

Historic income and expenditure accounts were provided by the Council and have been summarised in the opposite table. Historic revenue information is important in establishing the baseline performance of the existing facilities, particularly where this is to be used as the basis of assumptions on the revenue improvement following replacement of the facilities. The last three years accounts and visitor numbers have been reviewed and a three year average figure calculated, in the final column. The three year average is taken as the baseline, as this provides a longer-term view of operational performance and smooths out any short-term variations, e.g. for closure for repairs and maintenance etc.

The results show that [redacted] average visitor numbers is 157,328 per annum [redacted] user numbers are relatively low. Based on these figures, there is significant scope for improvement in the revenue position if facilities are improved or replaced.

Seven Islands Leisure Centre	2010/11	2011/12	2012/13	Seven Islands LC (3-Year Average)	%
INCOME					
Memberships	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Classes and Courses	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Swimming	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Swim School	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
School Swimming	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Indoor Activities	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Junior Activities	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Outdoor Sports	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Miscellaneous / Other Income	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Management Fee Income	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
TOTAL INCOME	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
EXPENDITURE					
Staff-related	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Stock etc	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Consumables	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Promotions	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Cleaning	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Equipment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Repair and Renewal	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
PPM	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Premises	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Administration	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Overheads	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Finance Costs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Depreciation and Amortisation	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Irrecoverable VAT	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Profit Margin	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
TOTAL EXPENDITURE	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
NET SURPLUS / LOSS	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total Visitor Numbers	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Income per visit	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Benchmarking Against Similar Facilities



The following table includes an analysis of the existing operational performance (3 year average) compared with upper quartile comparables from our operational revenue database. This provides a comparison between the current performance of the Seven Islands Leisure Centre and the results we would expect to see from a new facility that is performing well (upper quartile benchmark).

Income KPIs	Seven Islands LC (3-Year Average)	Upper Quartile	Variance	Commentary
Average income per visit				
Health and fitness membership income per station				
Output KPIs	Seven Islands LC (3-Year Average)	Upper Quartile	Variance	Commentary
Staff costs as a percentage of income				
% cost recovery				
Utility costs per m ² (£)				
Thoughtput KPIs	Seven Islands LC (3-Year Average)	Upper Quartile	Variance	Commentary
Visits per m ²	33	101	-68	
Members per station				

Demand Analysis – Health & Fitness

Demand Analysis – Health and Fitness Latent Demand

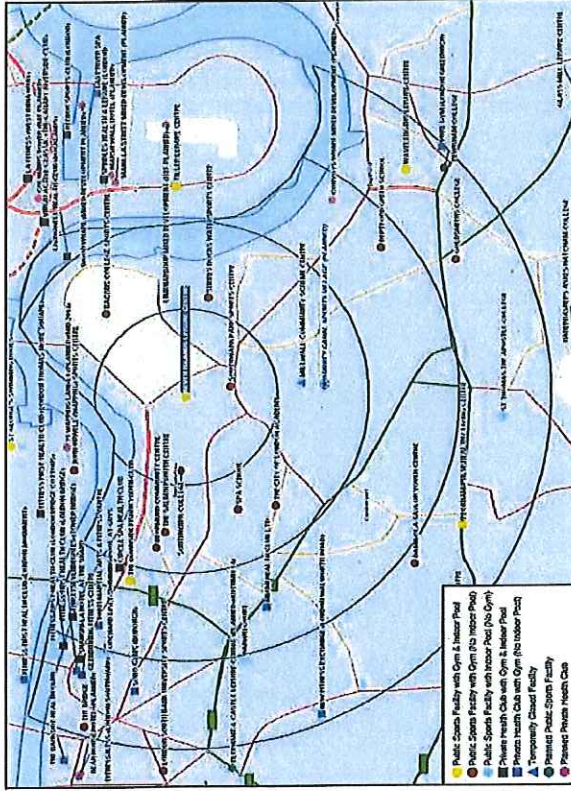
The Sports Consultancy commissioned a latent demand report from The Leisure Database Company Ltd. This report provides a detailed analysis of consumer demographics, using Experian's MOSAIC consumer profiling, for a defined core catchment area. The report identifies the profile of consumers on a postcode basis and their propensity to join a health and fitness club.

It identifies competing facilities within the catchment area and their current membership numbers. This enables a detailed estimate of latent demand to be produced and the likely overall membership targets to be defined.

These reports are accurate and are used by most major commercial health and fitness operators when making decisions on the location for new developments. As such, they provide a robust but relatively conservative estimate of membership numbers - a key income generator in the business plan. This is a robust and well tested methodology for forecasting membership numbers and the resulting income.

The catchment map shows the location of the existing centre with catchment bands of 0.5 miles from the centre. The location of all current and planned competing facilities are mapped.

The core catchment area used for the purpose of the latent demand analysis is 1 mile, which is a relatively compact catchment. The results of the analysis is contained in the following pages with further detail included in Appendix 1.



