

## The Highland Council

3 September 2015

Agenda Item	10
Report No	HC/33/15

## Regional Sports Facility

## Joint Report by the Director of Care &amp; Learning and Director of Development &amp; Infrastructure

**Summary**

The purpose of this report is to present the findings of the feasibility study into the potential to create a Regional Sports Centre in the west of Inverness.

This report contributes to the *Highland First* commitment “Working with our partners we will progress the delivery of a regional sports facility for the Highlands in Inverness incorporating indoor cycling, tennis and athletics as part of our aim of promoting the Highlands as a great place to live, work and visit.”

**1. Background**

1.1 Approximately 10 years ago, **sportscotland** launched a funding programme for the development of Regional Sports Facilities. The principles behind the programme were as follows:

- i) to develop a small number of Regional Sports Facilities in strategic locations across Scotland, led primarily by willing Local Authorities;
- ii) to create facilities that would enable participants in a targeted range of sports to progress from participation level to a higher, performance level; and
- iii) to provide facilities focussed in their design, where each element of the building catered for the specific needs of the sport and its performers.

1.2 Seven regional facilities were created as a result of this first programme. **sportscotland** have now launched a second Regional Sports Facilities Programme and have approached The Highland Council with a view to exploring the potential for Inverness to be included within this round on the basis that sports participants in the Highlands typically have to travel large distances to benefit from access to performance level facilities.

1.3 At the request of the Council, HighLife Highland engaged the services of Porteous Leisure to undertake a feasibility study into the potential to create a Regional Sports Centre in the west of Inverness. The study considered the following aspects:

- i) The capital costs of the full project;
- ii) Potential sources of funding to meet the capital project cost;
- iii) An estimated revenue budget for the facility, outlining expenditure, income and the overall operating deficit / surplus;

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- iv) Potential usage patterns including the identification of clubs and groups who would use the facility;
- v) An investigation of potential sites, including the Torvean area, guided by the Council's Development and Infrastructure Service, with a recommendation on the favoured option;
- vi) The interests and requirements of key stakeholders, partners or sponsors of the facility, including potential links with Inverness Caledonian Thistle Football Club; and
- vii) An analysis of the costs, benefits and risks to The Highland Council in progressing with this project.

1.4 A copy of the full feasibility report is contained in **Appendix A**. Brian Porteous from Porteous Leisure will be present at Council to give a presentation to members, including some pictorial representations of the proposed facility.

## 2. Main Findings

2.1 The feasibility report concludes that the core sports facilities for the Regional Sports Centre should include indoor provision for athletics, gymnastics, judo and tennis, together with strength and conditioning facilities for multi-sport use.

2.2 In addition to the core indoor facilities, the study concludes that the preferred major flagship facility of a velodrome best meets the objectives of the Regional Sports Centre, potential site locations, and affordability, and offers a unique sporting proposition for the Highlands.

2.3 The Bught site option, adding to existing facilities at Inverness Leisure, offers best value in sporting and economic terms. This proposed location would also further expand the scale of the Bught area's existing sporting facilities, giving Inverness a co-located 'sporting hub' of truly significant scale in a Scottish context.

2.4 The estimated capital cost of the Regional Sports Centre at current prices would be circa £23.1M. Costs are based at current cost and inflation will be factored into the cost assumptions during the detailed design phase, and before a final decision is taken. Based on other regional facilities funding packages, funding of £5m-£7m from sportscotland may be possible. There may also be scope for funding from other national sports funding bodies e.g. the Lawn Tennis Association. Subject to members consideration and decision in relation to this report, formal approaches to potential funders would then be progressed.

2.5 The feasibility report suggests a base assumption that the facility would operate with a projected operating income of £757k per annum, and an operational deficit as a result of c£250k per annum which the Council would need to fund. Lifecycle maintenance and investment in the facility would be in addition to these stated figures, and any variance in facility costs or income from the base assumptions could increase or decrease the projected deficit.

2.6 While the feasibility does not propose incorporation of football facilities within the regional sports facility, the development of community football facilities would be a useful project to recommend to HIE as a consideration for the Inverness Campus site.

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2.8 There is a need to consider further how a National Shinty Centre could best be included in the concept of the Regional Sports Centre.

2.9 The Centre could be the home of the Highland Institute of Sport and the hub of a network of performance centres throughout the north of Scotland.

2.10 In addition to the sports for which dedicated facilities are proposed, performance athletes from a very wide range of additional sports would have access to the facilities and services within the Regional Centre.

2.11 The delivery of this regional sports facility has the potential to be transformational in a number of different ways. There is a significant benefit to enabling Highland athletes the opportunity to remain within the Highland area, for training and competitive purposes rather than having to travel outwith to access facilities.

In economic terms, it would be a major attraction for residents and visitors to the area. It could generate economic development by acting as a hub and attract users and events from outwith the Highland Area, with all of the associated spin-off benefits. The presence of such a facility also has the potential to tie in well with the growth sector of life sciences and to links to research activity at Inverness Campus. The opportunity to increase activity levels also ties in well with wider health improvement and active lifestyle aspirations of the Council and community planning partners. The facility also provides benefits beyond its sporting focus, also providing an indoor seated multi-use facility to cater for a wide range of events.

### 3. Next Steps

3.1 Based on the analysis within the feasibility report and the guidance of the Officer Group overseeing the project to date, it is proposed that, the Council proceed to the next stages in consideration of these developments in discussion with **sportscotland**, and with the intention of formalising funding applications.

3.2 To support formal funding approaches to Sportscotland, and other potential funders, and to formalise a business case for incorporation within the capital programme, the next stages of the project would include proceeding to the development of detailed design and costs.

3.3 As set out subsequently on the agenda for this meeting, an update is provided in relation to the City Deal, with the expectation that funding from that source is available to support the Regional Sports Facility project. It is expected that the Council would also be expected to make capital contribution to the project, with that being clarified as part of ongoing City Deal discussions. Provision of capital funding, and formal incorporation within the Council's capital programme, would be progressed following further clarity in relation to the City Deal and discussions with Scottish and UK Governments.

3.4 It is proposed that HighLife Highland be asked to continue as the Council's managing agent in leading the development of this project.

### 4. Implications

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- 4.1 Resources – the projected revenue and capital project costs are set out within this report and attached feasibility report. Costs at this stage are estimates, which may be subject to change following detailed design and costing. Formal approaches to potential funders would commence subject to approval at this meeting. The only financial commitment arising from this report is an estimated cost of £150,000 to progress the design and costing. This would be funded from a combination of funding sources including; approved City Deal feasibility funding supplemented by approaches to Inverness Common Good Fund, Sportscotland and Scottish Government for funding.
- 4.2 Legal – there are no legal implications to highlight at this stage.
- 4.3 Risk – there are risks to be managed around the capital costs, potential funding streams and revenue costs. Development of detailed designs and formal approaches to potential funders will provide greater certainty in relation to capital cost projections. Revenue costs should be reviewed and re-tested as the project progresses.
- 4.4 Equality – the proposal would provide access to top flight training and performance facilities for athletes with a disability as well as minimising the need for any higher level performer to travel to train and compete.
- 4.5 Climate Change/Carbon Clever - The proposal will promote and increase the uptake of sports, and reduce the amount of travel required for Highland sports users who currently have to travel outwith the Highland area to access similar facilities. The facility would be developed to meet appropriate modern environmental building standards.
- 4.6 Gaelic – there are no implications to highlight.
- 4.7 Rural – the facility would Act as a regional hub, providing access to users across the Highland Area (and beyond), and present opportunities to Highland sports clubs and groups to remain within Highland, rather than travel outwith to access facilities, as is the case at present.

