Final

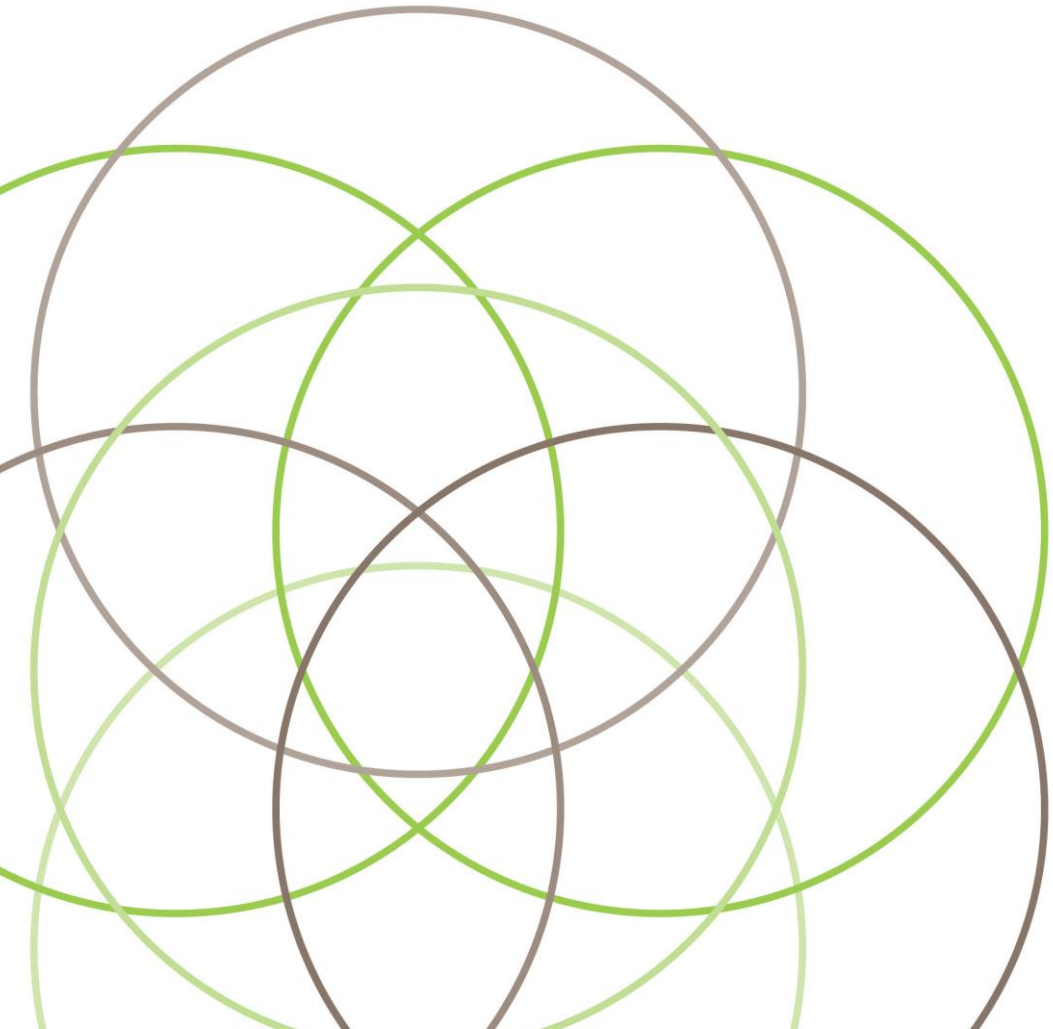
Hampton Pool, Richmond – Viability Assessment

LONDON BOROUGH OF RICHMOND UPON THAMES

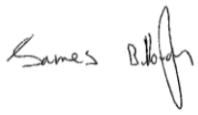
London Borough of Richmond upon Thames

July 2019

Private and Confidential



Quality Assurance

Date	03/07/2019/
Version	Version 2 – Final report has been updated to reflect the additional evidence provided by the Applicant
Filename and path	S:_Client Projects\1711 Hampton Pool MOL_LB Richmond_Reports\Updated analysis\190104 Hampton Pool Draft Report_Final.docx
Prepared by	James Bullough MSc MRICS, Registered Valuer 
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1 Introduction

1.1 AspinallVerdi has been instructed by the London Borough of Richmond (the Council) to undertake an independent viability assessment for the proposed refurbishment and expansion of the Hampton Pool site. The Hampton Pool site is currently subject to a planning application reference 16/3434/FUL for:

"*Refurbishment of existing facilities and car park along with the extension of the main building including a larger gym, two studios and a sauna. This scenario also includes an expansion of the café on the 1st floor, increasing its capacity."*

1.2 The works proposed in the planning application will result in development in the Metropolitan Open Land (MOL).

Timeline

1.3 AspinallVerdi was instructed to undertake this viability review in November 2017. A draft report was issued to the Council in April 2018, and a final copy on January 2019. Since then the Applicant, Hampton Pool Trust (HPT), has reviewed AspinallVerdi's report and have queried some of the evidence and inputs used in the viability assessment. The HPT provided written comments which were issued by HPT in early February 2019, these can be found in Appendix 1.

1.4 A meeting was held between AspinallVerdi and HPT on the 15th February 2019. Minutes for this meeting outlined action points for both AspinallVerdi and HPT – Minutes have been enclosed in Appendix 2. In response to these action points HPT has provided additional evidence in support of requested changes – these have been enclosed in Appendix 3.

1.5 On 23rd May 2019 AspinallVerdi, HPT, London Borough of Richmond Council and the Greater London Authority met to discuss the planning application and next steps forward. It was agreed that AspinallVerdi would update version 1 of their viability assessment to take account of HPT's comments.

1.6 This is version two of our final report. We have updated our viability review to take account of the additional evidence provided by HPT.

Purpose of viability assessment

1.7 The purpose of this viability report is to assess whether the quantum of development proposed meets the 'very special circumstances' of developing in the MOL. To meet the very special circumstances test, the Applicant must demonstrate that the proposed works are fundamental to the on-going financial viability and sustainability of the facility.

1.8 To demonstrate their case the Applicant has provided evidence of:

- Development proposals including plans and costs.
- Operating accounts.
- Existing plans of the building.
- Current operational issues.
- Development rationale.
- Third party funding streams e.g. grants and loans.

Approach

1.9 To assess the optimum quantum of development that delivers a viable and sustainable facility but has a minimal impact on the MOL, we have considered the following development scenarios:

- **Scenario 0 Refurbishment of existing buildings**– this is the starting point; we consider whether doing a very basic refurbishment of the facility is sufficient to ensure it remains viable and sustainable. This scenario has the least impact on the MOL because no new development occurs.
- **Scenario 1 Minimal redevelopment** – this assesses the minimum quantum of new build development required to bring the core facilities, that support the pool function, up to modern standards (i.e. changing rooms, Equality Act 2010 compliant entrance) but does not replace all of the existing ancillary facilities.
- **Scenario 2 Redevelopment – like for like replacement** – this option assumes comprehensive redevelopment of the site with all existing facilities re-provided to modern standards.
- **Scenario 3 Proposed solution** – this assess the Applicant's proposed solution as set out in their planning application.

1.10 In each of the options, we consider the quantum of development proposed, the impact this will have on the MOL and provide a financial assessment i.e. is the development viable? An unviable development will not be sustainable and therefore cannot be considered appropriate. If there is excess surplus, we also ask whether there is scope to create a smaller facility? and thus have a reduced impact on the MOL.

1.11 Our initial approach was to consider viability without the need for grant funding. It became apparent that when we updated our report in 2019 that all scenarios were unviable without additional funds. The minutes and Applicant's evidence in Appendix 2 and 3 discuss not using grant funding. This is no longer the position and we agreed with the Applicant that we would include grants in our assessment – they have provided evidence to support this in Appendix 4.

Structure of the report

1.12 The approach to our assessment is as follows:

- **Chapter 2 Site description–** this section provides a review of the site location and a description of the existing facility.
- **Chapter 3 Planning review** - this section provides a review of the relevant planning policies for the site along with any relevant planning history. We have also included an analysis of any emerging policy.
- **Chapter 4 Development rational –**to ensure the basis of the proposals are reasonable we review the Applicant's rational for redevelopment.
- **Chapter 5 Scenario testing –** we set out the assumptions used for the scenario testing and their results.
- **Chapter 6 Summary and conclusion** - the final chapter of this report brings together our findings with a conclusion on the optimum quantum of viable and sustainable development that has the least impact on the MOL.

Limitations of report

1.13 This report and the accompanying appraisals are documents in relation to the planning application. As per Valuation Standards 1 of the RICS Valuation Standards - Global and UK Edition the advice expressly given in the preparation for, or during the course of negotiations or possible litigation does not form part of a formal 'Red Book' valuation and should not be relied upon as such.

1.14 As part of this study, an inspection was carried out on 22 November 2017 to understand the physical condition. This site inspection does not constitute a formal condition survey.

1.15 The assessment relies on account information provided by the Applicant. For the purpose of this assessment we have assumed that these accounts have been audited and our factually correct.

RICS Practice Statement

1.16 Our FVA has been carried out in accordance with the RICS Financial Viability in Planning: Conducts and Reporting Practice Statement (May 2019).

1.17 Our FVA is also carrying in accordance with the RICS Financial Viability in Planning guidance (1st edition, guidance note, August 2012)

Objectivity, Impartiality and Reasonableness

1.18 We have carried out our review in collaboration with the Council (as Local Planning Authority (LPA)) and the Applicant/landowner. At all times we have acted with objectivity, impartially and without interference when carrying out our viability assessment.

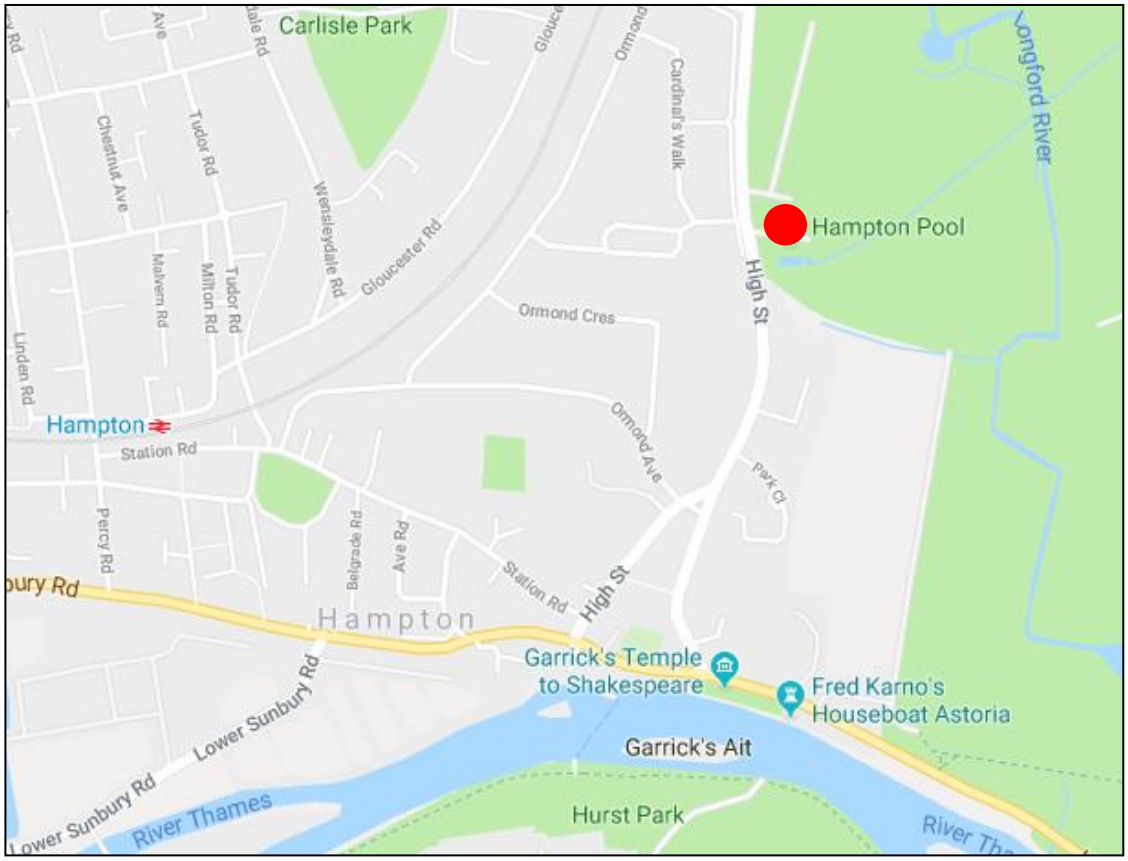
2 Development overview

2.1 Here we provide an overview of the existing site, the purpose of which is to understand the existing condition and the need to redevelopment.

Site location

2.2 The site is located to the north east of Hampton town centre on High Street. The site is located on the edge of Bushy Park, the second largest of London's Royal Parks. Hampton railway station is a 15-minute walk to the south west of the site. Hampton railway station provides regular services into London Waterloo with a journey time of approximately 45 minutes.