Consumer Demographics and Competition

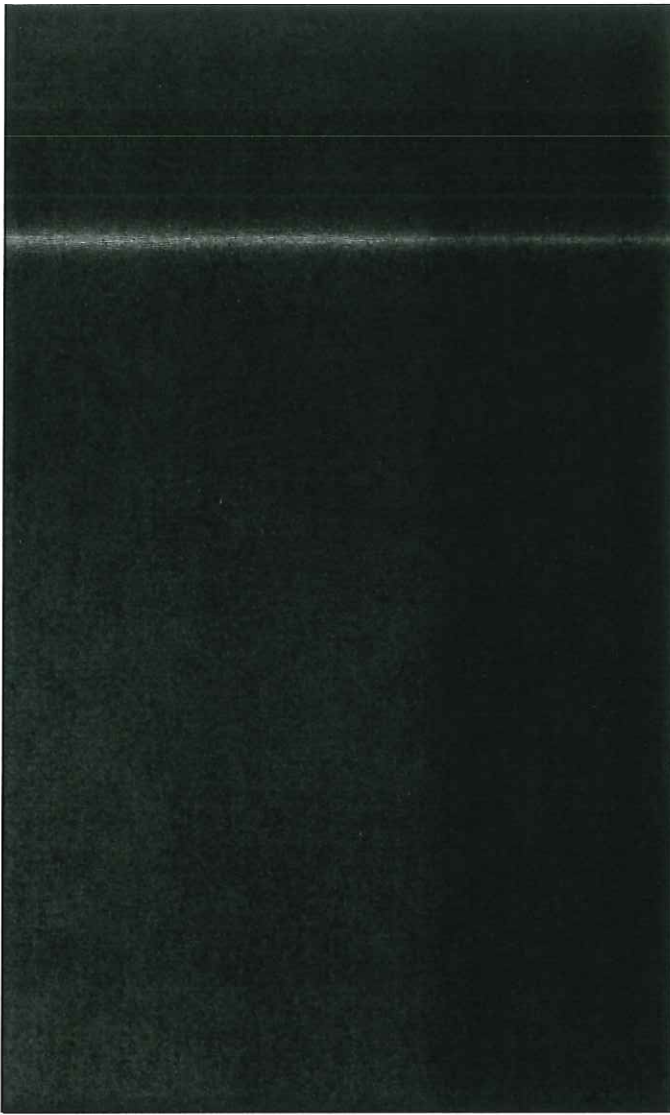
Consumer Demographics

In Mosaic terms, the population is fundamentally divided into just three different segments, with very different lifestyle and levels of disposable income. The vast majority of local residents – particularly those living away from the banks of the Thames – fall into Mosaic group K Upper Floor Living (55% of the total). Generally, these are described as young, often single people on limited incomes renting small flats from the local council. In this case, the vast majority are from the ethnic minorities, with roughly even shares coming from K48 Multicultural Towers and K49 Re-Housed Migrants. Propensity to join gyms among these types tends to be modest and locals will appreciate the lowest possible price point, especially if they are only interested in the gym use.

29.5% of current residents in the area are described as group O Liberal Opinions. These (O68 Urban Cool and, in particular, O64 Bright Young Things, are the well-educated young singles paying high rents to live in smart inner city apartments – in this case, those which have sprung up along the Thames waterfront. Their natural domain may be in mid to premium end of the private sector but in the absence of that kind of offering in the Surrey Quays / Canada Water area at present they may be candidates for membership at Seven Islands – especially if the centre is rebuilt – or they may turn a gym near their work in the City or West End into their default fitness venue. Most will be young and without families, so they are not looking for an 'all day' / weekend experience.

The third largest Mosaic segment is N Terraced Melting Pot (13%). Most of these are N60 Global Fusion, the kind of young working people from a variety of ethnic backgrounds who live in inner city terraces. Incomes will be average at best but a greater proportion are likely to be holding down a regular job than among those in group K (above). Price is again an important factor in determining propensity to join gyms and health clubs.

Competition



Latent Demand and Membership Forecasts

Latent Demand Calculation

Clearly, with such a large proportion of the local population originating from the two of the least affluent Mosaic groups, the question of price point is and may continue to be an issue to participation at Seven Islands.

In addition, the overall range of alternative provision in the area is relatively narrow, with only Surrey Docks Watersports and Livingwell mopping up much demand in the catchment area. It might be surprising, given the local demographics, that a low cost offering has not opened in the area.

Nonetheless, population numbers are likely to increase in the medium term, leading, if anything, to the long-term gentrification of the catchment area. It is difficult to foresee exactly what new competition will come on stream over the next few years but in trying to assess latent demand we have assumed that the leisure centre needs to welcome a healthy proportion of the more affluent, river-front dwellers as well as those from Mosaic group K. Our model indicates that a facility like this should be able to attract [redacted] members from within a mile of the centre, rising to 2,219 if we assume that around 205 of members might travel from further afield. As it turns out, the allowance we have made for the growing population is probably cancelled out by the decay factor on the fringes of the catchment caused by likes of Wavelengths and Peckham Pulse, leaving a gross membership figure of [redacted].

Assuming the [redacted] current membership figure we have is roughly correct, this could leave scope for a considerable rise in membership [redacted] to make good what we perceive to be void in participation, even allowing for low disposable incomes and relatively high price points. This should probably be seen as our attempt include some pay as you go use and give a clue to gross potential income for the gym since we note that a £5.50 pay as you go rate is available at Seven Islands and may currently be a preferable option to a £48 Choice membership for many of the less affluent in this area for whom direct debit is not a favoured payment option. This assumes that Seven Islands is at least refurbished and that plans for Surrey Canal sports Village remain dormant for the time being.

Recommended Number of Stations

Using a typical ratio of 25 members per health and fitness station and a total forecast membership of [redacted] it is recommended that any new facilities should be designed to accommodate at least 90 stations of equipment. We recommend that a minimum 100 – 110 station gym should be provided at 5m2 per station. This would allow room for further expansion in the number of stations in the future. Currently there are 60 stations of fitness equipment at Seven Islands Leisure Centre.