**5. Recommendation**

- 5.1 It is recommended that Members:
1. Comment on and accept the findings of the feasibility study;
  2. Agree to develop the project to a detailed design and costing phase, at an estimated cost of £150k;
  3. Agree to formally approach Sportscotland for support;
  4. Agree that High Life Highland are asked to continue to act as the Council's agent in this project.
  5. Note that the Council will be asked to consider formal approval of the project within the capital programme, following further discussions with Scottish and UK Governments in relation to the City Deal.

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Designation: Director of Care and Learning  
Director of Development and Infrastructure

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# Highland Regional Sports Centre Feasibility Study

24 March 2015

**PORTEOUS LEISURE**

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## Executive Summary

The prospect of developing a **Regional Sports Centre** in Inverness meeting the needs of performance sport in the whole area of the north of Scotland has been a topic of discussion for nearly 10 years with a growing recognition of the fact that aspiring athletes based in the north suffer considerable disadvantages because they often have to leave the region to find the specialist facilities and support necessary to allow them to progress to the next levels in their defined sporting pathway.

National and regional provision is widely available elsewhere in Scotland especially in Edinburgh, Glasgow, Aberdeen, Stirling and Motherwell and plans are being developed for new regional facilities in Dundee. Previous opportunities to take advantage of **sportscotland** funding for regional facilities in Inverness have not been taken but the national agency for sport and the Scottish Government announced in 2014 a new round of regional facility funding grants and identified Inverness as a priority for consideration.

This feasibility study:

- Reviews the wide range of consultations that have taken place with sports
- Considers **sportscotland** priorities and the identified needs of relevant Scottish Governing Bodies of Sport
- Assesses two site options identified by The Highland Council and the facilities which might be included in a Regional Centre
- Identifies the relevance of a Highland Regional Centre in Inverness to the sporting needs and opportunities of the whole of the north of Scotland
- Reviews the capital costs and revenue business case
- Makes recommendations about the most appropriate provision

The study concludes that, subject to sufficient capital funding being available in addition to the support likely from **sportscotland**, there is an exciting opportunity to develop a unique Regional Centre in Inverness that will be the hub for performance sport throughout the Highlands and which could be a model for, and the envy of, many remote regions elsewhere in Europe. Above all, the Regional Centre will reduce the need for young sports people having to leave the area in order to take the next steps up the ladder to sporting success.

Having assessed the sports needs, the site opportunities and constraints and the capital and revenue projections, the study concludes that the best value option is to extend the existing Inverness Leisure facilities and to build a Regional Centre around a flagship facility of a 250m training velodrome. This provision when taken together and integrated with the existing facilities in the immediate area of the Bught will create a performance hub for sport throughout the north of Scotland and **a sports quarter** for Inverness the equal of any similar provision in Scotland, the UK as whole or in Europe.



# I Introduction

## I.1 Background

- I.1.1 Discussions have been taking place in Inverness for some years about the building of regional sports facilities to serve the north of Scotland. Initially these discussions focused on the Inverness Campus site linked to the possible future development of facilities for the University of the Highlands and Islands but the development of proposals for the building of the West Link Road has been a catalyst for The Highland Council (the Council) considering the possibility of adding specialist regional facilities to the existing provision in the West of the city.
- I.1.2 In 2014, **sportscotland** and the Scottish Government announced a further round of grants for regional sports facilities and indicated that the Highlands in general and Inverness in particular would be one of the priority areas they were considering for this type of investment.
- I.1.3 The primary purpose of regional facilities is to facilitate the performance development of athletes as they progress up the pathway in their sport. National and regional facilities have already been developed with previous **sportscotland** funding in other main centres of population including, Edinburgh, Glasgow, Stirling, Motherwell and Aberdeen and a regional centre is presently being planned in Dundee but so far, there are only very limited specialist regional facilities in the Highlands. **sportscotland** is presently developing the National Centre for Performance Sport with partners at Heriot Watt University in Edinburgh and redeveloping the National Sports Centre at Inverclyde in Largs specially to meet the needs of disability and Paralympic sport. While these developments are to be warmly welcomed, there is the danger for the north of Scotland and other remote areas, that they will exacerbate further the problem of young athletes being drawn at too early a stage away from their local communities unless appropriate regional provision is also improved.
- I.1.4 The provision of regional facilities in the Highlands, and especially in Inverness, the major Highland centre of population, is of special significance because the geographical separation from the present and planned facilities mainly in the Central Belt is a serious impediment and inconvenience to talented athletes from the north seeking to progress to national and international levels of competition. The building of dedicated regional facilities reflects Scottish Government policy more generally in terms of addressing the geographical separation and disadvantage of the north of Scotland.
- I.1.5 It is critical to understand also that included in the vision for this Regional Centre is a commitment to meet the needs of performance sport throughout the Highlands and not just in the immediate Inverness area. This will partly be delivered through athletes and coaches having the opportunity to travel to the centre relatively easily from across the area but additionally, because the Highland Institute of Sport will be based within the Centre. **sportscotland** has confirmed that, with investment in appropriate

connectivity, they see performance athletes throughout the north being actively supported in their own remote locations by online training sessions and other services coordinated and delivered from the Regional Centre.

- 1.1.6 This study therefore considers the feasibility of the development of a Regional Sports Centre in Inverness, appropriate to the needs of the whole of the north of Scotland and also in line with the priorities of **sportscotland** and relevant Scottish Governing Bodies of Sport.

## 1.2 The Brief and the Approach to the Study

- 1.2.1 The study has been coordinated by High Life Highland on behalf of The Highland Council and produced by Porteous Leisure and Faulkner Browns Architects. The work has been overseen by a Steering Group of senior officers from the Council, **sportscotland** and High Life Highland. The Steering Group was chaired by Ian Murray, Chief Executive of High Life Highland.

- 1.2.2 The brief for the study indicated that it should comment on the following:

- Capital Costs
- Sources of Funding
- Revenue Budgets
- Usage Patterns
- Potential sites
- Interests and requirements of key stakeholders
- Cost benefit analysis

- 1.2.3 As is described below, the brief was subsequently developed and reviewed in agreement with the Steering Group.