Figure 2-1 Site location



Source: Google maps, accessed March 2018

Site description

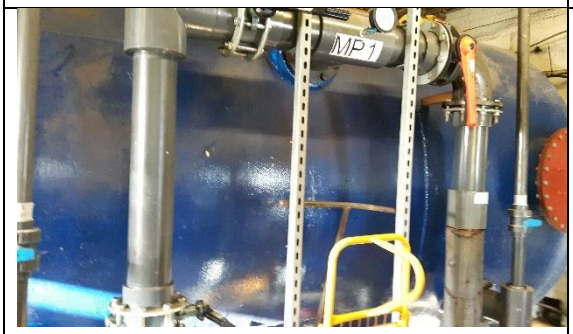
2.3 The site is currently used as a heated open-air swimming pool with associated changing facilities. There are a number of ancillary facilities provided on the site including a sauna, gym, shop and café.

2.4 Since 2007 the YMCA have managed the pool. The Hampton Pool Trust has stated that this situation is unlikely to change for the foreseeable future.

Swimming pool & plant

2.5 Figure 2-2 shows the main swimming pool and plant rooms. The 36-metre pool appears in good condition having been re-lined in 2004. In addition, there is a small training pool of 12.5 metres by 7 metres wide, aimed at children and toddlers. The plant which fills and cleans the 36-metres pool appears in poor condition, relying on dated technology – the Applicant has explained that this needs to be upgraded because the existing facility has been struggling to cope for a number of years. Conversely the plant room for the smaller children's pool is modern and in good condition having recently been upgraded.

Figure 2-2 Swimming pool and plant photos

<table>
<tr><td>  </td><td>  </td></tr>
<tr><td>Main swimming pool</td><td>Main swimming pool plant room</td></tr>
<tr><td>  </td><td>  </td></tr>
<tr><td>Main swimming pool plant room</td><td>Children's pool plant room</td></tr>
</table>

Source: Google images, AspinallVerdi (2018)

Main building

2.6 Figure 2-3 shows the external and internal areas of the main building. The main building includes a reception/ small shop, office, first aid/staff room, sauna, gym, studio, female/male changing rooms on the first floor; and a café and roof terrace on the second. The building itself is dated and appears in poor condition.

Figure 2-3 Main building external and internal photos

Main building

First floor terrace & outdoor seating

Changing cubicles

Showers

Gym

Source: Google images, AspinallVerdi (2018)

External area and car park

2.7 Figure 2-4 shows the external areas surrounding the swimming pool. The externals areas are generally in poor repair; the paving between the main building and the pool is dated and uneven. There are a number of examples where external areas are being used for temporary storage i.e. through containers, or with makeshift storage cabinets. The car park is uneven and requires maintenance.

Figure 2-4 External area photos

<table>
<tr><td>  </td><td>  </td></tr>
<tr><td>External paving</td><td>Storage</td></tr>
<tr><td> 
Storage</td><td>  </td><td>  </td></tr>
<tr><td></td><td>Seasonal food stand</td><td>Storage</td></tr>
</table>

Source: AspinallVerdi (2018)

Development site

2.8 Figure 2-5 shows the area of land to the western side of the swimming pool that would form part of the new build development set out in the planning application. This area of land is a mix of grass and hardstanding.

Figure 2-5 Development site photo

Source: AspinallVerdi (2018)

3 Planning review

Introduction

3.1 This section provides a review of the adopted, national, regional and local planning policies and planning permissions which are relevant to the proposal site.

Adopted policy

London Borough of Richmond

3.2 The London Borough of Richmond adopted their Local Plan in July 2018. The Plan sets out policies and guidance for the development for the borough over the next 15 years. The policies directly affecting the site are as follows:

Policy LP 13 Green Belt, Metropolitan Open Land and Local Green Space

A) The borough's Green Belt and Metropolitan Open Land will be protected and retained in predominately open use. Inappropriate development will be refused unless 'very special circumstances' can be demonstrated that clearly outweigh the harm to the Green Belt or Metropolitan Open Land.

Appropriate uses within Green Belt or Metropolitan Open Land include public and private open spaces and playing fields, open recreation and sport, biodiversity including rivers and bodies of water and open community uses including allotments and cemeteries. Development will be supported if it is appropriate and helps secure the objectives of improving the Green Belt or Metropolitan Open Land.

B) It will be recognised that there may be exceptional cases where inappropriate development, such as small scale structures for essential utility infrastructure, may be acceptable.

C) Improvement and enhancement of the openness and character of the Green Belt or Metropolitan Open Land and measures to reduce visual impacts will be encouraged where appropriate.

When considering developments on sites outside Green Belt or Metropolitan Open Land, any possible visual impacts on the character and openness of the Green Belt or Metropolitan Open Land will be taken into account.

Policy LP 5 Views and Vistas

The Council will protect the quality of the views, vistas, gaps and the skyline, all of which contribute significantly to the character, distinctiveness and quality of the local and wider area, by the following means

1.protect the quality of the views and vistas as identified on the Policies Map, and demonstrate such through computer-generated imagery (CGI) and visual impact assessments;

2.resist development which interrupts, disrupts or detracts from strategic and local vistas, views, gaps and the skyline;

3.require developments whose visual impacts extend beyond that of the immediate street to demonstrate how views are protected or enhanced;

4.require development to respect the setting of a landmark, taking care not to create intrusive elements in its foreground, middle ground or background;

5.seek improvements to views, vistas, gaps and the skyline, particularly where views or vistas have been obscured;

6.seek improvements to views within Conservation Areas, which:

a. are identified in Conservation Area Statements and Studies and Village Plans;

b. are within, into, and out of Conservation Areas;

c. are affected by development on sites within the setting of, or adjacent to, Conservation Areas and listed buildings.

Greater London Authority

3.3 The Policy 7.17 Metropolitan Open Land[1] of the London Plan provides further guidance on developing in the MOL:

The strongest protection should be given to London's Metropolitan Open Land and inappropriate development refused, except in very special circumstances, giving the same level of protection as in the Green Belt. Essential ancillary facilities for appropriate uses will only be acceptable where they maintain the openness of MOL.

National

3.4 Given that MOL development has the same protection as Green Belt, regard needs to be made to the guidelines for development in the Green Belt. The revised NPPF outlines specific guidelines for development in the Green Belt[2] as follows:

Inappropriate development is, by definition, harmful to the Green Belt and should not be approved except in very special circumstances.

[1] GLA, 2016, *The London Plan* – page 313
[2] DCLG, 2012, *National Planning Policy Framework* - para 88-89

144. When considering any planning application, local planning authorities should ensure that substantial weight is given to any harm to the Green Belt. 'Very special circumstances' will not exist unless the potential harm to the Green Belt by reason of inappropriateness, and any other harm resulting from the proposal, is clearly outweighed by other considerations.

145. A local planning authority should regard the construction of new buildings as inappropriate in the Green Belt. Exceptions to this are:

a) buildings for agriculture and forestry;

b) the provision of appropriate facilities (in connection with the existing use of land or a change of use) for outdoor sport, outdoor recreation, cemeteries and burial grounds and allotments; as long as the facilities preserve the openness of the Green Belt and do not conflict with the purposes of including land within it;

c) the extension or alteration of a building provided that it does not result in disproportionate additions over and above the size of the original building;

d) the replacement of a building, provided the new building is in the same use and not materially larger than the one it replaces;

e) limited infilling in villages;

f) limited affordable housing for local community needs under policies set out in the development plan (including policies for rural exception sites); and

g) limited infilling or the partial or complete redevelopment of previously developed land, whether redundant or in continuing use (excluding temporary buildings), which would: – not have a greater impact on the openness of the Green Belt than the existing development; or – not cause substantial harm to the openness of the Green Belt, where the development would re-use previously developed land and contribute to meeting an identified affordable housing need within the area of the local planning authority.

146. Certain other forms of development are also not inappropriate in the Green Belt provided they preserve its openness and do not conflict with the purposes of including land within it. These are:

a) mineral extraction;

b) engineering operations;

c) local transport infrastructure which can demonstrate a requirement for a Green Belt location;

d) the re-use of buildings provided that the buildings are of permanent and substantial construction;

e) material changes in the use of land (such as changes of use for outdoor sport or recreation, or for cemeteries and burial grounds); and

f) development brought forward under a Community Right to Build Order or Neighbourhood Development Order.

Draft policies

3.5 The GLA's draft Local Plan is currently in the process of going through Examination in Public (EIP). The draft New London Plan continues to rely on the principles outlined in the NPPF for Green Belt policy. Citing that development proposals that would cause harm to MOL should be refused. MOL policy is included in Policy G3 of the draft New London Plan. [3]

Planning history

3.6 There have been a number of planning applications submitted in the past for major works either the pool itself of the ancillary facilities. Major applications are shown in Table 3-1.

Table 3-1 Hampton Pool planning history

Application number	Date	Description	Status
90/0419/FUL	1990	Provision of new open-air learner pool, relocation of existing open-air paddling pool. Erection of temporary plant building for new learner pool & 3m H wire mesh fence.	Granted
90/1433/FUL	1990	Extension of existing community swimming pool site to include land existing as open space (Bushy Park).	Granted
94/2122/FUL	1994	Upgrading and refurbishment of existing swimming pool and changing accommodation; extended leisure and ancillary facilities; alterations and improvements to existing car park, access and landscaping	Granted
05/3108/FUL	2005	New external doors and windows throughout in connection with minor internal alterations to room layout and floor levels to accommodate disabled access and new mechanical and electrical installation.	Granted

[3] GLA, 13 August 2018, *Draft New London Plan showing Minor Suggested Changes*

Application number	Date	Description	Status
16/3434/FUL	2016	The refurbishment of the existing facilities and car park along with the extension of the main building to the west and provision of a new roof to extend the existing cafe. The works involve the demolition of a wall, plant room and a single bay and first floor structure.	In Progress (subject application)

Source: LB Richmond: accessed 2018

3.7 A permission was granted to redevelop the pool in 1996 but plans fell through. We understand that the pool could not secure funding for the proposed £2.3 million project as the Heritage Lottery Fund would only contribute to indoor swimming pools.

3.8 There were plans to redevelop the pool in 2004 but a planning application was never submitted. We understand that these plans were considered to be inappropriate by Hampton Trust members.

4 Development rationale

4.1 This section sets out the Applicant's rationale for the proposed development terms of physical, functional and financial.

Physical

4.2 The Applicant states that the existing facility, including main building, plant room and external areas require upgrading to meet modern standards. The plant for the main swimming pool is dated, having had no major improvements for a number of years. The external areas are damaged including the paving around the pool and the car park. There are a number of areas around the pools which are being used for informal storage e.g. garden shed and storage containers. Many of these issues are highlighted through the photos in Chapter 2.

4.3 Also, as set out in Appendix 5, and explored in more detail below, the Applicant explains the size and facilities on offer do not meet modern-day requirements. We understand that they are seeking to deliver the minimum requirements (in terms of space and number of facilities) to address this to ensure the long-term sustainability of the facility.

Functional rationale

Existing leasehold agreement

4.4 The Applicant states the facility is currently held on a licence agreement (akin to long leasehold) from the Crown Estates. As set out in the agreement the pool needs to be sole focus of activity on the site with all other uses ancillary. This is supported through the evidence set out in Appendix 6.

4.5 Therefore, the Applicant is restricted in terms of the quantum of other uses that can be provided to generate other income streams to help self-fund any works.

Safeguarding

4.6 The Applicant states that the current layout of the changing rooms means that parents with children cannot change discreetly. The separate male and female changing rooms are currently a single shared space with supporting showers and W.Cs. This was evidenced through our site visit.

4.7 A new facility will create a "changing village" where parents and carers can take children into private facilities and they can change discreetly. As evidenced in Appendix 5 by the Applicant, this is in line with Sport England and NSPCC recommendations.

Social inclusivity

4.8 The creation the changing village will also seek to address social inclusion, providing greater access to:

- Those with disability and mobility issues,
- Carers or personal assistants of the opposite sex, and
- LGBTQ+ community.

4.9 As set out in Appendix 5, the Applicant has supported this by evidence Sport England Accessible Facilities, The Disability Equality Act 2010 and The Equality Act 2010.

Equality Act 2010

4.10 The Applicant explains that the redevelopment of the site will improve access to changing facilities, gyms and studio space, and café. This is again supported through evidence in Appendix 5.

Operational

4.11 The Applicant states that the current layout of the facility means there is no dedicated staff room area, training facility, first aid room and meeting room. Many rooms are used for multi-purposes (e.g. studio use for staff training, sauna used for staff changing area) which results in the operation of the facility being compromised.

Financial rationale

Maintenance costs

4.12 The Applicant states that redevelopment will lower ongoing maintenance costs and create additional revenue to fund future maintenance works. On reviewing the accounts for the swimming pool, maintenance costs are not too high and the pool is still managing to make a surplus. But the Applicant has explained they have managed to create a surplus through underinvesting in the facility since 2011, with a view to generating a surplus to help fund the works. We understand that since 2011 only vital maintenance has been carried out to ensure the pool stays open. Through increasing the revenue stream the Applicant seeks to create a sinking funding, once loans are paid, to cover the cost of on-going and future maintenance.