It should be noted that the latent demand for health and fitness membership will not change significantly based on the scope of the facilities provided. The demand is assumed to be relatively constant. While a larger facility may be more attractive to users in terms of added value through access to other facilities on site, membership numbers will only increase if the centre manages to attract members away from competing facilities in the area. No new demand will be created as a result of a larger facility. Therefore, a gym of 100 – 110 stations is recommended for both options. Simply building a larger gym will not generate additional demand above that identified in the latent demand analysis.

The Facility Options & Capital Costs

Facility Mix

The main activity areas included in each of the future options are summarised in the following table: Capital cost estimates have been provided by costs managers from Stace LLP. The table also contains a list of the existing facilities at Seven Islands Leisure Centre for comparison.

FACILITIES	SEVEN ISLANDS LEISURE CENTRE	OPTION 1	OPTION 2
Café	Not Included	60 Covers	70 Covers
Vending	Vending Area	Vending Area	Vending Area
Creche	Not Included	20 Children	30 Children
Soft Play	Not Included	Not Included	40 Children
Main Pool	6 lane 33m with Spectator Seating	6 Lane 25m	8 Lane 25m
Learner Pool	Closed	13m x 7m	14m x 14m
Spa Suite	Not Included	Not Included	Sauna and Steam
Sports Hall	Small Community Hall	4 Courts	8 Courts
Health and Fitness Suite	60 Stations	140 Stations	150 Stations
Activity Studios	1 x Small Studio	3 Studios	3 Studios
Yoga Studio	Not Included	Not Included	1 Studio
Treatment Rooms	Not Included	Not Included	6 Treatment Rooms
Squash Courts	Not Included	Not Included	2 Courts
Climbing Wall	Not Included	Not Included	Included in Reception Foyer
Five-a-Side Football	Not Included	1 Pitch	2 Pitches
Meeting / Training Rooms	Not Included	Not Included	2 x Small Meeting Rooms
Estimated GIFA	4,710	5,270	8,067
Estimated Total Cost	N/A	£19,010,000	£28,625,600



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Revenue Implications

Revenue Projections

Detailed revenue projections have been completed for each option. A summary table, showing the comparison of each option with the revenue performance of Seven Islands Leisure Centre, is included below. Further detail is included in Appendix 1.

The projections show a considerable improvement in Net Revenue performance compared to the existing centre. There is potential for the centre to generate more positive income for the Council and for participation to increase significantly.

	Seven Islands LC (3 Year Average)	Option 1	Option 2
Income			
Dry side			
Health & Fitness			
Wetside			
Rentals			
Secondary			
Outdoor			
Spa			
VAT payable			
Total Income			
Expenditure			
Staffing costs:			
Premises costs:			
Management costs:			
Cost of sales:			
Other costs:			
Total expenditure			
Net Revenue			
Profit/Loss (Exc Lifecycle Costs)			
Comparison to Base			
Membership and Throughput			
Membership Numbers			
Total Throughput			
Cost / Income Per Visit			



Prudential Borrowing Calculation

The following table contains a summary of the prudential borrowing calculation for each option . The information included in the table includes:

- **Impact on Revenue Position** – the forecast improvement in the net revenue position, compared to the existing operation. These figures are taken from the detailed revenue projections
- **Prudential Borrowing** - the amount of capital that could be borrowed, if all the additional net revenue was used to finance borrowing. This is based on a multiple of 13 (revenue to capital) and on the assumption that the loan term would be 30 years fixed at current interest rates.

Option	Impact on Revenue Position	Prudential Borrowing
Option 1	[REDACTED]	[REDACTED]
Option 2	[REDACTED]	[REDACTED]

The results show that Option 1 could generate prudential borrowing of circa [REDACTED] and the Option 2 would generate circa [REDACTED]

Options Appraisal

Financial Summary of the Options

Following completion of the business planning for the two facility options we completed an appraisal of the overall business case.

Calculations for prudential borrowing are based on a simple multiple of revenue improvement at this stage. The final calculations will need to be revised as the project develops. This will include consideration of the loan term and the applicable interest rates.

We understand that up to £8m has been allocated for investment in Seven Islands Leisure Centre, to maintain and improve the existing building. For the purpose of this appraisal we have assumed that this sum will be available as funding towards a replacement. However, it is likely that some of this will be required to maintain the existing operation while a new facility is developed. Therefore it is unlikely that all of the £8m will be available for a new centre.

Option	Total Cost	Prudential Borrowing	Funding Identified to Date	Total Funding	Affordability (Funding-Cost)
Option 1					
Option 2					

The results of the initial estimates show that there is a potential funding gap of [redacted] for Option 1 and [redacted] for Option 2.

Facility Options Appraisal

Existing Centre:

- Seven Islands Leisure Centre is circa 40 years old further investment will defer a decision on long term replacement.
- It contains an outdated facility mix which is not meeting the needs of the local community e.g. 33m pool and small community hall.
- Issues identified in the survey reports need to be investigated further and could have implications on the cost of refurbishment and lifespan of the current building.
- Considerable capital investment required to refurbish the existing facilities (c.£8m). Refurbishment would result in a medium to long-term commitment to the site. In the meantime, the centre is likely to continue to operate at a revenue performance well below that of a new centre. Therefore there is also a revenue cost of retaining the existing facility as well as the capital cost.
- [REDACTED] at the existing centre are a cause for concern. They reflect the poor quality facilities. It is highly questionable whether simply improving the existing facilities can address the lack of use and revenue. Replacement with a more attractive and commercial facility mix is required.
- There is an opportunity cost of remaining on the current site, as it could be vacated and sold for development to generate a capital receipt towards development on one of the alternative sites.