## 1.3 Key Objectives and Evaluation Criteria

- 1.3.1 Inverness is reasonably well provided for in terms of community access for most types of sport with good quality, modern and accessible school provision and the major Inverness Leisure facility meeting the community needs of many activities. Additionally, the Council plans to implement a strategic approach to sports pitch provision that will see the on-going needs of all pitch sports addressed over the next 5 years. For football in particular, this will mean a very large increase in synthetic pitch capacity. In addition, the area also already has a regional centre for the sport of football in the Highland Football Academy based in Inverness and Dingwall and the Inverness Leisure competition pool provides regional facilities for swimming.

- 1.3.2 It is important to describe the existing sporting infrastructure because a key objective for the development of a Regional Centre is to provide facilities which are presently **not available** in the area so as not simply to create displacement from other venues and which will allow athletes generally and in the selected sports to make progress up the pathway of sporting performance without, initially, the need to leave the Highlands.

- I.3.3 Regional sports facilities are primarily focused on performance rather than community access however, especially in relation to club development and activity, they do also provide an important community resource that will expand access directly and not least by freeing up other facilities like those in schools for community activities.
- I.3.4 The Steering Group agreed the key objective of the Regional Centre should be to provide facilities which are not presently available that will:
- **Enable Highland athletes to take the next performance steps without the need to travel south**
- I.3.5 In addition, the Steering Group agreed that the following additional contributions would be valuable:
- Filling gaps in the pathways in key sports
  - Providing specifically enhanced access for disabled athletes
  - Expanding community access directly and indirectly where relevant
  - Generating some economic impact from events
- I.3.6 Clearly, in addition to the assessment of the proposals against the above benefit criteria, developments have to be affordable in both capital and revenue terms and these aspects are considered below in the relevant chapters of this report.
- I.3.7 It is important to say at the outset of this report that the opportunity to develop further facilities in the West of Inverness gives the Council and its partners the chance to create one of the most exciting and integrated sports quarters in Europe which will deliver a major contribution to the sporting success of sportsmen and women throughout the north of Scotland for many decades to come. This is, in our opinion therefore, a once in a generation opportunity to raise significantly the national and international profile of the Highlands in competitive sport.

### I.4 Basic Concept of a Regional Centre for the Highlands

- I.4.1 The main objective of a regional centre in Inverness will be, as has been suggested above, to tackle some of the disadvantages faced by aspiring young athletes in the north because of their geographical separation from specialist facilities elsewhere in Scotland.
- I.4.2 The centre will provide specialist training facilities for identified sports for which new facilities are planned but it will also provide general training and support for performance athletes in sports already accommodated nearby to the proposed new facilities including rugby, swimming, hockey, ice sports and a range of sport hall based sports.
- I.4.3 It is vital to understand that a Highland Regional Centre will also be unique in that, in addition to providing support for athletes when they travel to Inverness, the Highland Institute of Sport to be based at the Centre will be at the hub of an integrated network of venues throughout the north of Scotland where, using modern connectivity, athletes will be able to be supported remotely in their local facilities. This provides an exciting and innovative approach very appropriate to the needs of the whole of the north of Scotland and could well be something that could be copied in other remote areas of Europe.

- 1.4.4 As has been explained above, the primary focus of regional provision is sports performance related but there are also major opportunities to increase participation directly in the facilities being proposed but also indirectly because the specialist facilities in the Centre will free up space in local community facilities.

## 2 What Sports?

### 2.1 Consultations

- 2.1.1 As has been indicated above, the possibility of building a Regional Centre in Inverness has been a matter being considered for some years and there have been a number of detailed consultation exercises carried out looking at the sports facility needs of the area. These have included a study for Highlands and Islands Enterprise (HIE) into the possible development of the centre on the Inverness Campus site that was carried out by Kit Campbell Associates with the final report being published in April 2013.
- 2.1.2 As a follow up to that report, Tumbery Consultants, Porteous Leisure and Faulkner Browns Architects carried out further work in relation to the Campus proposals during 2014 which included further consultations with key sports including football, judo, gymnastics and tennis. HIE has made the conclusions of this work available to this study.
- 2.1.3 In addition to these specific pieces of work directly focused on a possible regional centre, Porteous Leisure has also been carrying out consultations with all the pitch sports for the Council and High Life Highland in relation to the development of a strategic approach to sports pitches in Inverness and area which is also relevant to the context of this study.
- 2.1.4 Two specific pieces of work being done by individual sports have also been made available to this study. The first is the National Athletics Facilities Strategy produced in 2014 for Scottish Athletics and **sportscotland** by Porteous Leisure that included detailed consultations with that sport in the Highlands. The second is a feasibility study about a low cost velodrome in Inverness produced for HiVelo (The Highland Velodrome Trust) and Scottish Cycling by Alan Jones Associates and LDN Architects. This has also been made available to this study.
- 2.1.5 Finally, further discussions have also taken place with representatives of the Camanachd Association, Tennis Scotland, Judo Scotland, Inverness Caledonian Thistle and Scottish and Highland Disability Sport. **sportscotland** regional officers have also provided detailed background information on the sports being considered for inclusion.

### 2.2 Sports for Possible Inclusion in the Regional Centre

- 2.2.1 The brief for this study identified a range of possible sports facilities for inclusion in the Regional Centre from discussions with **sportscotland** together with other facilities identified locally, including a velodrome, a new canoe slalom course, mountain bike trails and a specialist hockey pitch. The Steering Group discussed the possible local additions and noted that the Council was already

planning to renew the Bught synthetic pitch with a hockey specific surface, that the needs of mountain biking would be met in the immediate area by the already planned development of a pump track and skills area being linked to local trails and that, given that the agreed priority was for indoor sports provision, the canoe slalom course would be hard to justify at this point especially when there appeared to be little use of the existing **sportscotland** funded course alongside the River Ness.

2.2.2 As been explained above, the study also had access to the work carried out on behalf of HIE looking at priorities for a regional centre and from that work, the Steering Group concluded that Judo facilities should be added to the priorities to be considered further because to the successful performance of local players in national and international competitions.

2.2.3 Therefore, having reviewed the initial brief, the range of previous consultations, the needs of the sports, the priorities of **sportscotland**, the resources likely to be available and the scope for development on the sites to be considered, the Steering Group agreed that, in addition to the general strength and conditioning facilities, the following sports should be considered for possible inclusion:

- Athletics
- Cycling
- Football
- Gymnastics
- Judo
- Shinty
- Tennis

2.2.4 We review each of these sports in turn below but it is important to note three further aspects of the sporting composition of the Regional Centre:

2.2.4.1 The first of these is to note that the performance facilities and especially the strength and conditioning facilities will be available to all performance athletes regardless of sport as has been mentioned.