Seasonal revenue

4.13 The Applicant states that the swimming pool suffers from seasonal fluctuations in revenue, with income decreasing in winter months when the wet side activities are less popular. The Applicant identifies that through “developing the gym and catering is that the income is generated

consistently all year round, in particular around the autumn/winter months, and is less dependent on the good summer weather in July and August when the pool side of the operation generates its surplus (for periods outside these summer months the pool operation runs at a deficit)."[4]

Cover cost of works (repay loans)

4.14 The Applicant explains they will have to fund the works themselves. Because of the underinvestment in the site they have managed to create a surplus of £1,359,232 to part fund the works – this surplus is brokendown as follows:

- HPT cash reserves at bank (March 2018): £914,616
- Debtors (YMCA Surplus from previous 2 years now paid): £112,435
- Pool Improvement Fund (March 2018, held in YMCA account): £332,181

4.15 HPT has stated that they think it appropriate to hold a reserve of cash for any operating issues. They have assumed that this should amount to £250,000. This is a reasonable allowance to hold in reserve and we have allowed for it in our testing. As a result of the need to hold a cash reserve the surplus available to fund the works is reduced to approximately £1,100,000 (see a breakdown in Appendix 3)

4.16 These existing funds will help to finance some of the works but there is a significant shortfall compared to the costs identified. To bridge the difference, we understand the Applicant will primarily be relying on loans and grants(e.g. Social and Sustainable Capital Loan, Mayoral Energy Efficiently Fund (MEEF) Loan, YMCA interest-free loan Sports England Grant and London Marathon Grant. Details of these have been provided in Appendix 4. Some of these loans i.e. MEEF funding, may not be obtainable for the smaller scenarios. This is primarily due to the design not meeting the minimum standards and the amount of funds required would not meeting the minimum loan amount.

4.17 The Applicant has identified that the increased size of the facility will generate more income to enable loans to be repaid back in the period identified. The Applicant has suggested that a the MEEF funding, that would only be obtainable in Scenario 3, has the longer payback period of 15 years. The Applicant has not provided details of the payback period of the other loans. To be consistent across all scenarios we have assumed a payback period of 15 years.

Conclusion

4.18 Our analysis of the Applicant's rationale and the supporting evidence provided all appear sound and reasonable. We therefore agree there are reasonable grounds for some form of works to ensure the viability and sustainability of the facility.

[4] Hampton Pool Trust, 2017, *Response to questions raised during planning process*

5 Scenario testing

5.1 The purpose of the scenario testing is to address the following questions:

- What is the quantum of development proposed?
- Do the proposed works address the issues identified to ensure the long-term sustainability of the facility?
- Assuming a 15-year loan payback period, is it financially viable to fund the works?
- After the loan is re-paid, will the scheme generate a reasonable operational surplus for a sinking fund to cover the cost on-going and future works?
- If the scheme generates excess surplus is there scope to reduce the size of the facility to reduce the impact on the MOL?

Viability testing

5.2 The viability testing of the scenarios it is assessed in the following two stages:

Stage 1 site appraisal

5.3 The site appraisal assesses the viability of the development to ensure the scenario is viable i.e. there is sufficient income generated to pay-back the loan for the works. The appraisal calculates the scheme viability as follows.

Total income
(Income generated over 15-year payback period plus existing funds)

Minus

Total costs
(Construction costs, contingency, interest charges, and management and maintenance costs over 15-year payback period)

Equals

Scheme surplus/deficit
(At end pf 15-year pay-back period)

5.4 The appraisal calculates finance cost through a cashflow.

Stage 2

5.5 If the appraisal at Stage 1 shows that the scheme generates a surplus at the end of the 15-year period, we make an assessment on whether the surplus is reasonable and whether the annual net income is sufficient for a sinking fund contribution.

General assumptions

5.6 In the scenario testing, we have based costs and values on information provided by the Applicant. The Applicant has provided a cost plan of their preferred option i.e. Scenario 3, this is set out in Appendix 7. The build costs provided by the Applicant equates to the following:

- Existing building - £1,000 psm
- New build - £2,350 psm

5.7 The cost plan was based on figures from the second quarter of 2015. These build costs have been inflated by the Applicant to account for increases in build costs. The Applicant has relied on the BCIS tender price index for the first quarter of 2019. Based on this indexing build costs have increased by 22.43% - the calculation has been provided in Appendix 3. The inflated build costs provided by the Applicant equate to the following

- Existing building - £ 1,224.30 psm
- New build - £2,877.11 psm

5.8 To test the viability of each scenario we have adjusted the build cost information accordingly to reflect the size of development assumed. In addition to the build costs provided, we have made the following assumptions in our appraisals:

- **Professional fees** - contained in the cost plan is a 14% allowance for professional fees, we deem this to be reasonable given the complex nature of the development compared to a standard build. We have therefore applied the 14% allowance to the build costs in each scenario.
- **Inflation and VAT** - the Applicant has included inflation and VAT in their cost plan. When assessing viability for planning purposes inflation and VAT are not usually included as part of the build costs so these have been removed from our analysis. But HPT have provided evidence to show that unlike most developers would have to pay VAT. This is because they are not VAT registered and would have to incur the full VAT rate of 20%. If the development is undertaken by the pool operator, currently the YMCA, the VAT could be reduced to 16% as revenue from the shop and the café could be offset against development costs - further details of this have been provided by the Applicant in Appendix

3. The Applicant has not provided the calculation to how they conclude the 16% is the correct figure. As a cross-reference, we estimate that around 85% of revenue relates to sporting activities i.e. the balance of 15% non-sporting. If we were to reduce 20% VAT by 15% (to reflect off-setting for non-sporting activities) this would equate to reduction of VAT to 17%. Therefore the Applicant's 16% appears broadly reasonable and we have used this in our testing.

- **Contingency** – the Applicant has not made any allowance for contingency. We have included development contingency at 5% of the contract sum. This is a reasonable assumption for a development of this nature.
- **YMCAinterest-free loan** – the Applicant has stated that they would receive an interest-free loan of £500,000 from the YMCA to contribute towards the development. We have included these monies distributed across the build period for each of the scenarios. We have assumed that this loan would be paid back over the remaining payback period of 13.5 years for scenario 3, and 14 years for scenario's 1 & 2. As the loan is interest-free we have deducted the appropriate amount the trading surplus each month with the remaining surplus used to pay the soft loans.
- **Other funding streams** – the Applicant has stated that the majority of the works will be funded through soft loans. The Applicant has circa. £1,100,000 available to contribute towards the works which have been generated through previous annual surpluses – this funding is included in our appraisals.
- **Finance cost for soft loans**- we have assumed that the scheme will be 100% debt financed at an interest rate of 2.5%. Interest rates are normally higher but the Applicant states they plan to fund the project through 'soft loans' at favourable rates. In our assessment, we have assumed that loans would be on similar terms that are available to local authorities to help fund development i.e. prudential borrowing rates plus profit. For a loan period of circa 15 years, local authorities can borrow at rates around1.6%. We have increased this to 2.5% to reflect profit a local authority would charge for a facility.
- **Trading surplus** – the Applicant has provided evidence showing that any annual surplus produced must be split. The first £8,000 goes to the operator with the remainder being split three ways between:
    - The Operator
    - The HPT
    - The Pool Improvement Fund (PIF)

  The Applicant has stated that only HPT and the PIF funds can be used to pay back loans. To take account of this we have made the following adjustments to any surplus:

Total annual surplus

(minus)

£8,000

(multiplied by)

2/3rds

(equals)

Surplus available to pay back loans

Scenario 0 Refurbishment of existing buildings

5.9 The scenario assumes no redevelopment of the site but refurbishments works are undertaken to the existing structure to modernise. As identified in Chapter 4, to address the safeguarding, Equality Act 2010 and social inclusion issues identified some form of redevelopment of the site is required. Therefore, we do not consider Scenario 0 to be a suitable solution because the level of works assumed will not address the issues and ensure the future viability and sustainability of the facility.

Scenario 1 Minimal redevelopment

5.10 This scenario assumes the following:

- Developing a changing village on the ground floor to address safeguarding, Equality Act 2010, and social inclusion.
- Works to plant room and external works e.g. costs associated with replacing the paving around the pool and car park improvements.
- Works to improve accessibility to café - but floor area not increased with no benefit of year-round provision. A lift will be installed to make the café Equality Act 2010 compliant.
- Existing gym, shop and studio space not replaced to minimise new development on the MOL but results in loss of income.
- The pool will remain open and temporary facilities will be provided during the conduction period.

Area schedule

5.11 To reflect this scenario, we have adjusted the floor areas as follows:

- Sauna, both studio spaces, gym and shop have been removed from development proposals.
- Café area as per the existing facility.

5.12 The floor areas assumed are as follows:

- Existing building – 355.5 sqm
- New build – 286.9 sqm (this includes works to the foyer/reception, office/staff room, staff changing, first aid room and plant room).

Construction costs

5.13 We have applied the £psm listed above to the adjusted floor area. The adjusted costs are set out in Table 5-1.

Table 5-1 Scenario 1 construction costs breakdown

Element	Size (sqm)	Blended cost £ psm	Total cost
Refurbishment of existing building	355.5	£1,224.30	£435,239
New Build	286.9	£2,877.11	£825,443
Balance tank and chemical store			£64,000
Services			£722,300
Externals			£162,000
		Subtotal	***£2,208,982***
Inflation (not included)		n/a	n/a
Professional fees	@	14%	£276,933
VAT	@	16%	£397,746
Temporary accommodation			£372,847
Total contract sum			**£3,256,508**

Source: Philp Uren & Co (2016), AspinallVerdi (2019)

5.14 In addition to the costs of the unit build, the Applicant has included "lump sums" for services (plant etc.) and externals (car parking etc.). We have included these costs as part of this scenario as these works will be required to bring the facility up to modern standards and help address the issues identified in the development rationale.

5.15 Temporary accommodation costs have been included totalling £372,847. This figure has been provided by the Applicant and has reportedly been based on quotes they have received from contractors. The Applicant's calculations have been included in Appendix 4. The Applicant has assumed 20% VAT. This is contrary to the 16% assumed for the rest of the construction costs. Table 5-2 below shows the adjusted temporary accommodation costs with a VAT rate of 16%.

Table 5-2 Temporary accommodation costs with 16% VAT

Element	Gym/studio	Reception/ Office/Staff facilities/ storage	Shower Changing facilities
Hire -	£58,110 (£1,490 @ per week 39 weeks)	£58,110 (£1,490 @ per week 39 weeks)	£54,600 7 modules @ £200 per week 39 weeks
Install	£15,000	£15,000	£2,800
Remove	£15,000	£15,000	£2,800
Temp building works	£15,000	£15,000	
Grubbing out temp building works	£10,000	£10,000	£15,000
Professional fees	£10,000	£10,000	
VAT @ 16%	£19,698	£19,698	£12,032
Subtotal	£142,808	£142,808	£87,232
TOTAL			**£372,847**

Source: Hampton Pool Trust (2019), AspinallVerdi (2019)

Revenue/operating expenditure

5.16 Table 5-3 shows the annual revenue for Scenario 1. In this scenario, it is assumed that revenue will decrease from what is currently being generated through the loss of existing studio spaces, gym and shop. In addition to a reduction in revenue, we have applied a 10% reduction of all running costs to reflect the smaller scheme.

5.17 During the construction of the new facility, we have assumed a deduction of 15% on revenue. With temporary facilities in place, it is likely that the facilities will not be used at the same level. During this period, we have assumed that the ongoing expenditure would be less than the current level as the temporary scheme is smaller and there will be no café, gym or classes provided.

Table 5-3 Scenario 1 annual revenue assessment

	Actual	During build	Adjusted for Scenario 1
Income			
Gym and Classes	£182,719	No temporary provision	Space removed, no income received
Pool	£1,188,905	£1,010,569.25	£1,188,905
Shop	£70,000	No temporary provision	Space removed, no income received
Catering Income	£104,403	£88,742.66	£104,403
Children's Work Income	£25,585	£21,747.25	£25,585
Training Courses	£33,563	£28,528.55	£33,563
Sundry Income (Pay phones etc)	£5,965	£5,070.48	£5,965
Total Income	**£1,611,140**	**£1,154,658.19**	**£1,358,421**

	Actual	During build	Adjusted for Scenario 1
Direct Costs	£204,411	£183,970	£183,970.23
Staff Costs	£849,623	£764,661	£764,660.55
Premises Expenditure	£203,670	£183,303	£183,303.21
Other Establishment Costs	£8,049	£7,244	£7,244.41
Administration	£41,025	£36,922	£36,922.46
Finance Costs	£157,337	£141,603	£141,602.89
Total Expenditure	**£1,464,115**	**£1,317,704**	**£1,317,703.73**
Net Surplus/Deficit Before Share of Surplus	£147,025	-£163,046	£40,718
Operators share (first £8,000 & 1/3rd of the remain surplus)	-£54,342	£49,015	-£18,906
Payback of interest-free loans			-£35,714
Concert income	£75,000	£75,000	£75,000
Total surplus/deficit	**£167,683**	**-£39,030**	**£61,097**

Source: Hampton Pool Trust (2019), AspinallVerdi (2019)

Timescales

5.18 The proposed scheme (Scenario 3) is to be constructed using a modular design over three phases. This will allow the pool to stay open during the redevelopment without the need for temporary accommodation Scenario 1 is smaller and we have assumed that the scale of development is not large enough to decant current uses from the existing building while refurbishment is taking place. Originally, we assumed that the pool would have to close over the construction period time. The Applicant has provided evidence to support their argument that closure of the pool would not be acceptable to its members – the evidence is set out in Appendix 4. Based on this evidence, we now agree with the Applicant that keeping the pool open during construction is the most reasonable approach.

5.19 The appraisal assumes an overall programme of 15 years. We have assumed a construction period of 12 months. Because the pool will not close, we assume that loans would be payable at the start of year one.

Results

5.20 A copy of our appraisal setting out the results of the viability testing is contained in Appendix 8. The results show that this scenario generates a funding deficit of £1,206,273 i.e. the loan is not repaid over the course of the 15-year period.