Option 1:

- Option 1 provides a core facility for the local catchment area with a commercially viable facility mix
- It will provide a significant improvement in the net revenue position, [REDACTED]
- Option 1 is considerably more affordable than Option 2, due largely to the lower capital cost. Therefore, the Council will be less reliant on securing additional funding. The funding gap for Option 1 is c. [REDACTED] compared to circa [REDACTED] for Option 2.

Option 2:

- Option 2 provides for a wider variety and scale of facilities which are likely to have a broader appeal. Therefore it could provide greater sporting and social objectives beyond those offered by Option 1
- It is considerably less affordable than Option 1, due largely to the higher capital cost. Therefore, the Council will be more reliant on securing additional funding. The funding gap for Option 2 is c. [REDACTED] compared to circa [REDACTED] for Option 1. It will require considerably more capital or revenue funding to close the funding gap

Financial Impact of Additional Facilities - Analysis

Given the increase in the funding gap in moving from Option 1 to Option 2, we completed a further analysis to understand the impact of adding the facilities included in Option 2. This included analysis of the capital and revenue impact of each individual element. The table below contains a summary of the findings. It includes the estimated additional floor area, capital cost and impact on the net revenue position (positive or negative). Using these figures we calculated the additional borrowing potential. The impact on the funding (borrowing potential) was then deducted from the capital cost to identify the impact the additional facilities would have on overall affordability (positive or negative). Finally, a simple payback calculation (capital cost / revenue impact) was completed to estimate the number of years over which the capital investment would be repaid, based on the net revenue generated by adding each facility.

To illustrate the key findings each facility has been colour coded (red, amber or green) depending on the results of the analysis. The categories are listed below:

- Red = the addition of these facilities will result in a significant reduction in the affordability of the project. They have a negative impact on the net revenue position and on the borrowing potential. As a result the payback period is negative i.e. the investment is not capable of being repaid at any point.

- Amber = the addition of these facilities will result in a reduction in affordability of the project. They have a positive impact on the net revenue position and on the borrowing potential. However, the scale of the additional capital cost means that the affordability is reduced, i.e. the additional borrowing generated is not sufficient to cover the additional capital cost. The investments can be paid back but it will take a significant period to achieve this, which is likely to be beyond the 30 year planned life of the building
- Green = the addition of these facilities will result in an increase in the affordability of the project. They have a positive impact on the net revenue position and on the borrowing potential. The amount of additional borrowing is greater than the capital cost of adding them. Therefore the inclusion of these facilities is beneficial to the business case. The investments can be paid back within the 30 year planned life of the building.

Description	Areas	Capital Cost	Impact on Net Revenue Position	Impact on Borrowing Potential	Capital Contribution (Base only)	Affordability (Funding - Cost)	Payback (Capital Cost / Revenue Impact)
Option 1							
Option 1							
Optional Areas							
Increased café area							
Increased creche from 20-30 children							
Children's soft play (40 children)							
Main & learner pool increased from 6-8 lanes							
Spa suite							
Sports hall increased from 4-5 courts							
Squash courts x 2							
Climbing wall							
Yoga room x 1							
Increased gym size							
Treatment rooms x 6							
Increased studio capacity							
Five-a-side football pitch x 1							
Meeting rooms x 2							
Total/Check							



Financial Impact of Additional Facilities - Conclusions

Option 1 is considerably more affordable than Option 2, due largely to the lower capital cost. The funding gap for Option 1 is [redacted] compared to circa [redacted] for Option 2. Any additions to the facility mix, over and above Option 1, should be carefully considered. The addition of the green shaded facilities (treatment rooms, increased studio capacity, meeting rooms and an additional five a side pitch) will benefit the viability of the project and therefore are recommended for inclusion. Decisions on whether to include the facilities shaded amber or red should be more carefully considered, as they will have a negative impact on the financial business case. There may be compelling, non-financial, reasons for including some of these, for instance meeting other sporting, social and participation objectives. Therefore the Council will need to be clear that those benefits outweigh the financial cost of inclusion.

The cost of including the facilities shaded amber or red will need to be met by increased capital funding or additional revenue contributions to support additional borrowing costs. The final extent of the extra funding required can only be determined when the final facility mix is agreed.

Affordability Issues

There are a number of issues that could impact on the affordability of the project as it moves forward these are listed below:

- The final facility mix and impact this will have on the revenue projections compared with the base position, as discussed above
- The value of capital receipt from disposal of the existing Seven Islands Leisure Centre Site
- The cost of land acquisition / surrender of the lease, depending on which site is selected for the new development
- The final prudential borrowing assumptions (e.g. rate and term)
- The amount of possible developer contributions linked to residential and commercial developments in the Canada Water area
- Availability of external funding (e.g. Sport England or Football Foundation).

These sources should be investigated further as part of a detailed feasibility study if the project is developed further.

Facilities that will result in an improvement in affordability	Facilities that will result in a reduction in affordability	Facilities that will result in a significant reduction in affordability
Treatment rooms x 6	Increased crèche from 20-30 children	Increased café area**
Increased studio capacity	Children's soft play (40 children)	Spa suite
Roof top five-a-side football pitch x 1*	Main & learner pool increased from 6-8 lanes	Sports hall increased from 4-8 courts
Meeting rooms x 2	Squash courts x 2	Increased gym size
	Climbing wall	
	Yoga room x 1	

* The provision of an additional five a side football pitch will be beneficial to the business case. However, its inclusion is dependant on the increase in sports hall space from 4-8 courts. The two facilities are linked and the pitch cannot be provided without the increased sports hall space.