2.2.4.2 The second is to note the existing sports that already have facilities in the west of Inverness and produce performance athletes. These include:

- Rugby and Highland Rugby Football Club will have its facilities greatly enhanced as part of the West Link Road development
- Rowing with the Caledonian Canal providing some of the best rowing waters in Scotland
- Hockey – the existing synthetic pitch at the Bught is to be upgraded with a hockey specific carpet
- Football which has part of the Highland Football Academy at nearby Charleston Academy
- Canoeing which has a canoe slalom course part funded by sportscotland alongside the River Ness

- Ice Sports in the ice rink
  - Taekwondo in the ice rink
  - Golf and a development facility in line with the Scottish Golf Facility Plan is to be created as part of the West Link development
  - Swimming which uses the existing pool facilities.
- 2.2.4.3 Thirdly, it is important to note that, while the facilities being considered will focus on a specialised primary sports use, there are other sports that will be able to benefit from access to the facilities being considered. These include the following:
- Cricket which will be able to use the indoor athletics provision for nets in the winter
  - The full range of martial arts sports which will use facilities for judo
  - Snowsports, where freestyle athletes will be able to use the gymnastics provision.
- 2.2.5 In terms of disability sport, the principle adopted throughout this report is that the sports in question will all be able to provide equal opportunities for people with disabilities and that performance athletes on Paralympic pathways will be equal priorities for the use of the Centre. However, it is important to note that quality indoor facilities is especially relevant to the needs of people with disabilities because of the convenience and accessibility they provide.
- 2.2.6 Highland Disability Sport has identified the importance of the strength and conditioning facilities that the Regional Centre will provide for Paralympic athletes on performance programmes or seeking to enter into these pathways. Presently the Highlands lacks appropriate strength and conditioning facilities and disabled athletes are having to travel as far as Loughborough in England to access suitable facilities and programmes.
- 2.2.7 Because of the range of activities that would be possible and the present range of Paralympic athletes in the Highlands, the cycling options would offer far more scope for increased participation and pathway development than the football options.

### 2.3 Athletics

- 2.3.1 The development of an indoor facility for athletics in Inverness serving the north of Scotland is a key proposal of the 2014 National Facility Strategy for Scottish Athletics developed jointly by Scottish Athletics and **sportscotland**. As part of the production of that strategy, the clubs throughout the area were consulted and confirmed the relevance and importance being able to access modern indoor provision without the need to travel to the Central Belt or to Aberdeen.
- 2.3.2 Indoor athletics facilities are presently available in Edinburgh, Aberdeen, Grangemouth, Dunfermline, Glasgow, Motherwell and Kilmarnock.
- 2.3.3 Progress in the sport, especially in sprints, jumps and throws is generally only possible if indoor winter training is available in specialist facilities. Presently Inverness Harriers and the other clubs in the north make the best use they can of sports hall provision in winter but this is far from ideal for athletes aspiring to higher levels of performance.

- 2.3.4 There is a local development plan in place for the north of Scotland, overseen by a Scottish Athletics Development Officer, which involves some 17 clubs with nearly 1500 members. The local development plans will be expanded to include the full utilisation of an indoor centre if one is built and Scottish Athletics will support this through the provision of training and development of coaches.
- 2.3.5 Scottish Athletics has confirmed that it would want to bring national outdoor athletics events to the Queens Park track in Inverness but they cannot do so presently because there is no suitable indoor warm up area available adjacent to the track. The provision of an indoor training area in this sport will therefore provide added value if it is built adjacent to the existing track by making it possible to attract national events to Inverness. Scottish Athletics has confirmed that they will not support any development that is not immediately adjacent to the existing track.

### 2.4 Cycling

- 2.4.1 The sport of cycling is one of the fastest growing activities in the UK at present driven by the outstanding competitive success of Scottish and British competitors and by the increasing interests in healthy lifestyle activities. Scottish Cycling has reviewed their National Facilities Strategy in 2014 and confirmed the importance of built cycling facilities (as opposed to roads, tracks and trials) to the access to the sport and the development of performance in the various disciplines. In particular, they have identified the need throughout Scotland for facilities for the local development of track cycling which act as feeders into the Sir Chris Hoy National Velodrome in Glasgow. Feeder facilities are presently only available in Dundee and Edinburgh and these are outdoor tracks with limited use in poor weather.
- 2.4.2 In this context, the Highland Velodrome Trust (HiVelo) in partnership with Scottish Cycling, commissioned and funded a feasibility study into the possible provision of a 'low cost' indoor training velodrome in Inverness. The study has been produced by LDN Architects and Alan Jones Associates and the findings have been made available for the purposes of this study.
- 2.4.3 The study concluded that a 200m training velodrome on a standalone site could be built for around £5m excluding VAT, site costs and fixtures and fittings and we return to the technical and business evaluation of this below.
- 2.4.4 To state the obvious, track cycling will not develop in the Highlands unless there is a dedicated facility available and, given the climate of the north of Scotland, an indoor facility has to be seen as essential. Existing membership of the cycling clubs in the Highlands is not a particularly useful indicator of the likely levels of use of an indoor velodrome because relatively few active cyclists are in membership of cycling clubs and many in the Highlands in particular are in disciplines like mountain biking which are very different from indoor track cycling. Experience of the Sir Chris Hoy Velodrome would suggest that, in addition to committed club cyclists, there is a completely new market to be accessed of those who want to try track cycling as a new and exciting indoor activity in its own right and if a track is available in Inverness, they will come.
- 2.4.5 The present formal club membership of the 22 clubs in the north of Scotland is of the order of 1100 in the British Cycling database and the membership continues to grow at a significant pace.

- 2.4.6 The HiVelo study concludes that there would be significant community use of an indoor velodrome and, of course, that it would provide a very unique resource and flagship facility for the Highlands. The critical question in relation to the inclusion of a velodrome in the Regional Centre is the extent to which this provision would address the disadvantages performance athletes and potential performance athletes face through being in the Highlands. At one level, that is an easy question to answer because no-one interested in track cycling in the Highlands has access to a track within easy travelling time and therefore the provision of this unique type of facility is certain to produce talented track racers in the same way the Meadowbank track in Edinburgh made it possible for Chris Hoy and others to make progress in the discipline.
- 2.4.7 We asked Scottish Cycling to identify clearly how they would see a velodrome in Inverness being used for purposes beyond community participation and they have confirmed that they would expect the following specific types of activity to be supported:
- The ability to attract young cyclists to track cycling who have entered the sport through other disciplines like road and mountain biking
  - The ability to support young cyclists who want to become competitive track cyclists without the immediate need to travel south
  - Talent transfer athletes who are based in the north who can be attracted from another sport like skiing or rowing
  - Being a base for local performance development athletes especially at U18 level there from all disciplines
  - Providing a base for local GB pathway athletes like David Smith, a para-cyclist based in Aviemore.