5.21 Based on the revenue surplus of £61,097 per annum generated it would roughly take an additional 19.5 to 25.5 years to pay back the funding shortfall. This length of time to pay back a loan is unfeasible given that the Applicant has stated that the funding requirement it to pay-back the loan in 15 years.

Scenario 2 Redevelopment – like for like replacement

5.22 This scenario assumes works as per Scenario 1 but with the existing gym, shop, sauna and studio re-provided to modern standards. Therefore, both the gym and studio have increased in size when compared to the existing scheme to comply with the Equality Act 2010 etc.

Area schedule

5.23 For this scenario we have made the following assumptions in terms of the area schedule:

- Developing a changing village on the ground floor to address safeguarding, Equality Act 2010, and social inclusion.
- Works to plant room and external works e.g. costs associated with replacing the paving around the pool and car park improvements.
- Sauna.
- The new gym provided the gym with 25 stations at 5 sqm per station to meet Equality Act 2010 etc.
- Single studio to current day standards.
- Corridor and circulation space assumed in the proposed scheme has been reduced by 50% to reflect the smaller facility.
- The café space as per the existing size of the facility.
- The pool will remain open and temporary facilities will be provided during the conduction period.

5.24 The floor areas assumed are as follows:

- Existing building – 355.5 sqm.
- New build – 564.8 sqm (this includes works to the foyer/reception, office/staff room, staff changing, first aid room, plant room, smaller gym, single studio and circulation/corridor space.

Construction costs

5.25 Table 5-4 sets out our adjusted costs for Scenario 2.

Table 5-4 Scenario 2 construction costs breakdown

Element	Size (sqm)	Blended cost £ psm	Total cost
Refurbishment of existing building	355.5	£1,224.30	£435,239
New Build	564.8	£2,877.11	£1,624,992
Balance tank and chemical store			£64,000

Element	Size (sqm)	Blended cost £ psm	Total cost
Services			£722,300
Externals			£162,000
		Subtotal	***£3,008,530***
Inflation (not included)		n/a	n/a
Professional fees	@	14%	£368,373
VAT	@	16%	£540,305
Temporary accommodation			£372,847
Total contract sum			**£4,290,055**

Source: Philp Uren & Co (2016), AspinallVerdi (2019)

Timescales

5.26 Timescales assumed as Scenario 2, the appraisal assumes an overall programme of 15 years. We have assumed a construction period of 12 months. Because the pool will not close, we assume that loans would be payable in at the start year one.

Revenue/operating expenditure

5.27 Table 5-5 shows the annual revenue for Scenario 2. In this scenario, it is assumed that as it is a like-for-like replacement revenue will remain the same as current day. We have assumed the same annual expenditure for Scenario 2. The Applicant has stated that though the newer building will be more efficient, the overheads will stay the same. The bulk of expenditure comes from staff costs – this would not change in a newer building.

Table 5-5 Scenario 2 annual revenue assessment

	Actual	During build	Adjusted for Scenario 2
Income			
Gym and Classes	£182,719	No temporary provision	£182,719
Pool	£1,188,905	£1,010,569.25	£1,188,905
Shop	£70,000	No temporary provision	£70,000
Catering Income	£104,403	£88,742.66	£104,403
Children's Work Income	£25,585	£21,747.25	£25,585
Training Courses	£33,563	£28,528.55	£33,563
Sundry Income (Pay phones etc)	£5,965	£5,070.48	£5,965
Total Income	**£1,611,140**	**£1,154,658.19**	**£1,358,421**
Direct Costs	£204,411	£183,970	£194,190.80

	Actual	During build	Adjusted for Scenario 2
Staff Costs	£849,623	£764,661	£849,622.83
Premises Expenditure	£203,670	£183,303	£193,486.72
Other Establishment Costs	£8,049	£7,244	£7,646.87
Administration	£41,025	£36,922	£38,973.70
Finance Costs	£157,337	£141,603	£157,336.54
Total Expenditure	**£1,464,115**	**£1,317,704**	**£1,464,115.26**
Net Surplus/Deficit Before Share of Surplus	£147,025	-£163,046	£147,025
Operators share (first £8,000 & 1/3rd of the remain surplus)	-£54,342	£49,015	-£54,342
Payback of interest-free loans			-£35,714
Concert income	£75,000	£75,000	£75,000
Total surplus/deficit	**£167,683**	**-£39,030**	**£131,969**

Source: Hampton Pool Trust (2019), AspinallVerdi (2019)

Results

5.1 A copy of our appraisal setting out the results of the viability testing is contained in Appendix 9. The results show that this scenario generates a funding deficit of £1,573,073 i.e. the loan is not repaid over the course of the 15-year period.

5.2 Based on the revenue surplus of £164,707 per annum generated in this scenario it would roughly take an additional 9.5 to 11 years to pay back the funding shortfall.

Scenario 3 Proposed solution

5.3 This scenario assumes works as per the planning application submitted by the Applicant (16/3434/FUL) this includes:

"Refurbishment of existing facilities and car park along with the extension of the main building including a larger gym, two studios and a sauna. This scenario also includes an expansion of the café on the 1st floor, increasing its capacity."

Area schedule

5.4 We have adopted the areas included in the Applicant's area schedule as set out below:

- Existing building – 355.5 sqm
- New build – 896.5 sqm

Construction costs

5.5 Table 5-6 sets our adjusted costs for Scenario 3. These are in line with the cost information provided except for not including inflation and VAT.

Table 5-6 Scenario 3 construction costs breakdown

Element	Size (sqm)	Blended cost £ psm	Total cost
Refurbishment of existing building	355.5	£1,224.30	£435,239
New Build	896.5	£2,877.11	£2,579,329
Balance tank and chemical store			£64,000
Services			£722,300
Externals			£162,000
		Subtotal	***£3,962,868***
Inflation (not included)		n/a	n/a
Professional fees	@	14%	£477,516
VAT	@	16%	£710,461
Total contract sum			**£5,150,845**

Source: Philp Uren & Co (2016), AspinallVerdi (2019)

Timescales

5.6 The proposed scheme (Scenario 3) is to be constructed using a modular design over three phases. A comprehensive development will allow the pool to stay open during the redevelopment and no temporary buildings would be needed. We have allowed a construction period of 18 months. During the 18 months build we have assumed the existing net income of £147,025 is received. Once the works are complete, income increases to reflect the new facility. Because the pool will not close, we assume that loans would be payable in at the start year one.

Revenue/operating expenditure

5.7 Table 5-7 shows the annual revenue assumed for Scenario 3. In this scenario, it is assumed that revenue will increase due to the larger facilities and all-year-around access to café facilities. The Applicant has stated that they think the income for the gym and classes will increase by 65% and the café by 45%. No evidence has been provided to support these figures. Based on our understanding of the improvements these assumptions seem low. We have assumed that gym and classes income will double and café income will double. We have made thsese assumptions for the following reasons:

- There will now be two gym studios rather than one. These will have a higher utilisation rate as they are less likely to be used for non-income generating activities i.e. staff training
- The gym is considerably larger and will have modern equipment. This will encourage considerably more membership than there is a present.
- The café will increase in size and will be a nicer environment for people to visit. This, in turn, will increase dwell time and visitor spend.

5.8 Scenario 3 is a bigger facility than Scenario 2 and although there would not likely be any additional building related expenditure the Applicant has provided evidence that additional staff are needed. The evidence of this cost is provided in Appendix 3 equating to the sum of £115,000 per annum.

Table 5-7 Scenario 3 annual revenue assessment

	Actual	Adjusted for Scenario 3
Income		
Gym and Classes	£182,719	£365,438
Pool	£1,188,905	£1,188,905
Catering Income (including shop)	£174,403	£348,806
Children's Work Income	£25,585	£25,585
Training Courses	£33,563	£33,563
Sundry Income (Pay phones etc)	£5,965	£5,965
Total Income	**£1,611,140**	**£1,968,263**
Expenditure		
Direct Costs	£204,411	£204,411
Staff Costs	£849,623	£964,623
Premises Expenditure	£203,670	£203,670
Other Establishment Costs	£8,049	£8,049
Administration	£41,025	£41,025
Finance Costs	£157,337	£157,337
Total Expenditure	**£1,464,115**	**£1,579,115**
Net Surplus/Deficit Before Share of Surplus	£147,025	£504,147
Operators share (first £8,000 & 1/3rd of the remain surplus)	-£54,342	-£135,049
Payback of interest-free loans		-37,037
Concert income	£75,000	£75,000
Total surplus/deficit	**£167,683**	**£292,061**

Source: Hampton Pool Trust (2019), AspinallVerdi (2019)

Results

5.9 A copy of our appraisal setting out the results of the viability testing is contained in Appendix 10. The results show that this scenario generates a funding surplus of £4,847 over the 15-year period.

Paying back the loan in the last month of the term is considered reasonable and does not represent excess profit for this element of the assessment.

6 Summary and conclusion

6.1 The purpose of our report has been to assess the suitable quantum of development that is:

- Appropriate to ensure the on-going financial viability and sustainability of the Hampton Pool facility

  but

- has the least impact on developing in the MOL.

6.2 In our assessment, we have reviewed the Applicant's rationale for the development to ensure it is reasonable. We have also tested a number of development scenarios to establish the optimum viable quantum of development.

The rationale for the works

6.3 The Applicant has provided evidence on why the works to the current facility are required to ensure the long-term sustainability of the facility. These include:

- Physical improvements to car park, plant, plant room and resolve outside storage issues to bring the facility up to modern standards.
- Functional rationale– the primary use of the facility must be the pool with all other uses ancillary to the pool function. Therefore, limiting the opportunity for alternative funding streams to cover the cost of any works.
- Operational – the current layout means that how the facility is being operated is comprised with space not being used for their intended purposes.
- Safeguarding, social inclusion and Equality Act 2010 compliance – the dated facility does not meet modern-day requirements. The works identified seek to address these issues and aim to ensure the long-term sustainability of the facility by providing access to all groups.
- Maintenance costs – redevelopment will lower ongoing maintenance costs and create additional revenue to be placed in a sinking fund to be used to cover future maintenance works.
- Seasonal revenue – the current facility suffers seasonal fluctuations which means that they are reliant on good summer weather in July and August to stay viable throughout the year. The aim of some of the works is to smooth out this fluctuation and ensure a more sustainable income base.
- Cover cost of works (repay loans) - the Applicant has explained that there may be grant but this is all at risk. We understand that Hampton Pool Trust has a surplus of £1.1 million to help fund some of the works but there is a significant shortfall. This shortfall will need to be covered through soft loans. Bodies such as Social and Sustainable Capital, London Mayoral Energy Efficiency Fund and YMCA have been identified as potential funding

sources for these loans. Any surplus in the first 15-years will need to help repay the loans for the works.

- Grant funding – The Applicant has assumed that they would be able to secure grant funding of £150,000 from both Sports England and the London Marathon – totalling £300,000. These funds have been included in our modelling of each scenario.

Scenario testing

6.4 Given we agree with the Applicant's rationale for development, in our scenario testing we have sought to address the following questions:

- What is the quantum of development?
- Do the proposed works address the issues identified to ensure the long-term sustainability of the facility?
- Assuming a 15-year loan payback period, is it financially viable to fund the works?
- After the loan is re-paid, will the scheme generate a reasonable operational surplus for a sinking fund to fund current and future works?
- If the scheme generates excess surplus is there scope to reduce the size of the facility to reduce impact on the MOL?

Results of viability testing

6.5 Table 6-1 summaries the results of our viability assessment and whether each scenario tested satisfies the need for development. As shown in Table 6-1, it is only Scenario 3 (i.e. the Applicant's proposed scheme) which meets all the objectives. But this does involve the greatest quantum of development and hence the greatest impact on the MOL.

Table 6-1 Summary of scenario testing results

Scenario	Quantum of new build development	Do the proposed works address the issues identified?	Is if financial viable to fund the works?	Is there a surplus for sinking fund?
Scenario 0 Refurbishment of existing buildings	0 sqm	No	No	No
Scenario 1 Minimal redevelopment	286.9 sqm	Yes	No	No
Scenario 2 Redevelopment	564.8 sqm	Yes	No	No

Scenario	Quantum of new build development	Do the proposed works address the issues identified?	Is if financial viable to fund the works?	Is there a surplus for sinking fund?
– like for like replacement				
Scenario 3 Proposed solution	896.5 sqm	Yes	Yes	Yes

Source: AspinallVerdi (2019)

6.6 It would be possible to extend the loan period in scenario 1 and 2 to produce viable schemes. But the increases would push the loan period over 20 years which may be too long for lenders. In addition to this, it is likely that the Applicant will need to refurbish the building again within 15 years. The most recent refurbishment of the building was in 2006 which is less than 15 years ago. To undertake additional works in the future the Applicant will need to make a surplus to pay for these works.

6.7 Scenario 3 is viable with the annual surplus generated sufficient to pay back the loan within the 15-year period assumed as well as the on-going surplus sufficient to cover the on-going maintenance of the facility. Paying back the loan in last month of the term is considered reasonable and does represent excess profit for this element of the assessment. The resulting annual surplus of £292,061is sufficient to cover the on-going maintenance of the facility, representing around 6% of the total cost of works. This is also considered a reasonable annual surplus to contribute towards the sinking fund to ensure the on-going sustainability of the facility.

Conclusion

6.8 The Applicant's proposed solution meets the very special circumstances test of developing in the MOL. The Applicant has adequately demonstrated that the works are required to ensure the on-going viability of the facility. With the increase in floorspace representing the minimum amount of development required to address the physical functional and operational development rationales identified. This solution generates sufficient income to cover the loan repayment for the works, in the 15-year term assumed and contribute towards sinking fund for future repairs without the need for other third-party support such as grants.