** Calculations relating to the increased café area are based on assessing this as a stand alone addition. In reality the increased café area would only be supported as part of a larger leisure centre and therefore would be more financially viable, as part of a larger facility. However, the scale of the wider facility needs to be defined before the definitive projections of the impact of larger café can be completed.



Recommendation

The overall recommendation is that Option 1 is the most affordable and financially viable option, with an estimated funding gap of [REDACTED]. It will deliver the core sporting needs for the local community. In addition there are some additional facilities contained in Option 2 (treatment rooms, increased studio space, meeting rooms and an additional five-a-side pitch) that will have a positive impact on the business case. Any further additions to Option 1 should be carefully considered.

Option 2, while providing a wider range of activities, is significantly less affordable, with an estimated funding gap of [REDACTED]. Therefore the cost of adding any further facilities, included in Option 2 will need to be met by increased capital funding or additional revenue contributions to support additional capital costs. The final extent of the extra funding required can only be determined when the final facility mix is agreed.

We understand that there are three potential sites under consideration. The site selection is likely to have an impact on the overall business case and this must be explored at the outset of the next stage of work, as there is potential to realise a capital receipt from disposal of the site of the existing Seven Islands Leisure Centre if an alternative site can be secured.

Recommendations

MOSAIC Profile

MOSAIC UK Profile Report

Target Area: 1 mile radius around Seven Islands Leisure Centre, Survey Quay, South of River Thames

Groups	Seven Islands L.C. - 1m	Seven Islands L.C. - 1m %	England	England	Penetration	Index
A Alpha Territory (Pop)	222	0.33	1,932,987	3.65	0.01	9
B Professional Rewards (Pop)	0	0.00	4,619,703	8.72	0.00	0
C Rural Solitude (Pop)	0	0.00	1,894,154	3.75	0.00	0
D Small Town Diversity (Pop)	0	0.00	4,980,987	9.68	0.00	0
E Active Retirement (Pop)	0	0.00	1,994,311	3.85	0.00	0
F Suburban Mindsets (Pop)	305	0.43	6,965,398	12.14	0.00	3
G Carers and Kids (Pop)	0	0.00	2,911,722	5.43	0.00	0
H New Homeowners (Pop)	585	0.85	4,788,436	9.29	0.00	19
I Ex-Council Community (Pop)	0	0.00	4,788,436	9.29	0.00	0
J Upper Floor Living (Pop)	0	0.00	2,989,713	5.69	0.00	0
K Upper Floor Living (Pop)	0	0.00	2,989,713	5.69	0.00	0
L Elderly Needs (Pop)	369	0.50	1,774,757	3.35	0.02	1,164
M Industrial Heritage (Pop)	0	0.00	4,184,000	7.90	0.00	0
N Terraced Melting Pot (Pop)	9,121	12.97	4,314,882	8.14	0.21	159
O Liberal Opinions (Pop)	20,722	29.57	4,729,287	9.11	0.44	351
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
A Alpha Territory (Pop)	222	0.33	1,932,987	3.65	0.01	9
A01 Global Power Brokers (Pop)	0	0.00	540,980	1.04	0.00	0
A02 Values of Authority (Pop)	0	0.00	851,938	1.61	0.00	0
A03 Creative Professionals (Pop)	0	0.00	291,188	0.55	0.00	0
A04 Serious Money (Pop)	0	0.00	291,188	0.55	0.00	0
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
B Professional Rewards (Pop)	0	0.00	1,215,284	2.29	0.00	0
B05 Mid-Career Climbers (Pop)	0	0.00	1,060,985	2.00	0.00	0
B06 Yesterday's Captains (Pop)	0	0.00	279,319	0.53	0.00	0
B07 Divergent Success (Pop)	0	0.00	674,578	1.27	0.00	0
B08 Dormitory Villagers (Pop)	0	0.00	468,586	0.88	0.00	0
B09 Passage to the Country (Pop)	0	0.00	468,586	0.88	0.00	0
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
C Rural Solitude (Pop)	0	0.00	518,353	0.98	0.00	0
C11 Squires Among Locals (Pop)	0	0.00	529,008	1.04	0.00	0
C12 Country Loving Elders (Pop)	0	0.00	546,889	1.03	0.00	0
C13 Modern Agriculturists (Pop)	0	0.00	274,003	0.52	0.00	0
C14 Farming Today (Pop)	0	0.00	274,003	0.52	0.00	0
C15 Upland Stragglers (Pop)	0	0.00	52,990,142	100.00	0.13	100
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
D Small Town Diversity (Pop)	0	0.00	648,519	1.22	0.00	0
D16 Sidle Street Singles (Pop)	0	0.00	1,376,940	2.60	0.00	0
D17 Jacks of All Trades (Pop)	0	0.00	1,050,779	1.98	0.00	0
D18 Handworking Families (Pop)	0	0.00	1,513,735	2.85	0.00	0
D19 Innate Conservatives (Pop)	0	0.00	1,513,735	2.85	0.00	0
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
E Active Retirement (Pop)	0	0.00	288,976	0.55	0.00	0
E20 Golden Retirement (Pop)	0	0.00	515,157	0.94	0.00	0
E21 Bungalow Clubbers (Pop)	0	0.00	345,899	0.65	0.00	0
E22 Sun-Drenched (Pop)	0	0.00	483,868	0.91	0.00	0
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
F Suburban Mindsets (Pop)	0	0.00	1,623,706	3.06	0.00	0
F24 Garden Suburbia (Pop)	0	0.00	1,769,391	3.34	0.00	0
F25 Production Managers (Pop)	0	0.00	1,517,909	2.88	0.00	0
F26 Mid-Market Families (Pop)	0	0.00	807,263	1.52	0.00	0
F27 Shop Floor Affluence (Pop)	395	0.56	807,263	1.52	0.00	28
F28 Asian Aspirations (Pop)	0	0.00	52,990,142	100.00	0.13	100
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100