### **2.5 Football**

- 2.5.1 Football already has an important Regional Centre in the Highlands in the form of the Highland Football Academy in Dingwall and at Charleston Academy in Inverness. The proposal being considered is the development of a full-sized indoor football pitch.
- 2.5.2 Full size halls for football already exist in Motherwell, Aberdeen and Glasgow but experience suggests that they are used mainly for small-sided games with very little use of the pitch in the full size format. Equally, there is apparently very little use of these types of facility by professional clubs except in the most extreme of weather conditions with the clubs preferring to train outdoors.
- 2.5.3 Outdoor provision for football in Inverness is shortly to be improved greatly by the provision of two new synthetic pitches at Inverness Royal Academy, some football use of the proposed synthetic pitch at Canal Park and a possible development in the East of the city. Inverness Caledonian Thistle Youth Squads will be based at Inverness Royal Academy. Given this level of provision, we believe that the developmental needs are adequately met presently in the city and that there would be a considerable danger of the provision of an indoor pitch simply diluting the impact of the present and planned facilities with no major performance advantages to be obtained over those already provided by the existing regional centre.
- 2.5.4 It would make sense nonetheless for there to be strong practical links between the Highland Football Academy at both Dingwall and Charleston with the strength and conditioning facilities at the Regional Centre.



- 2.5.5 Because the full-sized indoor hall would be effectively a very expensive way of providing community 5 a side football, it cannot be seen to fit the criteria for the Regional Centre and the release of sports hall space elsewhere in Inverness by sports like gymnastics and athletics moving to the Regional Centre will, in effect, free up considerable capacity for indoor football in the city. The potential impact in terms of displacement has a significant impact to the business case.
- 2.5.6 Nonetheless, a half-size covered facility for football, would be an asset for Inverness which would further stimulate participation in the longer term and this could be a facility which might be included in the future development of the Campus site in partnership with Inverness Caledonian Thistle. This type of provision could be strengthened further by the provision of a further synthetic outdoor pitch and a grass pitch on that site. We believe that this is a project which should be considered further by HIE in discussion with Inverness Caledonian Thistle. An alternative proposal suggested by Inverness Caledonian Thistle is that they convert their present pitch at Caledonian Stadium to a 4G surface and that that pitch would be available for community use.

### 2.6 Gymnastics

- 2.6.1 The sport of Gymnastics is strong in the north of Scotland and the Highland plan is already in place.. There are 6 clubs in the Highland area with nearly 500 members.
- 2.6.2 Progress in gymnastics beyond the basic levels of activity and skill cannot really be achieved without the availability of specialised facilities for the sport. These should include foam filled pits so that young gymnasts in all disciplines can try more demanding routines safely. There is presently no pitted gym facility in the north and so it is very difficult for gymnasts to make progress to higher levels of performance.
- 2.6.3 The nearest specialist facility of this type is in Dundee and they are also available widely through the Central Belt. Because competitive gymnast mature early it is even more important for this sport to have quality performance facilities available locally in the Highlands.
- 2.6.4 Consultation with local representatives suggests that a specialist facility will be very heavily used throughout the year with demand coming from across the area. It is expected that a regional facility will complement rather than replace local feeder club provision.
- 2.6.5 Scottish Gymnastics have confirmed their commitment to supporting a Regional Centre.

### 2.7 Judo

- 2.7.1 Judo is an especially strong sport in the Inverness area with Highland Budokan Judo Club operating in Naim, Dingwall and at three school facilities in Inverness. Highland-based competitors have been Scottish and British champions and have competed in the Commonwealth Games.
- 2.7.2 The club produced a detailed business plan for their discussion in relation to the Inverness Campus that showed that the provision of a dedicated twin matted dojo would be strongly used throughout the year and draw participants from throughout the Highlands.

They suggested that it would also become an important venue for the training of coaches and for staging summer schools attracting judoka from throughout Scotland.

- 2.7.3 Presently the club has to use sports halls with a considerable amount of time being lost through the time taken to set down and remove mats.
- 2.7.4 Judo Scotland has confirmed that it would welcome and support a regional development centre in Inverness and work with the club and the regional centre to maximise the impact on the sport in the north. The nearest specialist facility for judo players is presently at the National Centre at Ratho on the outskirts of Edinburgh.

### **2.8 Shinty**

- 2.8.1 The sport of shinty is of course unique. It is Scotland's oldest indigenous game with its main heartland being in the Highlands. In comparison with other sports shinty does not have the same international competition opportunities and the performance structures and pathways are, in consequence, different. Nonetheless, we take the view that the uniqueness of the sport and its importance, especially in the Highlands, means that it is worthy of consideration for the Regional Centre.
- 2.8.2 The Association is headquartered in Inverness, employs eight staff and has an annual turnover of nearly £600k.
- 2.8.3 Shinty has undergone significant growth in recent years, particularly in Inverness and the wider Highland area, thanks to a strong network of local clubs and a clear pathway for participation from primary schools through to senior clubs, plus regional and international squads. The sport engages thousands of players across the Highlands and is attracting record crowds to key events that deliver significant profile and economic benefit to the city.
- 2.8.4 The sport is positioned to continue this growth under the new Strategic Plan for Shinty 2015 – 2017. Development of key facilities forms a critical part of the new plan and is central to providing the capacity required for further growth and the appropriate environment for player development.
- 2.8.5 The regional function for shinty would not primarily be one of supporting athletes to move on to further levels of competitive activity (except in relation to shinty/hurling competition) but rather to support and sustain the development of the sport through the training of participants, coaches and leaders.
- 2.8.6 The opportunity for shinty to be part of a Regional Centre in Inverness presents a vital opportunity for the sport at a local, regional and national level. The preferred surface for shinty remains grass but in 2009 the Camanachd Association (CA) also approved the use of 3G synthetic surfaces for training and match play. The sport makes regular use of local multi-purpose all-weather facilities for training but there are currently no full-size match play facilities in Scotland. Development of the country's first all-weather facility for shinty would provide the sport with a high quality and robust venue for intensive training and match play. It would be used by the local club for training and games, by the CA for regional and national squad development sessions and for various regional and

national youth tournaments. It would also provide a vital back-up match play facility for many clubs across the Highlands who remain dependent upon a local grass pitch that is vulnerable to regular postponements due to overuse and waterlogging.

2.8.7 The Association has two full-time development officers working out of Inverness who would work out of a national/regional centre.

### 2.9 Tennis

2.9.1 Tennis Scotland has been involved in discussions about an indoor regional centre in Inverness for some years and see the expansion of indoor provision beyond the Central Belt to be essential if young players in the north are to progress up the performance ladder. Presently, young players from the Highlands have to travel to the indoor facilities at Stirling University to progress.

2.9.2 Tennis Scotland has indicated that they will develop regional coaching and training structures around a regional indoor centre in Inverness and this will build on the strong club structure that already exists and throughout the north of Scotland.

2.9.3 Tennis has the largest schools programme of any sport in Inverness.

2.9.4 Unusually for a city of the size of Inverness, it has only one tennis club (with three outdoor floodlit courts) and further activity organised on the municipal eight courts at Bellfield Park. The use of Bellfield is limited because of a lack of floodlighting and weather. The proposed indoor provision is likely therefore to stimulate significant growth in the sport in the area.

2.9.5 Highland clubs have over 1000 members with further clubs in Moray that will also be attracted to play in an indoor centre in the winter and the Highland Tennis Development Group Action Plan is in place.