Appendix 1 – HPT comments on AV version 1 report

Hampton Pool Trust review of Aspinall Verdi Viability Assessment

A review for financial fact checking has been undertaken by HPT and YMCASPG and the following noted as points for further discussion:

- There looks to be a typo on Page 29 Table 5-5 Subtotal reads £2,107,026. It should read £3,410,826.

- VAT of approx. £800,000 has been excluded from the building costs analysis. Sports facilities are usually subject to VAT. HPT is not registered for VAT. If the project is operated through the YMCASPG it is thought about 4% of the VAT, may possibly be reclaimed related to sales in the cafe and shop. (as per Phil Uren data Appendix 3 page 52). This would increase the project total by approx. £650,000.

- Full trading surplus has been used in calculation tables 5-2, 5-4, 5-6.
  It appears that all trading surplus has been deemed available to pay off the loan and define ongoing trading surplus. HPT and YMCASPG are in a management agreement which defines that any trading surplus is spilt 3 ways - one third to HPT, one third to a joint development fund (PIF) and one third retained by YMCASPG. Two thirds of the trading surplus is available to pay for the project.

- Only £275,000 of reserves are shown as a contribution to the building costs. HPT reserves are considerably higher than this figure.

- No grants are deemed necessary but are likely to be available item 5.9 page 30.

Income

In scenario 3, dry side catering and shop income has doubled. While that may be a good long term goal, these assumptions are ambitious in the short term and significantly higher than our internal longer term assumptions.

Expenses

- **In Scenario 2**, staff costs are reduced by 5% however the gym and studio are the same size as currently hence the same number of staff will be required to operate the facilities.

- **In Scenario 3**,Staffing costs are the same pre development but with 2 studios, and larger gym & cafe, additional staff would be needed to support the expanded facilities (and support the increased income).

Funding

The only figure for funding is a figure of £275,000.

There is no mention of existing funds, Hampton Pool Reserves and Joint development Fund (PIF). Total currently £1,460,000

Ongoing funding raising e.g. Concerts surplus not mentioned. It is thought that it should be reasonably sustainable £70k to £80k pa.

Grant applications.

Appendix 2 – HPT and AV Meeting Minutes 15th February 2019

Minutes of Meeting

Date:	15 February 2019	Time:	9.30 am – 11 am
Location:	The Mews, 6 Putney Common, Putney, London, SW15 1HL		
Attendees:	Stuart Cook (AspinallVerdi)	Grahame Hadden (Hampton Pool Trust)	
	James Bullough (AspinallVerdi)	Mark Doyle (Hampton Pool Trust)	
		Will Wimshurst (Wimshurst Pelleriti)	

Hampton Pool redevelopment – AspinallVerdi viability assessment discussion

			Action
1.	Introduction	AspinallVerdi (AV) recapped the basis of approach to the study and outlining the agreed approach to the scenario-based testing. Agreed by both parties this is still the most appropriate approach. Hampton Pool Trust (HPT) explained that the application is now with the GLA but had concerns regarding the findings of the AV viability assessment. HPT explained that comments by GLA on the submission have now been made. **AspinallVerdi would like to have sight of these comments from the GLA.** It was agreed that to make best use of time the meeting we would go through the comments raised by Grahame Hadden. These were outlined in the following document 'Hampton Pool Trust review of AspinallVerdi Viability Assessment' (Grahame Hadden, 5 Feb 2019).	AV / LB Richmond upon Thames (LBRUT)
2.	Typo on page 29 of AV report.	HPT raised that there is a typo in relation to the subtotal on Page 29 Table 5-5 of the AspinallVerdi viability assessment. **AV agree that there is an error and will review and amend if necessary.**	AV
3.	Inclusion of VAT in viability assessment	AV outline that usually VAT is not included in viability assessments as it can be off-set through revenue. HPT state that they the only revenue they receive is through the concerts and they are not VAT registered. HPT explained the following: • If HPT lead on the redevelopment no VAT could be reclaimed. • If YMCA were to lead on the development the maximum VAT they could off-set would be 4% i.e. liable for 16% VAT on the build. YMCA does receive income through the café and the shop. Even if another 3rd party entity was to operate the facility then the situation would be the same. • HPT outline that their the best-case scenario for the development would be 16% VAT and worst case 20% VAT. **AV agree that that due to the unique circumstances surrounding development of this type of use then it is appropriate to include the cost of VAT at 16% subject to HPT providing evidence and supporting narrative to support the inclusion of VAT.**	HPT AV
4.	Trading surplus	HPT raise concern that the full trading surplus from the company accounts has been used in calculations which does not reflect the	HPT/

		contractual position with the YMCA. HPT state that the funding surplus is split three ways: • one third to YMCA, • one third to HPT for development and • one third goes into pool improvement fund. Due to the contractual split HPT state that they only have access to two thirds of the surplus to repay the loans. **AV require evidence to support this and HPT say they can provide the management contract to AV.** HPT have concerns of this contract going into the public domain as it may impact their negations with any new operator should the YMCA pull out. **AV to review the contract and if appropriate reduce trading surplus in the viability assessment. AV will summarise the document but will not include it as an appendix to the report- so long as the council agrees to this.**	AV/ LBRUT
5.	Financial reserves	HPT state the figure of £275k for the trust's financial reserves in the AV report is incorrect and the figure in the public accounts is higher than this. But the HPT also stress that their reserve figure is high because they have had two very good years of trading. Furthermore, the HPT say that surplus has built up over the years due to minimal spending on repairs in light of potential redevelopment, and fundraising from concerts over the summer – these concerts are run by unpaid volunteers. HPT have also had 100k bequest from a family. Even though reserves are higher than reported in the AV viability assessment, HPT stress that they cannot all be used for development and some should be held back as a reserve should the YMCA pull out and an operator needs to be found. **The HPT are going to provide AV with justification for holding back money for unforeseen circumstances. HPT will provide a new reserve figure to be used in AV calculations – this will be linked back to most recent accounts. HPT will provide AV with most recent accounts from AGM, including supporting narrative on the pool improvement fund. AV will review and make necessary adjustments in the report and financial assessment.**	HPT AV
6.	Current day costs	AV flag that the build costs are now out of date and that viability assessments are required to be based on current day costs and values. **WP have agreed to inflate this build costs and re issue to AV. AV will then update in the development appraisal.**	WP AV
7.	Grants	AV recap why the decision was made not to include grants in the viability assessment. The main reason being there is no guarantee that they will be available, and there is precedent of previous proposals on the site being undeliverable due to lack of grant funding. HPT agree with this approach and outline that the aim is for the pool is to become a self-sustaining entity. At the moment the pool relies heavily on funding raised through volunteers.	No action

8.	Income	HPT have concerns with the income assumptions made by AV. Currently AV have assumed that the café and shop income will double after redevelopment has taken place. HPT believe that the shop will not increase to this level after redevelopment. HPT argue as that under their licence agreement the café can only be used for customers for the pool i.e. a supporting function. **HPT will provide their own assumptions for income and how it will increase after works have been completed. AV will review to assess whether these are reasonable.**	HPT AV
9.	Expenses	In scenario 2 of the AV viability testing HPT have concerns with the assumption of a 5% reduction in staffing costs as this scenario assumes a like for like replacement. Furthermore, HPT believe that in scenario 3 of the AV viability testing staffing costs would increase rather than stay the same as assumed in the AV assessment. AV explain that these assumptions reflected efficiency savings from staffing a modern building. **HPT will provide AV with evidence and narrative to support their assumptions on staffing expenses. AV agree to review HPT assumptions for staffing in Scenario 2 and 3. AV will reflect changes in financial assessment if they are deemed reasonable.**	HPT AV
10.	Concerts income	HPT want to stress that though concerts have been successful at producing revenue in recent years, they rely on volunteers and cannot be considered as a guaranteed source of income in years to come. HPT state one of the reasons concerts have been held regularly in recent years to fund raise for this development. Furthermore, the HPT has to apply for a licence from The Royal Parks every year. This historically has granted them up to six concerts per year. There is no reason to believe The Royal Parks would stop granting a license, but it cannot be guaranteed. **HPT will provide some narrative around the risks associated with the income from the concerts. AV will review and amend the report.**	HPT AV
11.	Additional evidence going forward	AspinallVerdi requested that going forward after this meeting when the trust provide additional evidence they do so in a single 'pack'. This pack should include both evidence and justification for why there needs to be adjustments made in the AV report. **HPT agreed that they would provide all additional information at one time.**	HPT
12.	Public domain	HPT raised concerns that the report might now be put into the public domain. HPT stated that there is sensitive information that is included in the report which should not be made public. **AV agree to make any necessary adjustments so long as the council is happy with these changes.**	AV
AOB – interest calculation		HPT think they may be an error about how interest is being calculated in the financial assessment. **AV will check how interest is being calculated and amend if necessary.** HPT request if they can see a draft of the changes before it is finalised to ensure that both parties understand the changes. **AV**	AV/ LBRUT

will ask the council how they would like to proceed in terms of the next revision of the report.

AV explained additional fees will need to be agreed for the next stage of review. AV/HP

Appendix 3 – HPT additional supporting evidence February 2019

hampton pool trust
The charity securing the future of Hampton Pool

Hampton Pool redevelopment – Aspinall Verdi Viability Assessment discussion 15/2/19

Hampton Pool Trust Responses

Point 3 - Inclusion of VAT in viability assessment

Hampton Pool Trust is not registered for VAT. If the Trust were to directly fund the building development work, it would incur the full VAT rate of 20% on all building costs.

If the building development is undertaken by the Pool operator contracted by HPT (currently YMCA St Paul's Group), the effective VAT rate could be reduced to around 16%. This is because revenue on sporting activities (such as swimming) are exempt from VAT and hence only revenue from the shop & cafe are available to offset the input VAT on building development costs.

The detail on Sport supplies that are VAT exempt (VAT Notice 701/45) can be found here:

https://www.gov.uk/guidance/sport-supplies-that-are-vat-exempt-notice-70145#sect3

Point 4 - Trading Surplus

The following is an extract from the legal agreement between Hampton Pool Trust (formerly Hampton Pool Ltd HPL) and YMCA St Paul's Group (formerly Kingston & Wimbledon YMCA KWYMCA) which sets out how any surplus is to be allocated:

10. After accounting for all income that arises and charging all costs, including the cost of depreciating any fixed assets provided by or which are owned by KWYMCA, any surplus that arises will be split: the first £8,000 (the Primary Share) to KWYMCA and any surplus above that divided three ways, one third each to HPL, KWYMCA and a 'Pool improvement fund' (PIF) to be administered jointly by HPL and KWYMCA. This PIF will be held as a restricted fund either by KWYMCA or by HPL (to be agreed). KWYMCA will pay out the shares to HPL and the PIF at the end of every second year after their Financial Statements for that year have been signed off by their auditors and they have agreed the HP surplus and its apportionment with the directors of HPL. (The reason for not doing this each year is to allow for possible deficits. Of course, the longer it is deferred the more certain one can be. On the other hand, too long a delay means that important improvements would be unreasonably deferred. Any arrangement must be a compromise.)

Point 5 - Financial Reserves

- HPT Reserves as per published accounts y/e 31 March 2018 are:
  Cash at bank: £914,616
  Debtors - Owed by YMCA SPG (Surplus from previous 2 years - since paid): £112,435
  Total in HPT accounts: £1,027,051

- The Pool Improvement Fund (held in YMCA St Paul's Group accounts) as at 31 March 2018 stands at £332,181

hampton pool trust
The charity securing the future of Hampton Pool

Hampton Pool redevelopment – Aspinall Verdi Viability Assessment discussion 15/2/19

Hampton Pool Trust Responses

- HPT would propose to hold a prudent reserve of £0.25m in the event of any operating issues with the Pool (total annual operating costs approx £1.6m).

- This would leave £1.1m in reserves available to fund the proposed development

Additional documents provided:
- Hampton Pool Trust Accounts for y/e 31 March 2018
- YMCA St Paul's Group Accounts for y/e 31 March 2018 (see page 29)

Point 6 - Current day costs

The percentage increase in feasibility study costs as per Philip Uren & Co from Q2 2015 to Q1 2019 will be 22.43%

Additional document provided: Report from Philip Uren & Co

Point 7 - Grants

HPT are currently in a situation where grant providers will not provide any firm assurance around grants since the building development does not currently have planning permission. HPT accepts that this current lack of firm offers means that for the purposes of this viability assessment, grant funding is excluded from the analysis.

However HPT believes that when we are in a position to move forward to funding the development, grants will be available and will be a part of the funding mix. This will reduce the need for loans and hence reduce the payback period for loans.

Point 8 - Income

- **Scenario 3 - Income from Gym & Classes - 100% increase assumed in AV report**

  HPT assumptions for this scenario (the proposed development) are for an approximately 65% increase in the year following completion of the building work, followed by increases of approximately 4% in years 2 & 3.

- **Scenario 3 - Catering Income - 100% increase assumed in AV report**

  HPT assumptions for this scenario (the proposed development) are for an approximately 45% increase in the year following completion of the building work. Under the terms of our licence the café is available to HP Clients i.e. pool / gym customers. The café is not open to the general public hence the scope for increase in revenue is limited.