MOSAIC Profile

MOSAIC UK Profile Report

Target Area: 1 mile radius around Seven Islands Leisure Centre, Survey Quay, South of River Thames

Groups	Seven Islands L.C. - 1m	Seven Islands L.C. - 1m %	England	England	Penetration	Index
G Carers and Kids (Pop)	0	0.00	672,159	1.28	0.00	0
G29 Football Managers (Pop)	0	0.00	429,822	0.81	0.00	0
G30 Footballers (Pop)	0	0.00	751,851	1.42	0.00	0
G31 Domestic Contractors (Pop)	0	0.00	730,784	1.38	0.00	0
G32 Childcare Years (Pop)	0	0.00	1,144,075	2.22	0.00	0
G33 Military Dependents (Pop)	0	0.00	52,990,142	100.00	0.13	100
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
H New Homeowners (Pop)	19	0.03	587,543	1.13	0.00	2
H34 Buy-to-Let Territory (Pop)	0	0.00	654,326	1.23	0.00	0
H35 Brownfield Pioneers (Pop)	0	0.00	980,402	1.85	0.00	0
H36 Foot on the Ladder (Pop)	0	0.00	161,557	0.30	0.00	0
H37 First to Move In (Pop)	588	0.81	161,557	0.30	0.00	364
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
I Ex-Council Community (Pop)	0	0.00	628,842	1.19	0.00	0
I38 Swilled Ex-Tenants (Pop)	0	0.00	849,739	1.60	0.00	0
I39 Choice Right to Buy (Pop)	0	0.00	1,738,038	3.28	0.00	0
I40 Legacy of Labour (Pop)	0	0.00	1,549,817	2.92	0.00	0
I41 Stressed Borrowers (Pop)	0	0.00	52,990,142	100.00	0.13	100
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
J Claimant Cultures (Pop)	0	0.00	1,149,950	2.17	0.00	0
J42 Work-Out Workers (Pop)	0	0.00	721,821	1.36	0.00	0
J43 New Parents in Need (Pop)	0	0.00	1,121,972	2.12	0.00	0
J44 New Parents in Need (Pop)	0	0.00	1,121,972	2.12	0.00	0
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
K Upper Floor Living (Pop)	0	0.00	741,520	1.40	0.00	0
K45 Small Block Singles (Pop)	0	0.00	209,536	0.40	0.12	90
K46 Tenement Living (Pop)	250	0.36	120,419	0.23	0.01	8
K47 Dep't'd View (Pop)	12	0.02	716,374	1.35	2.74	2,063
K48 Multicultural Towers (Pop)	19,604	27.88	730,628	1.38	2.61	1,954
K49 Re-Housed Migrants (Pop)	19,605	27.87	730,628	1.38	2.61	1,954
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
L Elderly Needs (Pop)	165	0.24	378,411	0.71	0.04	52
L50 Pensioners in Blocks (Pop)	86	0.12	371,504	0.70	0.02	34
L51 Meals on Wheels (Pop)	115	0.17	295,159	0.56	0.04	30
L52 Low-Standing Elders (Pop)	0	0.00	729,693	1.38	0.00	0
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
M Industrial Heritage (Pop)	0	0.00	1,235,618	2.33	0.00	0
M54 Cloddling Off (Pop)	0	0.00	1,256,525	2.37	0.00	0
M55 Backyard Regeneration (Pop)	0	0.00	1,891,857	3.59	0.00	0
M56 Small Waste Owners (Pop)	0	0.00	52,990,142	100.00	0.13	100
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
N Terraced Melting Pot (Pop)	0	0.00	1,104,431	2.08	0.00	0
N37 Back-to-Backs (Pop)	0	0.00	724,792	1.38	0.00	0
N38 Low-Key Strangers (Pop)	0	0.00	1,369,598	2.58	0.00	0
N39 Global Fusion (Pop)	9,121	12.97	1,105,121	2.09	0.82	622
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100
Seven Islands L.C. - 1m						
O Liberal Opinions (Pop)	629	0.89	1,049,809	1.98	0.05	45
O61 Convivial Homeowners (Pop)	889	1.26	709,491	1.34	0.13	94
O62 Crash Pad Professionals (Pop)	5,093	7.24	780,971	1.38	0.70	525
O63 Urban Cool (Pop)	14,043	19.97	780,983	1.49	0.78	1,239
O64 Bright Young Things (Pop)	67	0.10	527,576	1.01	0.01	6
O65 Intellectuals (Pop)	67	0.10	527,576	1.01	0.01	6
O66 Young Professionals (Pop)	0	0.00	853,300	0.67	0.00	0
O67 Study Buddies (Pop)	0	0.00	52,990,142	100.00	0.13	100
Population estimate 2012	70,306	100.00	52,990,142	100.00	0.13	100