2.9.6 The nearest indoor courts are in Aberdeen.

2.9.7 The Lawn Tennis Association (LTA), of which Tennis Scotland is part, has traditionally provided funding of up to £1m towards indoor tennis centres. It is understood that the LTA is presently reviewing its grants programmes and that further information on new programmes is likely to be available at the end of 2015. Tennis Scotland has suggested that, at the present time, a maximum grant of £250k could be expected.

### 2.10 Steering Group Conclusions

2.10.1 Following further discussions with **sportscotland**, the Steering Group concluded that the core sports facilities for the Regional Centre should include indoor provision for the following together with strength and conditioning facilities for multi-sport use:

- Athletics
- Gymnastics
- Judo
- Tennis

- 2.10.2 It was agreed also that the preferred major flagship facility of a velodrome best met the objectives of the Regional Centre and offered something very unique for the Highlands, but that that feasibility of the velodrome in capital and revenue terms should be further tested in the study against a community indoor football hall.
- 2.10.3 Finally it was agreed to consider further how a National Shinty Centre could be included in the concept of the Regional Centre.

## 3 Which Sites?

### 3.1 Introduction

3.1.1 This study has been required to consider two possible sites. The first is the Torvean site which is presently a golf course and will be made available as part of the development of the West Link Road. The second site on the Bught is adjacent to the present Inverness Sports Centre and Aquadome on land that is presently a Council owned camping site. The key technical issues in respect of both site options are included in the attached **Architectural Feasibility Review (AFR)**. This section of the report seeks therefore to highlight only the key issues that need to be considered in respect of each site. The capital and revenue considerations of the respective sites are summarised in the chapters below.

### 3.2 Torvean

3.2.1 The Torvean site is a green field site that has been identified previously as a site for a sports pitches development known as the Sports Hub as part of the West Link Road project. As such, detailed advice has been given in respect planning and other related matters that could impact on development. Apart from a flooding risk on part of the site that can be avoided, there are no major difficulties envisaged on that site though a critical issue, especially in terms of the revenue business case, is the separation from the other facilities in the area.

3.2.2 In terms of the possible athletics provision. Scottish Athletics and **sportscotland** have indicated that they would not support provision of an indoor centre anywhere other than adjacent to the track at Queens Park. While it is technically a simple issue to build athletics facilities at Torvean and we have considered the possibilities of this in the detail of our report, the Torvean option may require the athletics facility to be separate and at the Bught significantly increasing the capital and revenue costs.

3.2.3 Finally, we understand that the Torvean site will only be available if the West Link Road development goes ahead.

### 3.3 Bught

3.3.1 The Bught site is a more complex development option because it involves building on to the existing Inverness Leisure centre on land that is presently occupied by a caravan site. We are advised that the present lease for the site ends in 2016 and consequently, there would appear to be no fundamental issues in that respect. The Council will want to consider whether it needs to replace this camping and caravan facility elsewhere in the City or its environs or whether it leaves this need to be met by private or voluntary sector providers.

3.3.2 If it is decided that a replacement facility is required, then one possible opportunity might be the expansion of the existing caravan facility at Torvean or by working in partnership with either the Camping and Caravanning Club or the Caravan Club in a joint

- venture like other local authorities have done in Scotland. We have not allowed any capital sum for the replacement of the camping site in the belief that the Council contribution to such a development might be the land being made available.
- 3.3.3 It is important to stress that, while detailed site information was available in respect of the Torvean site, no specific site investigation work was carried out in respect of the Bught site and this may be required at a subsequent stage to establish any site condition issues that might impact on costs. The Council has carried out a thorough search of all existing records and has found no significant technical obstacle to developing the site. The site has easy access to utilities. We have looked closely at the technical issues related to the linking of proposed new developments with the existing facilities and foresee no major challenges and very significant synergies.
- 3.3.4 The Bught site poses slightly more significant planning risks than the Torvean site and we have been advised that care would have to be taken in relation to both building mass and location on the site. This could be a particular issue in respect of the possible football hall that would be over 15m in height and, because of its size, close to the neighbouring housing. Also, we have noted the importance of the public open space on the Bught and believe that any developments should minimise any encroachment on to that valuable asset for Inverness.
- 3.3.5 In respect of the specific request from the Camanachd Association for an enclosed synthetic shinty pitch parallel to the existing stadium pitch near land presently enclosed as a temporary home for Inverness City Football Club. We understand that the football club will shortly be relocated but that the Council might be reluctant to consider re-enclosing land on the Bught following the departure of Inverness City. However, that might be balanced by the fact that a synthetic shinty pitch in that location would be of much wider community benefit for shinty and other pitch sports. If it proves impossible to consider the use of the parallel pitch or another area on the Bught, then the only practical option would be to make the main pitch a synthetic surface, a step of considerable significance to this traditional sport. Suggestions have been made that a synthetic pitch might be provided but not floodlit or enclosed. In relation to floodlighting, it only makes financial sense for this expensive type of provision if it can be used to its maximum capacity especially throughout the winter months and this requires floodlighting. The issue of enclosure of the pitch is likewise critical because the surface is easily damaged by inappropriate use and needs to be protected by fencing.
- 3.3.6 If it proves impossible to accommodate the synthetic pitch for shinty on the Bught then one further option could be to consider the extension of another synthetic pitch planned for the City. For the purposes of the costings in this report, we have assumed that the Shinty needs will be met directly in the options considered.
- 3.3.7 Traffic and access issues at the Bught are being reviewed in relation to the West Link developments and we believe this will give useful opportunity to review further parking and other issues in relation to the site. If the West Link does not proceed then we believe that it will still be important to review access and traffic arrangements in relation to the site to maximise the effect parking areas.

3.3.8 It is important to note that the Florians Theatre Group presently has the lease of a building within the proposed development site. If the indoor football option is chosen it will be necessary to remove this building. We have assumed for the purposes of this study that the Council will be able to find an alternative location for the Florians at no or little additional cost.

3.3.9 Finally, it is important to note the strength of the critical mass of sporting facilities in the Bught area beyond those being proposed for the new Regional Centre. The developments proposed for Highland Rugby Football Club as part of the West Link, the resurfacing of the present synthetic pitch with a hockey specific surface, the provision for curling in the Ice Rink, the canoe slalom course and the development of a skateboarding and cycle training facility are all important developments which will contribute to the overall impact of the Bught site for sport as is the Inverness Leisure facility itself.

### **3.4 Links with the University of the Highlands and Islands**

3.4.1 As was described in the introduction, there have been previous discussions about building a Regional Centre on the Inverness Campus site to the east of the city of Inverness. The brief for this study did not include further consideration of that site option but it is important to highlight one area of synergy that should not be lost by developments being focused in the west and that is the ability to link the focus on performance sport with potential academic developments in related areas.