Hampton Pool redevelopment – Aspinall Verdi Viability Assessment discussion 15/2/19

Hampton Pool Trust Responses

Point 9 - Expenses

- **Scenario 2 - Staff Costs - 5% reduction assumed in AV report**

In this scenario (like for like replacement), the activities being undertaken are the same as the current facility. The assumption should be that no staff reductions will take place and hence staff costs should be assumed to be the same as current costs.

- **Scenario 3 - Staff costs - No increase assumed in AV report**

HPT assumption for this scenario (the proposed development) is for 5 additional staff plus 1 manager to support the increased activity, primarily in the gym & cafe at the rates noted below:

Staff costs - ADDITIONAL staff required post-extension

Central overhead costs category	Cost	Unit Cost format	Expected number of staff required post-extension: Base year
Staff Costs	Directors	*No. of staff*	-
Staff Costs	Managers	*No. of staff*	1
Staff Costs	Staff	*No. of staff*	5

Base number of additional staff requ

Staff costs, per employee (inclusive of pension and social security costs)

Central overhead costs category	Cost	Unit Cost format	Seasonality Profile	Expected cost per staff member in category (inc. NI, Pension): Year 1
Staff Costs	Directors	*Cost per employee*	Flat seasonality	£ 35,000
Staff Costs	Managers	*Cost per employee*	Flat seasonality	£ 25,000
Staff Costs	Staff	*Cost per employee*	Flat seasonality	£ 18,000

Point 10 - Concerts Income

A series of Summer Picnic Concerts have been established at the Pool as the primary source of fundraising for Hampton Pool Trust. The funds raised are intended to support the future viability of the Pool and will be used to help fund the proposed development.

The concerts have recently been very successful with most events being sold out. A successful series will provide a surplus in the region of £100k for the Trust.

However there are many risks associated with these events, the key ones being:

- Commercial:
  - Although we have been successful recently in selling most of our recent events to capacity, previous years have seen events with 50% of capacity and this has a disproportionate impact on overall profitability
  - The festival sector in the UK has expanded greatly in the past few years and this has led to significant rises in the fees charged by the limited number of in demand performers. On the other hand, ticket prices, particularly for local events are more difficult to raise. Hence margins are becoming squeezed.

Hampton Pool redevelopment – Aspinall Verdi Viability Assessment discussion 15/2/19

Hampton Pool Trust Responses

- Regulatory:
    - The events operate under an ongoing licence from Richmond Council and an annual licence from The Royal Parks. Although we have not previously had an issue with either, a suspension of our licence from either body would obviously eliminate any potential for raising funds from this source.
- Logistical:
    - The events are planned, organised and largely staffed by volunteers and hence the success of the events is dependent on the continued goodwill of these volunteers. There are a few key roles where if the right people are not available from our pool of volunteers, the level of surplus generated may be lower than current levels.

In summary, the risk adjusted surplus for forecasting purposes should be lower than the current maximum achievable. Our estimate would be in the region of £75k on an ongoing basis.

Appendix 4 – HPT additional supporting evidence June 2019

hampton pool trust
The charity securing the future of Hampton Pool

Hampton Pool redevelopment - AspinallVerdi Viability Assessment

Hampton Pool Trust Additional Information

Scenarios 1& 2 - Closure of the Pool during construction

The viability assessment currently envisages that the Pool will be closed during construction since there are no permanent buildings available to move existing facilities into.

However Hampton Pool Trust consider this approach unacceptable and in these scenarios would keep the Pool operational for the following key reasons:

- Customer retention: We've built up a strong customer base over several decades and do not want to risk losing significant customers due to a prolonged closure
- Staff retention: We have a core of full time dedicated staff and a reliable set of seasonal staff which we would not want to risk losing due to a prolonged closure
- Legal: We have a legal agreement with YMCA SPG to operate the Pool year round on an ongoing basis. The contract does not include any options for a prolonged closure and hence there would be legal implications (and possible significant costs) associated with this option
- Precedence: The ground floor of the existing building was significantly refurbished in 2006/7 and the Pool remained open during that period with the use of temporary facilities

Our estimate of the costs for temporary facilities (based on quotes received in the last week from Portakabin) are as follows:

Gym / studio	£	£
Hire - £1,490 per week 39 weeks	58,110	
Install	15,000	
Remove	15,000	
Temp building works	15,000	
Grubbing out temp building works	10,000	
Professional fees	10,000	
VAT	24,622	
Total		147,732
Reception / Office / Staff facilities / storage		
Hire - £1,490 per week 39 weeks	58,110	
Install	15,000	
Remove	15,000	
Temp building works	15,000	
Grubbing out temp building works	10,000	
Professional fees	10,000	
VAT	24,622	
Total		147,732
Shower / Changing facilities		
Hire - 7 modules £200 per week 39 weeks	54,600	
Install	2,800	
Remove	2,800	
Building works & fees	15,000	
VAT	15,040	
Total		90,240
TOTAL COST TEMPORARY FACILITIES		**412,704**

Hampton Pool redevelopment - AspinallVerdi Viability Assessment

Hampton Pool Trust Additional Information

In addition to the costs of temporary facilities, although we will strive to ensure that these facilities meet customer expectations, pragmatically we believe that there will be shortfall in customer numbers during the construction and hence a revenue reduction from the baseline of around **15%**

Funding

The building cost inflation of 22% since the application was originally submitted requires a reconsideration of the funding.

The grant & loan figures below were submitted to LBRuT in July 2018.

Description of Funding	***Scenarios 1 & 2***	***Scenario 3***
Fundraising from Concerts	£75k pa	£75k pa
YMCA loan	£500k	£500k
MEEF loan	See note 1	£1,000k
SASC Loan	£200k	£200k
Sports England Grant	£150k	£150k
London Marathon Grant	£150k	£150k

Note 1: The criteria for obtaining this loan would not be met by the limited development in scenarios 1 & 2

Appendix 5 – HPT Rationale for Works

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

Note: 1. **LBRuT Sports Development Strategy**

- The scheme has been developed within the LBRuT Strategic Principles for Sport and Fitness 2014 and 2018.

http://www.richmond.gov.uk/media/11716/strategic_principles_for_sport_and_fitness_2014-2018.pdf

- One to two members of LBRuT Sports Development Team have been members of the Hampton Pool Consultative Group throughout the development of the plan for Hampton Pool

2. **Mintel report Leisure Centres and swimming Pools UK September 2015**
The scheme has been developed with awareness of the Mintel report Leisure Centres and swimming Pools UK September 2015

Two stand out comments:

- Centre and pool admissions remain resilient but are increasingly reliant on core users as the overall customer base continues to shrink. High levels of satisfaction with services and facilities suggest this core business is solid but operators need to address more negative perceptions around overcrowding, pricing and sociability to widen their player pool.

- While leisure centre and swimming pool numbers contracted only marginally between 2013 and 2015, the replacement of ageing facilities with new stock has not just helped support admission numbers but also grown ancillary revenues through improved environments that encourage longer dwell times.

a. Safeguarding
The new facilities need to be fit for use for children, families and the wider public. This means the introduction of family 'cubicle' change and showering facilities alongside dedicated male and female change. Current expectations from parents is that facilities should allow parents & carers to take the children into private change facilities where they can change discreetly.

The advice from the NSPCC states

“Ideally groups of children and young people should have sole use of changing facilities. This obviates any risks and potential vulnerability associated with mixing with adults or other young people (known or unknown to them) when changing and showering. Even when using public facilities, arrangements can be considered to address any potential concerns: separate room/facility available for the group”

At present, the old facilities are dedicated male and female change that mean that dads would need to take any girls / boys up to the age of 8 into the male change where they will need to change in front of other older men and likewise women taking girls and boys into the ladies changing room. The changing rooms they use are one large room that everybody changes in together. This means that when there are school galas or swimming lessons the teachers need to supervise the changing rooms and therefore the teachers put themselves at risk

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

Safeguarding best practice now expects that adults and children should change in separate places. For example, the Football Association's guidance reads "Where facilities are used by both adults and children at the same time there must access to separate changing, showering and toilet areas. Adult staff/volunteers must not change or shower at the same time as children and young people using the same facilities"

Sport England Design Guidance Note on Fitness and Exercise Spaces 2008 states Junior activities or youth gyms may require separate changing facilities, and consideration should also be given to the provision of additional unisex family changing.

The proposed introduction of a changing village means that children can change either on their own or with parents in their own cubicle. This immediately removes the risk of open changing and ensures that parents are responsible for their own children. A changing village requires more space that open changing and therefore increased space needs to be found in the building footprint to accommodate this.

Sport England Affordable Swimming Pools (ASA) recommendations for change and associated facilities in community swimming pools demonstrate that Hampton Pool is under provided with family/ group change

https://www.sportengland.org/media/4653/affordable-community-swimming-pools-r003-2012.pdf

Area m2	ASA 6-lane pool with additional pool	Hampton Pool current	Development
Single sex		97 single sex	128 single sex
Cubicle change	38		104 mixed changing village
Baby change/unisex accessible	24		
Accessible/family/ group change	30	6 include toilet	18
Toilets M&F	41		
Showers M&F	22	36 showers + toilets	73 showers and toilets
Accessible toilet	12		
Total change	205	139	323

B. DDA and social inclusivity

More inclusive and accessible changing

As well as addressing safeguarding concerns the introduction of cubicle change allows for a more inclusive service meaning that those with a mobility disability would be able to use the facilities more freely. Whilst the pool recognises that swimming for those with a disability is a great form of exercise and has poolside facilities to support this, the changing rooms are not fit for purpose for those in a wheelchair or with mobility issues. There is one disabled changing room however the

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

introduction of additional cubicle change and disabled changing facilities would increase the range of number of changing facilities for people with a disability and mobility issues.

At the same time Sports England advice is that "Accessibility needs careful consideration. Many people with disabilities regularly attend fitness gyms, and may be with carers or personal assistants of the opposite sex. It is therefore essential to provide individual unisex accessible changing rooms in addition to providing full access to the larger single sex changing rooms".

At the same time as providing more accessible change it is also important to focus on delivering more inclusive facilities. Not all people identify as 'male' or 'female' or feel happy using either 'male' or 'female' facilities. LGBTQ charity, Stonewall recognises the best practice where "schools are taking steps to provide 'gender neutral' facilities – irrespective of whether there are trans young people in school – to help create a more inclusive environment for everyone".

The introduction of Cubicle change at the pool would therefore allow for people to change in a safe, secure environment with no discrimination. Whilst retaining single sex change meets the needs of users without young families.

Evidence:

- Sport England Accessible Facilities

https://www.sportengland.org/facilities-planning/design-and-cost-guidance/accessible-facilities/

- The Disability Equality Act 2010
- The Equality Act 2010

DDA and gym and studio design

Currently the gym is cramped, machines difficult to access and certainly classes are becoming oversubscribed on a frequent basis. The machines are also not "accessible" for anybody with disabilities. The current gym is about 75sq metres has about 25 stations (work areas or machines) and was partitioned off the old female changing room back in the 1990s. It proved successful and was refurbished in 2007 to its current configuration. The gym has proved immensely popular with users, however, it is cramped and does not comply with latest Sports England recommendations for space per station and accessibility.

The new gym would be about 200sq metres and would be fully accessible and DDA compliant for all members of the community. Although physically this is over double the current size once the machines are laid out to the current recommended spacing of 5 sq metre per station as opposed to the current 2.7 sq metre per station there would only be a modest increase in stations from 25 to 40. This will provide a bigger variety of machines or empty floor space to future proof the facility and changes to exercise trends.

The studio (created by reducing the current gents changing room back in 2006), was created to expand the dry side offering and included Yoga, Pilates Spin, etc. However, at 43 Sq metres (which includes storage) it is very small and class sizes are limited to approximately 10 people. Sports England recommend the minimum size for a studio to be 112sqm to make it viable and cost effective

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

to operate. Classes at Hampton Pool are now often oversubscribed or crowded, with people being turned away.

The improved gym will enable existing customers to continue to enjoy exercising at Hampton Pool, a location of their choice, in less cramped conditions. It will also allow disable access which has previously been thwarted by the lack of space around the stations and the size of the studio.
The gym is also unique in pioneering 'Club 13 to 15' encouraging young people to stay exercising in a hard to reach age group. Currently 162 young people are members of this scheme, improved facilities are likely to increase usage from this age group. Also uniquely Hampton Pool is providing exercise classes for disabled to provide opportunities for social interaction which can be extended following the improvements to the facility.

Gym and Studio design recommendations for DDA compliance and minimum sizes

Areas and numbers	Recommended by sport England	Hampton Pool current	Development
Space per station to be DDA compliant	5m2	2.7m2	5m2
Minimum number of pieces of equipment	50 is common	25	40
Minimum size of studio	109m2	43m2	100m2
Minimum number of studios	2	1	2
Minimum gym size	(25) 100m2 to 200m2 is common	75m2	200/225m2

evidence:

- Sport England Fitness and Exercise Spaces design Guidance Note Updated 2008

https://www.sportengland.org/media/4203/fitness-and-exercise-spaces.pdf

- Sport England Affordable Sports Centres

https://www.sportengland.org/media/3632/asc25-main-document-march-2015.pdf

- Sport England combined wet and dry facilities

https://www.sportengland.org/facilities-planning/design-and-cost-guidance/combined-wet-and-dry-facilities/

- Sport England Case Study Forest Hill Pools London

https://www.sportengland.org/media/4510/case-study-forest-hill-pools-london-nov-2014.pdf

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

DDA and kitchen and café

The kitchen and café are not DDA compliant as there is a step down into the café and restricted access from all doors. There is limited space in the café and kitchen. The café is not accessible from the ground floor as there is no lift. After the development there will be lift access to the café the café areas will increase as below

Area m2	Hampton Pool	Development
kitchen	12	30
cafe	24	100
lift	0	18
Total	36	148

Evidence:

The Disability Equality Act

Larger Café and viewing platform
One of the key achievements of the services at the pool is the number of children and young people taught to swim. For nearly 2/3rds of the year over 1,000 children per week learn to swim, these children have parents who both want to watch the lessons Currently the café has indoor bar style seating for 6 with no view of the pool. Parents who wait often with younger siblings have no place to sit comfortably with a view of the lessons especially in inclement weather.