Appendix 1 – Results of Latent Demand Analysis

Latent Demand Calculation

ESTIMATE OF LATENT DEMAND FOR HEALTH AND FITNESS (South of Thames ONLY)		SEVEN ISLANDS LEISURE CENTRE - 1 mile radius	
MOSAIC CS Type	Total Population	Total Health & Fitness Demand	
A01 Global Power Brokers	0	0	0
A02 Voices of Authority	0	0	0
A03 Business Cities	222	0	0
A04 Serious Money	0	0	0
A05 Wealthy Enclaves	0	0	0
B03 Victorian Castles	0	250	0
B07 Distinctive Suburbs	0	12	0
B09 Downside Villages	0	18,831	383
B10 Escape to the Country	0	18,035	383
B10 Parish Guardians	0	185	0
C11 Squires Among Locals	0	68	0
C12 Country Living Estates	0	116	0
C13 Modern Ambassadors	0	0	0
C14 Farming Today	0	0	0
C15 Coastal Strongholds	0	0	0
D12 Urban Strata	0	0	0
D18 Handwriting Enclaves	0	0	0
D19 Innate Cosmopolitans	0	0	0
E90 Golden Retirement	0	0	0
E91 Bangladeshi Quarters	0	0	0
E92 Brunchrooms	0	0	0
E93 Balsam Downstairs	0	0	0
F24 Ginton Suburbs	0	0	0
F25 Production Managers	0	0	0
F26 Mid-Upper Families	0	0	0
F28 Local Area Alliance	0	0	0
F29 Local Area Alliance	0	0	0
G20 Footloose Menages	383	0	0
G20 Soccer Dads and Mums	0	0	0
G21 Domestic Commut	0	0	0
G22 Childcare Years	0	0	0
H24 Buy-to-Let Territory	19	0	0
H25 Groundfield Pioneers	0	0	0
H26 Foot on the Ladder	0	0	0
H27 Rise to Escape It	0	0	0
H28 Rise to Escape It	0	0	0
H29 Choice Right to Buy	0	0	0
I40 Legacy of Labour	0	0	0
I41 Stressed Borrowers	0	0	0
I42 Work-Out Workers	0	0	0
I43 Smartphone Add	0	0	0
I44 New Parents In Need	0	0	0
I45 Small Black Singles	0	0	0
I46 Teenage Living	0	250	0
I48 Multiple Towns	0	12	0
I49 Rock-Housed Minorities	0	18,831	383
I50 Persistence in Blacks	0	18,035	383
I51 Sheltered Services	0	68	0
I52 Meals on Wheels	0	116	0
I53 Low Spending Elders	0	0	0
I54 Cooking Off	0	0	0
I55 Backlight Regeneration	0	0	0
I56 Small Wage Owners	0	0	0
I57 Black-Black Estates	0	0	0
I58 Asian Resilience	0	0	0
I59 Asian Students	0	0	0
I60 Global Fusion	0	8,121	202
O61 Colonial Homesteads	0	629	22
O62 Cash Paid Professionals	0	888	37
O63 Urban Cool	0	5,003	216
O64 Bright Young Things	0	14,043	578
O65 Anti-Manualistic	0	0	0
O66 University Fringe	0	67	1
O67 Super Brackets	0	0	0
Sub Total (1 mile)		70,308	1,775
Add consideration for 20% of Members from outside catchment			444
Minus consideration for c. 5,000 population increase (esp group O)			252
Estimate of Total Demand for Health & Fitness			3,219
Minus current fitness membership (est.)			1,317
Estimate of Latent Demand for Health & Fitness			903

L42 Work-Out Workers	0	0	0
L43 Smartphone Add	0	0	0
L44 New Parents In Need	0	0	0
L45 Small Black Singles	0	0	0
L46 Teenage Living	0	250	0
L48 Multiple Towns	0	12	0
L49 Rock-Housed Minorities	0	18,831	383
L50 Persistence in Blacks	0	18,035	383
L51 Sheltered Services	0	68	0
L52 Meals on Wheels	0	116	0
L53 Low Spending Elders	0	0	0
L54 Cooking Off	0	0	0
L55 Backlight Regeneration	0	0	0
L56 Small Wage Owners	0	0	0
L57 Black-Black Estates	0	0	0
L58 Asian Resilience	0	0	0
L59 Asian Students	0	0	0
L60 Global Fusion	0	8,121	202
O61 Colonial Homesteads	0	629	22
O62 Cash Paid Professionals	0	888	37
O63 Urban Cool	0	5,003	216
O64 Bright Young Things	0	14,043	578
O65 Anti-Manualistic	0	0	0
O66 University Fringe	0	67	1
O67 Super Brackets	0	0	0
Sub Total (1 mile)		70,308	1,775
Add consideration for 20% of Members from outside catchment			444
Minus consideration for c. 5,000 population increase (esp group O)			252
Estimate of Total Demand for Health & Fitness			3,219
Minus current fitness membership (est.)			1,317
Estimate of Latent Demand for Health & Fitness			903

Appendix 2 – Summary Revenue Projections

Option 1 – 10 Year Income and Expenditure Projections

Revenue Projections

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average	as % income
Dry side												
Health & Fitness												
Wetside												
Rentals												
Secondary												
Outdoor												
Spa												
VAT payable												
Total Income												
Expenditure												
Staffing costs:												
Premises costs:												
Management costs:												
Cost of sales:												
Other costs:												
Total expenditure												
Net Revenue												
Profit/Loss (Management Fee) exc Lifecycle Costs												
Membership and Throughput												
Membership Numbers												
Throughput												
Total Throughput												

Option 2 – 10 Year Income and Expenditure Projections

Revenue Projections	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average	as % income
Income												
Dry side												
Health & Fitness												
Wetside												
Rentals												
Secondary												
Outdoor												
Spa												
VAT payable												
Total Income												
Expenditure												
Staffing costs:												
Premises costs:												
Management costs:												
Cost of sales:												
Other costs:												
Total expenditure												
Net Revenue												
Profit/Loss (Management Fee) exc Lifecycle Costs												
Membership and Throughput												
Membership Numbers												
Throughput												
Total Throughput												