3.4.2 We take the view that this is an important opportunity for sport and for the university and that the relatively small distances involved mean that developing the Regional Centre in the west of the city should not be an obstacle to future partnerships.

## 4 Capital Costs

### 4.1 Introduction

4.1.1 The Architectural Feasibility Review (AFR) produced by Faulkner Browns Architects contains the detailed analysis of the capital costs related to the facility options considered as part of the brief and to the two site options. In this section of the report we summarise the key issues related to the capital options.

### 4.2 Facilities Considered

4.2.1 The brief, together with the discussions of the Steering Group, allowed us to identify a refined and agreed set of proposals and to relate them to the two site options. Table One summarises the facilities considered in detail:

**Table One: Facility Components Considered**

<b>Core Facilities</b>	<b>Support Accommodation</b>	<b>Alternative Flagship Facilities</b>
Gymnastic Centre	Changing Rooms	Full size indoor football hall
Indoor Athletics Facility	Offices for the centre and for the Highland Institute of Sport and <b>sportscotland</b>	250m Indoor Velodrome
Indoor Tennis Courts X 4	Reception	
Judo Dojo	Café (Torvean Only)	
High Performance Strength and Conditioning Facility	Foyer	
Meeting Rooms X 2		<b>Additional Facilities for Shinty</b>
		Full sized synthetic Pitch
		Changing
		Offices for the Camanachd Association

4.2.2 As can be seen from the AFR, the core facilities are common to both site options but the area required for the support accommodation is significantly less in the Bught option because use can be made of some of the support accommodation in the existing Inverness Sports Centre and this reduces costs by around £1m.

4.2.3 In terms of the major flagship facilities, in the AFR and in this report, we have, as agreed, tested the capital and revenue consequences of the velodrome against a football hall and it is important to discuss both these facilities in some detail.



- 4.2.4 Firstly, while it would be possible to include both a velodrome and a football hall on the Torvean site, we have been advised that the capital budget required, well in excess of £35m, would be beyond the scope of any possible funding packages. Site limitations at the Bught mean that only one of these two alternatives could be considered. A range of factors needs to be considered in relation to the choice between football and cycling and the capital cost component is one of the most significant. In that respect, it is important to note that the key difference in capital terms between the football and cycling options is that the cycling option is substantially cheaper because the infield of the track and the undercroft provide a large amount of space into which other facilities can be placed thus reducing the footprint and overall cost of the building. This integration and the consequent reduction of the building footprint also has major advantages in planning terms especially in relation to the Bught site. Indeed, we believe that it would be extremely difficult to gain planning consent for the football hall on the Bught site.
- 4.2.5 As is explained above, HiVelo had proposed in their feasibility study building a 200m track. In a standalone facility, the cost rationale for that is clear however, in an integrated facility, the 200m track model simply provides very limited useable space for other facilities and, as is explained in the AFR, there are significant capital advantages in the 250m option because of the use of the large undercroft and the much larger infield.
- 4.2.6 Further consideration of the cycling and football options, including the revenue consequences and a restatement of the Steering Group's assessment of the value to the Regional Centre is given in our conclusions below.

**4.3 Table 2 Capital Cost Summary (From the AFR)**

		Torvean		Bught	
		Football	Cycling	Football	Cycling
<b>Core Building Cost</b>	Including Athletics, Gymnastics, Judo, Tennis and Strength and Conditioning	£15	£15	£13.4m	£13.4m
Indoor Football	9000sqm	£8.0m		£8.0m	
Indoor Velodrome	9000sqm		£8.0m		£8.0m
LESS 3000sqm for undercroft and 2500sqm for infield	5500sqm		-£4.95m		-£4.95m
<b>Building Total</b>		<b>£23m</b>	<b>£23m</b> <b>£18.05m</b>	<b>£21.4m</b>	<b>£21.3m</b> <b>£16.45m</b>
Cycle track allowance			£0.75m		£0.75m
Synthetic Shinty Pitch,		£0.7m	£0.7m	£0.7m	£0.7m
Shinty Changing		£0.5m	£0.5m	£0.25m	£0.25m
Shinty Offices		£0.25m	£0.25m	£0.25m	£0.25m
Car Park	allowance	£0.5m	£0.5m	£0.25m	£0.25m
Externals	allowance	£0.5m	£0.5m	£0.75m	£0.5m
Site Abnormals		tbc	tbc	tbc	tbc
<b>Sub-total</b>		<b>£25.45m</b>	<b>£26.2m</b> <b>£21.25m</b>	<b>£23.6m</b>	<b>£24.1m</b> <b>£19.15m</b>
Client Contingency	5%	£1.25m	£1.3m £1.05m	£1.2m	£1.2m £0.95m
<b>Construction Cost</b>		<b>£26.7m</b>	<b>£27.5m</b> <b>£22.3m</b>	<b>£24.8m</b>	<b>£25.3m</b> <b>£20.1m</b>
Project Fees	10%	£2.6m	£2.7m £2.2m	£2.5m	£2.5m £2.0m
FF&E	allowance	£1m	£1m	£1m	£1m
<b>Sub-total</b>		<b>£30.3m</b>	<b>£31.2m</b> <b>£25.5m</b>	<b>£28.3m</b>	<b>£28.8m</b> <b>£23.1m</b>
VAT		n/a	n/a	n/a	n/a
<b>Total Project Cost</b>		<b>£30.3m</b>	<b>£31.2m</b> <b>£25.5m</b>	<b>£28.3m</b>	<b>£28.8m</b> <b>£23.1m</b>

- 4.3.1 The detailed analysis of the capital projections is included in the AFR and requires only limited further comment here. The most important thing to note is the very significant capital cost advantage of the integration of other facilities into the velodrome models. As can be seen from the figures in red in the above table, the difference in practice means that the equivalent of more than the whole projected cost of £5m (HiVelo Study) for the free standing, low cost 200m velodrome is in effect saved by the building of a 250m velodrome and integrating other facilities into the infield and undercroft areas.
- 4.3.2 The second comment to make is that we have enhanced the FF&E allowance (Furniture, Fixtures and Equipment) to ensure that equipment appropriate to a regional centre is provided and that the technical connectivity required for this a facility to be relevant to the whole of the north of Scotland is achieved.

#### 4.4 External Funding Opportunities

- 4.4.1 We were asked to consider possible sources of capital funding which might reduce the capital cost of the facility to the Council. The first and most likely source will be **sportscotland**. The national agency has been directly involved in the development of this study and they have indicated that they see Inverness as a major priority for their regional facilities budget but they will not commit to any specific sum in advance of an application for grant being received but experience of their previous Regional Facilities funding packages would suggest that funding of the order of £5-7m may be possible.
- 4.4.2 We approached the Highland Council's European Funding officer who advised that the Council generally no longer used European funding to fund capital projects. While there could be some assistance towards revenue issues like training once the centre is open and some marginal opportunities in areas like the use of innovative green technologies, it can be assumed that this will not be a potential source of significant capital funding.
- 4.4.3 As has been explained above, the LTA through Tennis Scotland may provide funding towards the indoor tennis provision. While the sum may be larger once the LTA has reviewed its grant schemes later this year and all that can be assumed at this point is £250k.
- 4.4.4 In terms of major capital funding, none of the main charitable trusts is relevant for this project.
- 4.4.5 If the Council decides to proceed with the Bught option and the West Link Road proceeds as planned with the needs of the golf club and rugby club being met in the road project, it will not be necessary to build a further sports hub on the Torvean site. This could well give the Council the opportunity of a significant capital receipt from developments on the Torvean site that could go a considerable way towards offsetting the capital costs of the proposed facilities.