The introduction of a larger covered café and viewing platform as part of the café would give parents a safer, warmer platform to watch their children This is particularly important during the colder and wintery months as it means that more parents are likely to use the facilities as well as have a greater user experience when they do.

Sport England Affordable Swimming Pools ASA recommendations for Informal viewing, spectator seating areas

Area m2	ASA 6-lane pool with additional pool	Hampton Pool	After the development
Informal viewing spectator seating	75	24 (mainly servery area) seats 6	100 to seat 60
Total	75	24	100

Evidence: **Sport England Affordable Swimming Pools**

https://www.sportengland.org/media/4653/affordable-community-swimming-pools-r003-2012.pdf

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

c**. Health and Safety**

Hampton Pool is currently compliant with Tetra Health and Safety inspections apart from the car park and pool patio. The car park is being addressed by the development. The pool patio is being addressed through the annual maintenance budget.

i) **Car park**

The car park needs resurfacing as a minimum and traffic and pedestrian flows need to be improved. The aim is to rebuild the bed of the carpark and surface it with environmentally friendly materials. Traffic and pedestrian flows have been designed to provide solutions to the problems identified.

Evidence:

- Tetra H&S Report 2017.
- http://www.hse.gov.uk/workplacetransport/separating.htm#pedestrians

Ii) **Other health and safety issues being addressed by the development include:**

a **The step down on the sun deck**

The step down on the sun-deck roof has identified as a fall hazard and the risk mitigation is to paint a yellow line. The step down has an advantage as a viewing terrace used by spectators, especially at school galas. The development provides a solution to reduce/eliminate the risk and retain the advantage by widening the step and reducing its depth.

The **evidence** for this is to be found in accident reports, risk assessments and risk mitigation evidence.

b **The sundeck wall**

The sundeck wall and metal barrier are a problem with children climbing on the wall.. The wall and barrier will be replaced in the development with an architectural glass barrier

The **evidence** for this hazard is to be found in risk assessments and the risk mitigation of increasing the height of the metal barrier and notices prohibiting climbing on the wall

c **First Aid Room**

There is no first aid room and emergencies must be dealt with limited temporary screening or an office has to be vacated

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

Evidence:

Sport England Affordable Swimming Pools (ASA) recommendations for First Aid Room Area

https://www.sportengland.org/media/4653/affordable-community-swimming-pools-r003-2012.pdf

http://www.hse.gov.uk/firstaid/faqs.htm#first-aid-for-the-public

Area m2	ASA 6-lane pool with additional pool	Hampton Pool	Development
First Aid room	14	0	7
Total	14	0	7

e **Moving heavy goods to the first floor cafe**

A lift will help to avoid hazardous manual handling operations of deliveries to the cafe

Evidence: http://www.hse.gov.uk/msd/manualhandling.htm

d. Working Conditions

There is a need to improve the working conditions for staff, these requirements are not merely nice to have extras but are increasingly important to ensure we have a safe and healthy work environment for the increasing numbers of swim teachers and lifeguards as well as making sure that they are DDA compliant. swim teachers might spend several hours in the pool in the morning and then need to be back after lunch. At present they are required to change with the public including children (not recognised best practice) before then waiting in a public area for their next lesson. Lifeguards are on duty during inclement weather and their kit can get wet and they lose body heat. The introduction of a warm room means that they are able to get dry and warm before going back out of shift. Currently the sauna is used which is not the purpose it is intended for.

The staff room is a cramped 10 metres and does not provide adequate space for lifeguards to relax so that they can return to a duty that requires high levels of concentration and vigilance. It is not accessible by wheelchair.

The Managers office of 8sqm accommodates 4 desks plus storage and is not wheelchair friendly.

Sport England Affordable Community Swimming Pools (ASA) recommendations for reception and office space

Area m2	ASA 6-lane pool with additional pool	Hampton Pool	Development
Entrance lobby/reception	131	86	150
Office space	32	16	38
Total	163	102	188

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

Evidence:

Sport England Affordable Community Swimming Pools

https://www.sportengland.org/media/4653/affordable-community-swimming-pools-r003-2012.pdf

Hampton Pool staff facilities before and after the development

Area m2	Hampton Pool	Development
Staff room	10	20
Staff change + drying area		12
Total	10	32

Evidence: Massing and plans

e. sustainability

The current main pool plant – the filtration and fixed speed pumps – are old and inefficient, half installed in 1939 is nearly 80 years old , the 2nd half installed in 1959 is nearly 60 years old. Modern vertical sand filter filtration equipment will improve filtration and reduce water usage and at the same time improve water condition.

Modern variable speed pumps and digital control system will modulate flow rates according to bather load and requirements. The variable speed pumps are energy efficient and power savings will be made by operating the pumps at a reduced optimum speed.

The replacement of the current pool water heating system with new, energy efficient, condensing boiler technology and controls will reduce gas consumption.

The inclusion of UV water treatment will reduce the risk of Cryptosporidium bacteria and allow the pool to be operated at lower chlorine levels.

Base load electrical power usage will be provided by a CHP unit generating both electricity and providing secondary heat for the swimming pool water. Daytime energy usage will be augmented by the roof mounted Solar PV panels, with Grid power used as backup and night usage.

Hot water for showers will be augmented by roof mounted solarthermal/pv panels.

The new plantroom incorporates part of the existing plantroom footprint and is extended onto currently unused derelict land. This frees up prime poolside land for customer use and makes for more efficient use and better utilisation of the site. By creating a new footprint for the plantroom , the pool can maintain current operations whilst the new room is built and commissioned, with minimal downtime for changeover to the new plant equipment.

3. Evidence of the issues the new scheme is seeking to address (evidence of why they need to be addressed and how they have been addressed in the new scheme)

Evidence := Max Fordham report

CHP extract

Case	CHP Size, kW_{th}	Electricity generated used on site, %	Heating and hot water met by CHP, %	Carbon savings, %	Capital cost (approx)	Payback, years
A	100	50%	12%	0	£65,000	18-36
B	100	100%	12%	13%	£65,000	4-7
C	60	100%	6%	8%	£32,500	4-7
D	30	100%	4%	4%	£13,500	3-5

Appendix 6 – HPT Agreement

DATED 1st November 2000

SECRETARY OF STATE FOR CULTURE MEDIA AND SPORT (1)

HAMPTON POOL LIMITED (2)

-and-

LONDON BOROUGH OF RICHMOND UPON THAMES (3)

LICENCE

-to-

use land in Bushy Park for the purposes of a swimming bath and a car park

---

DAVITT JONES BOULD
15 The Crescent
Taunton Somerset TA1 4EB

C/01107/KMF

(12) Not to obstruct or interfere with the right of the Grantor his officers servants workmen or nominees at any time or times to enter upon the said land and to use it for any purpose not inconsistent with the Licence granted by Clause 1 hereof

(13) Not to use or permit or suffer the said land or any part thereof to be used for any purpose other than as a swimming pool with facilities ancillary thereto and in particular (but without prejudice to the generality of the foregoing):-

(i) the external areas of the said land may be used for swimming and other sporting and recreational activities ancillary to swimming including inter alia diving water play water polo aquarobics and for sun-bathing and picnics and ancillary car parking in the parking areas

(ii) the interior of the building forming part of the said land may be used for activities ancillary or incidental to the use of the said land as a swimming-pool including inter alia changing rooms shower rooms jacuzzi sauna crèche weights room and café but subject to sub-clause 13(iii) hereof

(iii) not to use or permit or suffer the said land or any part thereof to be used for leisure activities or sports activities other than ancillary or incidental to swimming

(iv) not to use or permit or suffer any vending machines pool-side advertisements games machines or the like to be located in any external part of the said land nor otherwise than as incidental to the use of the said land for a swimming pool

(v) not to use or permit or suffer the said land to be used for the playing of musical instruments or the operation of sound amplification equipment including inter-alia radios tape recorders or record players so as to be or grow to be the cause of any annoyance nuisance of disturbance to the owners or occupiers of any adjoining or neighbouring premises or so as to be audible within Bushy Park and to comply in all respects with the requirements of the Grantor or his duly authorised officer with regard to any measures to be taken to prevent the noise of amplified sounds disturbing the tranquillity of Bushy Park

(14) Within three months from the date of the termination of this Licence and at the cost of the Licensee to reinstate the said land as parkland forming part of the Bushy Park and the Licensee shall at their own cost within such period of three months as aforesaid remove all buildings structures and other erections (including fences drains manholes and paths) from the said land and restore the surface thereof to its former and level condition as aforesaid and reinstate any portions of the Park wall thereof taken down by the Licensee or previous Licensees of the said land and (unless otherwise agreed in writing by the Grantor) to make good in all respects to the reasonable satisfaction of the Grantor and at the expense of the Licensee Provided that where the Grantor has agreed that the said land is to be used for any purpose other than parkland following termination of this licence the Licensee shall only be required to undertake works necessary for the demolition of any buildings and structures

THE CORPORATE SEAL OF THE SECRETARY OF STATE FOR CULTURE MEDIA AND SPORT hereunto affixed is authenticated by:-

Authorised by the Secretary of State

THE COMMON SEAL of HAMPTON POOL LIMITED was hereunto affixed in the presence of:-

STUART N. LEAMY

ALAN JAMES JEWELL

THE COMMON SEAL of THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF RICHMOND UPON THAMES was hereunto affixed in the presence of:-

Authorised Officer

SEAL REG. No. 7886/2

Appendix 7 – Applicant's Cost Plan

Hampton Pools Refurbishment

Cost Check based on Schedule of Areas
issued by Wimshurst Pelleriti dated 02/08/2016

Cost checks are based on the updated scheme costs issued by Philip Uren & Co - 04/12/2015 and Cost check previously reported 11/02/2016

	£	£
Phase 1 - the development as proposed for planning is not currently phased; costs are for the full scheme only		--
Phase 2 - the development as proposed for planning is not currently phased; costs are for the full scheme only		--
Phase 3 / Full Scheme		**4,756,000.00**

NB: all costs are prepared on the same basis as the updated scheme costs reported 04/12/2015

Hampton Pools Refurbishment

Cost Check based on Schedule of Areas
issued by Wimshurst Pelleriti dated 02/08/2016

Cost checks are based on the updated scheme costs issued by Philip Uren & Co - 04/12/2015 and Cost check previously reported 11/02/2016

				£
	Phase 3 - Full scheme as proposed for planning			
1.00	**New Build**			
	Cost per m2 for scheme as at 04/12/2015	£ 2,350.28		
	Gross Internal Floor Area - as schedule of net internal areas issued 07/06/16 plus allowance to uprate to gross internal floor area	941 m2		
	Total cost - New Build			2,211,630.19
	Allowance for balance tank and chemical store not included in previous proposals			64,000.00
2.00	**Refurbishment Existing building**			
	Cost per m2 for scheme as at 04/12/2015	£1,000.00		
	Gross Internal Floor Area - as schedule of net internal areas issued 07/06/16 plus allowance to uprate to gross internal floor area	366 m2		
	Total cost - Refurbishment			366,165.00
3.00	**Mains services etc** for scheme as at 04/12/2015			722,300.00
4.00	**External works** As previous cost assessment - June 2016			162,000.00
	Current Construction Cost - 2015			3,526,095.19
	Allowance for changes in tender costs during the project development and construction programme *(allowed at 2%)*			70,500.00
	Anticipated Outturn Construction Cost - 2017			3,596,595.19
	Professional fees *(currently allowed at 14%)*			503,500.00
				4,100,095.19

Hampton Pools Refurbishment

Cost Check based on Schedule of Areas
issued by Wimshurst Pelleriti dated 02/08/2016

Cost checks are based on the updated scheme costs issued by Philip Uren & Co - 04/12/2015 and Cost check previously reported 11/02/2016

		£
Phase 3 - Full scheme as proposed for planning		
VAT at 16% *YMCA have reported that they are able to reclaim 20% of the total amount of VAT due to HMRC. The costs for VAT included in the estimate have been adjusted to 16% to reflect this*		656,000.00
Phase 3 - Full scheme as proposed for planning **Total Project Cost**	£	**4,756,000.00**

Hampton Pools

Feasibility Study / Order of Cost Estimate 01

Phase 01 - Plant Room

Cost Information for review / comment

Revision 02

Element costs

Philip Uren & Co

		Total £
	Phase 01 rev 02	
	Element Costs	
1.1	Substructures *(cost per m2 - floor area lowest floor)*	£201.39 m2
2.1	Frame *(cost per m2 gross internal floor area)*	£162.78 m2
2.2	Upper floors *(cost per m2 - floor area upper floors)*	N/A
2.3	Roof *(cost per m2 - roof area)*	£151.67 m2
2.4	Stairs and ramps *(cost per storey flight)*	N/A
2.5	External walls *(cost per m2 - external wall area)*	£106.67 m2
2.6	Windows and external doors *(cost per m2 - area of windows and external doors)*	£303.16 m2
2.7	Internal walls and partitions *(cost per m2 - area of internal walls)*	N/A
2.8	Internal doors *(cost per door)*	N/A
3.1	Wall finishes *(cost per m2 - area of finished walls)*	£12.00 m2
3.2	Floor finishes *(cost per m2 - area of finished floors)*	£19.46 m2
3.3	Ceiling finishes *(cost per m2 - area of finished ceilings)*	£19.46 m2