Option 1 – Sensitivity Analysis

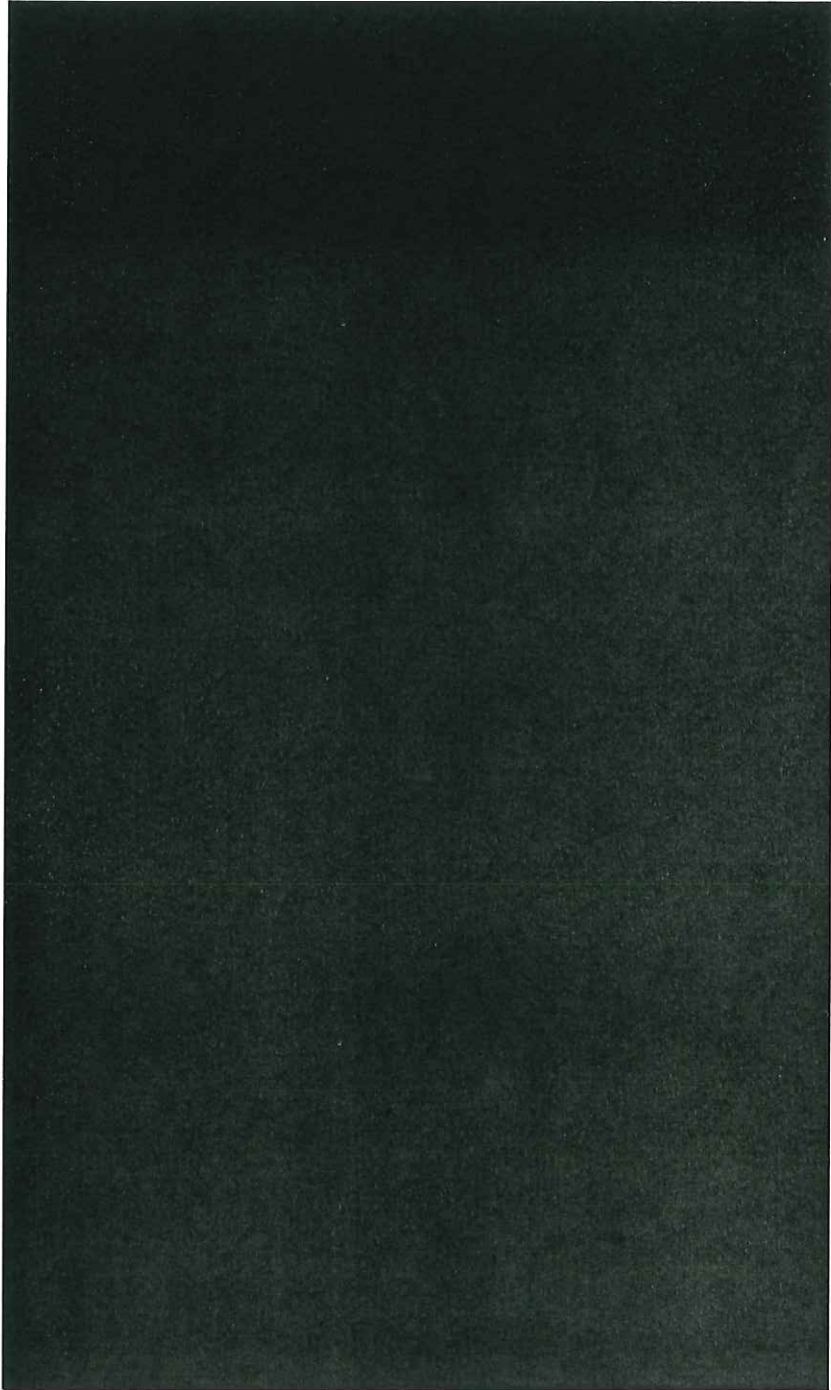
Sensitivity Analysis

	Option 1 - Year 10 Average	Scenario 1 Higher income & base costs	Scenario 2 Higher income & higher costs	Scenario 3 Higher income & lower costs	Scenario 4 Base income & higher costs	Scenario 5 Base income & lower costs	Scenario 6 Lower income & base costs	Scenario 7 Lower income & higher costs	Scenario 8 Lower income & lower costs
INCOME									
Dry side									
Health & Fitness									
Wetside									
Rentals									
Secondary									
Outdoor									
Spa									
VAT payable									
TOTAL INCOME									
EXPENDITURE									
Staffing costs:									
Premises costs:									
Management costs:									
Cost of sales:									
Other costs:									
TOTAL EXPENDITURE									
REVENUE DEFICIT / SURPLUS									



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Notes to the Revenue Projections



Option 2 – Sensitivity Analysis

Sensitivity Analysis

	Option 2 - Year 10 Average	Scenario 1 Higher income & base costs	Scenario 2 Higher income & higher costs	Scenario 3 Higher income & lower costs	Scenario 4 Base income & higher costs	Scenario 5 Base income & lower costs	Scenario 6 Lower income & base costs	Scenario 7 Lower income & higher costs	Scenario 8 Lower income & lower costs
INCOME									
Dry side									
Health & Fitness									
Wetside									
Rentals									
Secondary									
Outdoor									
Spa									
VAT payable									
TOTAL INCOME									
EXPENDITURE									
Staffing costs:									
Premises costs:									
Management costs:									
Cost of sales:									
Other costs:									
TOTAL EXPENDITURE									
REVENUE DEFICIT/SURPLUS	£239,695	£526,213	£263,665	£766,760	£22,652	£502,243	£45,822	£309,369	£215,726



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