		Total £
	Phase 01 rev 02	
	Element Costs	
4.1	Fittings, furnishings and equipment *(cost per m2 - gross internal floor area)*	N/A
5.1	Sanitary installations *(cost per fitting)*	N/A
5.2	Services equipment *(cost per fitting)*	N/A
5.3	Disposal installations *(cost per m2 - gross internal floor area)*	£108.11 m2
5.4 -5.9	Services installations *(cost per m2 - gross internal floor area)*	£74.32 m2
5.10	Lift and conveyor installations	N/A
5.11 -5.13	Fire and lightning protection, communication security and control	Inc
5.14	Builders work in connection with services *(cost per m2 - gross internal floor area)*	Inc
6.0	Prefabricated buildings	N/A
7.1	Minor demolitions and alterations *(cost per m2 - area of demolitions)*	£19.46 m2
8.1	Site preparation *(cost per m2 - area of external works)*	N/A
8.2	Roads, paths and pavings *(cost per m2 - area of external works)*	N/A

		Total £
	Phase 01 rev 02	
	Element Costs	
8.3	Soft landscaping, planting and irrigation *(cost per m2 - area of external works)*	N/A
8.4	Fencing, railings and walls *(cost per m2 - area of external works)*	N/A
8.5	External fixtures *(cost per m2 - area of external works)*	N/A
8.6	External drainage *(cost per m2 - area of external works)*	N/A
8.7	External services *(cost per m2 - area of external works)*	N/A
8.8	Minor building works	N/A

Hampton Pools

Feasibility Study / Order of Cost Estimate 01

Phase 02 - Gym and Studio Building

Cost Information for review / comment

Revision 02

Element costs

Philip Uren & Co

		Total £
	Phase 02 rev 02	
	Element Costs	
1.1	Substructures *(cost per m2 - floor area lowest floor)*	£200.00 m2
2.1	Frame *(cost per m2 gross internal floor area)*	£140.44 m2
2.2	Upper floors *(cost per m2 - floor area upper floors)*	N/A
2.3	Roof including roof glazing *(cost per m2 - roof area)*	£233.43 m2
2.4	Stairs and ramps *(cost per storey flight)*	N/A
2.5	External walls *(cost per m2 - external wall area)*	£124.91 m2
2.6	Windows and external doors *(cost per m2 - area of windows and external doors)*	£1,458.82 m2
2.7	Internal walls and partitions *(cost per m2 - area of internal walls)*	£51.87 m2
2.8	Internal doors *(cost per door)*	£2,272.37 nr
3.1	Wall finishes *(cost per m2 - area of finished walls)*	£19.89 m2
3.2	Floor finishes *(cost per m2 - area of finished floors)*	£88.72 m2
3.3	Ceiling finishes *(cost per m2 - area of finished ceilings)*	£28.48 m2

		Total £
	Phase 02 rev 02	
	Element Costs	
4.1	Fittings, furnishings and equipment *(cost per m2 - gross internal floor area)*	£58.45 m2
5.1	Sanitary installations *(cost per fitting)*	£611.11 nr
5.2	Services equipment *(cost per fitting)*	N/A
5.3	Disposal installations *(cost per m2 - gross internal floor area)*	£23.17 m2
5.4 -5.9	Services installations *(cost per m2 - gross internal floor area)*	£399.50 m2
5.10	Lift and conveyor installations	N/A
5.11 -5.13	Fire and lightning protection, communication security and control	Inc
5.14	Builders work in connection with services *(cost per m2 - gross internal floor area)*	£3.48 m2
6.0	Prefabricated buildings	N/A
7.1	Minor demolitions and alterations *(cost per m2 - area of demolitions)*	£9.10 m2
8.1	Site preparation *(cost per m2 - area of external works)*	N/A
8.2	Roads, paths and pavings *(cost per m2 - area of external works)*	N/A

		Total £
	Phase 02 rev 02	
	Element Costs	
8.3	Soft landscaping, planting and irrigation *(cost per m2 - area of external works)*	N/A
8.4	Fencing, railings and walls *(cost per m2 - area of external works)*	N/A
8.5	External fixtures *(cost per m2 - area of external works)*	N/A
8.6	External drainage *(cost per m2 - area of external works)*	N/A
8.7	External services *(cost per m2 - area of external works)*	N/A
8.8	Minor building works	N/A

Hampton Pools

Feasibility Study / Order of Cost Estimate 01

Phase 03 - Changing, Reception and Café

Cost Information for review / comment

Revision 02

Element costs

Philip Uren & Co

		Total £
	Phase 03 rev 02	
	Element Costs	
1.1	Substructures *(cost per m2 - floor area lowest floor)*	£325.38 m2
2.1	Frame *(cost per m2 gross internal floor area)*	£140.46 m2
2.2	Upper floors *(cost per m2 - floor area upper floors)*	£65.70 m2
2.3	Roof *(cost per m2 - roof area)*	£152.64 m2
2.4	Stairs and ramps *(cost per storey flight)*	£6,000.00 nr
2.5	External walls *(cost per m2 - external wall area)*	£75.27 m2
2.6	Windows and external doors *(cost per m2 - area of windows and external doors)*	£780.97 m2
2.7	Internal walls and partitions *(cost per m2 - area of internal walls)*	£46.68 m2
2.8	Internal doors *(cost per door)*	£2,074.27 nr
3.1	Wall finishes *(cost per m2 - area of finished walls)*	£12.90 m2
3.2	Floor finishes *(cost per m2 - area of finished floors)*	£88.72 m2
3.3	Ceiling finishes *(cost per m2 - area of finished ceilings)*	£28.48 m2

		Total £
	Phase 03 rev 02	
	Element Costs	
4.1	Fittings, furnishings and equipment *(cost per m2 - gross internal floor area)*	£80.13 m2
5.1	Sanitary installations *(cost per fitting)*	£597.44 nr
5.2	Services equipment *(cost per fitting)*	N/A
5.3	Disposal installations *(cost per m2 - gross internal floor area)*	£26.88 m2
5.4 -5.9	Services installations *(cost per m2 - gross internal floor area)*	£290.00 m2
5.10	Lift and conveyor installations	£13,500.00 nr
5.11 -5.13	Fire and lightning protection, communication security and control	Inc
5.14	Builders work in connection with services *(cost per m2 - gross internal floor area)*	£7.39 m2
6.0	Prefabricated buildings	N/A
7.1	Minor demolitions and alterations *(cost per m2 - area of demolitions)*	£37.27 m2
8.1	Site preparation *(cost per m2 - area of external works)*	N/A
8.2	Roads, paths and pavings *(cost per m2 - area of external works)*	N/A

		Total £
	Phase 03 rev 02	
	Element Costs	
8.3	Soft landscaping, planting and irrigation *(cost per m2 - area of external works)*	N/A
8.4	Fencing, railings and walls *(cost per m2 - area of external works)*	N/A
8.5	External fixtures *(cost per m2 - area of external works)*	N/A
8.6	External drainage *(cost per m2 - area of external works)*	N/A
8.7	External services *(cost per m2 - area of external works)*	N/A
8.8	Minor building works	N/A

01 Tender price adjustment

01.01 Feasibility Study Costings were based on 2nd Quarter 2015 as Current Cost

01.02 All subsequent cost reviews, updates, revised costings, forecasts of changes in construction cost etc. were based upon this original assessment

01.03 Forecasts of future changes in construction costs were based upon cost indices issued by the RICS building cost information service (BCIS)

01.04 At the date the Feasibility Study Costings were prepared the BCIS tender price index was forecast to be 263.00

01.05 The current date is March 2019 - 1st Quarter 2019

The current BCIS forecast index for 1st Quarter 2019 is 322.00

01.06 Based upon these indices and using the standard BCIS calculation formula the percentage increase in Feasibility Study Costings from 2nd Quarter 2015 to the 1st Quarter 2019 will be: **22.43 %**

01.07 **NB**: this percentage increase should be applied to the costs stated as **"Current Construction Cost 2015"** and not to any subsequent updates or revisions

Appendix 8 - Appraisal Scenario 1

Scenario 1

ITEM				
1.0	**Income**			
1.1	**Year 0-1**			
	Annual income minus expenditure			-£39,030
	Monthly income minus expenditure			-£3,252.50
	Payback period	1.00 years		-£39,030
	No income received during works			
	Income minus expenditure for duration of works i.e. 12 months			**-£39,030**
1.2	**Year 1-15**			
	Annual income minus expenditure			£61,097
	Monthly income minus expenditure			£5,091
	Payback period	14.00 years		£855,358
	Commences overworks complete			
	Income minus expenditure over 15 year pay back period			**£855,358**
1.3	**Existing funds/ grant/loans - paid during construction period**			
1.31	Hampton Pool Existing Funds			£1,100,000
1.32	Grant total			£300,000
1.33	YMCA interest free loan total			£500,000
	Existing fund total			**£1,900,000**
TOTAL INCOME	**Income generated plus existing funds**			**£2,716,328**
2.0	**Construction costs**			
2.0.1	Build costs			£3,256,508.00
				£3,256,508
2.1	**Other costs**			
2.1.1	Contingency	5% of build costs		£162,825.40
				£162,825
TOTAL DEVELOPMENT COSTS				**£3,419,333**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]				**-£703,005**
3.00	**Finance Costs**	APR	PCM	
		2.50%	0.206%	-£503,268
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			-£3,922,601
SCHEME SURPLUS/DEFICIT	**[TOTAL INCOME - TOTAL COSTS [INCULDING INTEREST]]**			**-£1,206,273**

This appraisal has been prepared by AspinallVerdi on behalf of LB Richmond . The appraisal has been prepared in line with the RICS valuation guidance. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards) valuation and should not be relied upon as such.

Appendix 9 - Appraisal Scenario 2

Scenario 1

ITEM				
1.0	**Income**			
1.1	**Year 0-1**			
	Annual income minus expenditure			-£39,030
	Monthly income minus expenditure			-£3,252.50
	Payback period	1.00 years		-£39,030
	No income received during works			
	Income minus expenditure for duration of works i.e. 12 months			**-£39,030**
	Year 1-10			
1.2	**Annual income minus expenditure**			£131,969
	Monthly income minus expenditure			£10,997
	Payback period	14.00 years		£1,847,566
	Commences overworks complete			
	Income minus expenditure over 10 year pay back period			**£1,847,566**
1.3	**Existing funds/ grant/loans - paid during construction period**			
1.31	Hampton Pool Existing Funds			£1,100,000
1.32	Grant total			£300,000
1.33	YMCA interest free loan total			£500,000
	Existing fund total			**£1,900,000**
TOTAL INCOME	**Income generated plus existing funds**			**£3,708,536**
2.0	**Construction costs**			
2.0.1	Build costs			£4,290,055
				£4,290,055
2.1	**Other costs**			
2.1.1	Contingency	5% of build costs		£214,502.75
				£214,503
TOTAL DEVELOPMENT COSTS				**£4,504,558**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]				**-£796,022**
3.00	**Finance Costs**	APR	PCM	
		2.50%	0.206%	-£777,051
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			-£5,281,609
SCHEME SURPLUS/DEFICIT	**[TOTAL INCOME - TOTAL COSTS [INCULDING INTEREST]]**			**-£1,573,073**

This appraisal has been prepared by AspinallVerdi on behalf of LB Richmond . The appraisal has been prepared in line with the RICS valuation guidance. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards) valuation and should not be relied upon as such.

Appendix 10 - Appraisal Scenario 3

Scenario 3

ITEM				
1.0	**Income**			
1.1	**Year 0-1.5**			
	Annual income minus expenditure			£147,025
	Monthly income minus expenditure			£12,252.08
	Payback period Commences during works	1.50 years		£220,538
	Income minus expenditure for duration of works i.e. 18 months			**£220,538**
1.2	**Year 1.5-10** **Annual income minus expenditure**			£292,061
	Monthly income minus expenditure			£24,338
	Payback period Commences during works	13.50 years		£3,942,824
	Income minus expenditure month 19 until end of year 10			**£3,942,824**
1.3	**Existing funds/ grant/loans - paid during construction period**			
1.31	Hampton Pool Existing Funds			£1,100,000
1.32	Grant total			£300,000
1.33	YMCA interest free loan total			£500,000
	Existing fund total			**£1,900,000**
TOTAL INCOME	**Income generated plus existing funds**			**£6,063,361**
2.0	**Construction costs**			
2.0.1	Build costs			£5,150,845
				£5,150,845
2.1	**Other costs**			
2.1.1	Contingency	5% of build costs		£257,542
				£257,542
TOTAL DEVELOPMENT COSTS				**£5,408,387**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]				**£654,974**
3.00	**Finance Costs**			
		APR 2.50%	PCM 0.206%	-£650,127
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			-£6,058,514
SCHEME SURPLUS/DEFICIT	**[TOTAL INCOME - TOTAL COSTS [INCULDING INTEREST]]**			**£4,847**

This appraisal has been prepared by AspinallVerdi on behalf of LB Richmond . The appraisal has been prepared in line with the RICS valuation guidance. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards) valuation and should not be relied upon as such.