## 5 Revenue Business Case

### 5.1 Facility Income Projections

- 5.1.1 Income from each of the facility components is a product of the level of use and the prices charged for that use assessed over the whole year. For most of the facilities proposed, there are limited direct comparators in the Inverness area and consequently pricing information from the Aberdeen Sports Village and **sportscotland's** most recent digest on sports facility charges has been used.<sup>1</sup>
- 5.1.2 It is important to note that we have used a very conservative approach to the estimation of utilisation and income at this stage in advance of any detailed design work being carried out as we believe it is vital that the centre should not be expected to reach unrealistic targets especially in its early years. We have not, at this early stage, developed complicated package deals and discount structures for charging, keeping to a fairly simple model throughout. The income models have been reviewed in discussion with High Life Highland and Inverness Leisure senior officers.
- 5.1.3 A number of general assumptions have been made in the calculations in line broadly with the present Inverness Leisure management including the opening hours:
- **Opening hours are 6.30 to 23.00 Monday to Friday; 6.30 to 18.30 Saturday; 6.30 to 18.30 Sunday**
  - **Total opening hours per week 106**
- 5.1.4 The present centre does not operate a peak/off peak system and we have followed that practice. The centre does operate the Highlife Card which is available for individuals and families and while this will be used for access to some of the facilities proposed and provide some enhanced income levels, we have agreed with High Life Highland and Inverness Leisure that assessing the income on a sessional or pay to play basis will provide an accurate model for revenues at this stage of the feasibility process.
- 5.1.5 The following table shows the projected net direct income adjusted for concessions and seasonality for the various facility options described above (Figures in all tables exclude VAT):

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<sup>1</sup> sportscotland Research Digest 113: Charges for Sports Facilities 2014/15 (Dec 2014)

**Table 3: Income Projections (£) for the Facility Options**

<b>Component</b>	<b>Football Torvean</b>	<b>Cycling Torvean</b>	<b>Football Bught</b>	<b>Cycling Bught</b>
<b>Tennis</b>	<b>£167,014</b>	<b>£167,014</b>	<b>£167,014</b>	<b>£167,014</b>
<b>Athletics</b>	<b>£40,004</b>	<b>£40,004</b>	<b>£80,009</b>	<b>£80,009</b>
<b>Gymnastics</b>	<b>£96,342</b>	<b>£96,342</b>	<b>£96,342</b>	<b>£96,342</b>
<b>Football</b>	<b>£336,401</b>		<b>£336,401</b>	
<b>Judo</b>	<b>£88,877</b>	<b>£88,877</b>	<b>£88,877</b>	<b>£88,877</b>
<b>Meetings and Catering</b>	<b>£14,000</b>	<b>£14,000</b>	<b>£20,000</b>	<b>£20,000</b>
<b>S&amp;C</b>	<b>£11,700</b>	<b>£11,700</b>	<b>£11,700</b>	<b>£11,700</b>
<b>Cycling</b>		<b>£215,669</b>		<b>£215,669</b>
<b>Outdoor Pitch</b>	<b>£37,440</b>	<b>£63,440</b>	<b>£37,440</b>	<b>£63,440</b>
<b>Office lets</b>	<b>£30,000</b>	<b>£30,000</b>	<b>£30,000</b>	<b>£30,000</b>
<b>Events</b>	<b>0</b>	<b>£30,000</b>	<b>0</b>	<b>£30,000</b>
<b>TOTAL</b>	<b>£821,778</b>	<b>£757,046</b>	<b>£867,783</b>	<b>£803,051</b>

5.1.6 The key difference between the two sites in terms of the income projections is marginal and is mainly from the extra use that will be made of the athletics facility on the Bught adjacent to the present track. There is a difference of only c£65k in income between the football and cycling options but it needs to be borne in mind that the cycling options cost very significantly less in capital terms and, depending on the model chosen, for the same floor area also contributes income from other sports. Space for space comparisons suggest that the income from the floor areas cycling is much stronger. The non-sporting event income will be delivered by the cycling options only. Finally, the indoor football options reduce the potential revenue from the outdoor pitch planned for shinty and used by other sports and will have a significant impact on the revenue from other pitches being developed in the City especially at the adjacent Canal Park.

## 5.2 Facility Staffing Projections

5.2.1 Detailed staffing projections have been developed for the facility options in discussion with High Life Highland and Inverness Leisure and are consistent with the staffing levels at similar facilities elsewhere in Scotland. The projections for the staffing of the facilities options are shown in Table 4:

**Table 4: Staffing Projections**

STAFF	Gross Cost	Net Cost	CORE OPTION	CORE OPTION	CORE OPTION	CORE OPTION	PLUS	PLUS	PLUS	PLUS
			Numbers	Costs	Numbers	Costs	Velodrome	Velodrome	Football	Football
			TORVEAN	TORVEAN	BUGHT	BUGHT				
Manager	49,600	40,000	1	49600	0	0				
Duty/Asst. Managers	30,008	24,200	3	90024	1	30008				
Cleaners	18,724	15,100	4	74896	1	18724	1	18724	1	18724
Leisure Attendants	18,724	15,100	21	393204	4	74896	3	56172	3	82212
Duty Officer	27,404	22,100	3	82212	0	0				0
Receptionists	20,336	16,400	12	244032	3	61008				0
Catering Asst	18,724	15,100	6	112344	0	0				0
Coach	25,916	20,900	2	51832	2	51832	2	51832		0
Grounds staff	24,056	19,400	1	24056	0.5	12028			1	24056
Fitness for S&C	18,724	15,100	3	56172	2	37448				0
<b>TOTALS</b>			<b>56</b>	<b>1,178,372</b>	<b>13.5</b>	<b>285,944</b>	<b>6</b>	<b>126,728</b>	<b>5</b>	<b>124,992</b>
<b>TOTAL CORE</b>				<b>1,178,372</b>		<b>285,944</b>				
<b>TOTAL CORE plus Velodrome</b>				<b>1,305,100</b>		<b>412,672</b>				
<b>TOTAL CORE plus Football</b>				<b>1,303,364</b>		<b>410,936</b>				
Notes:										
Core includes: Tennis, dojo, gymnastics, S&C and athletics										
Coaching staff are added for gymnastics and cycling										
Extra grounds staff are added to include maintenance of specialist surfaces										

5.2.2 The key staffing difference between the Torvean and Bught options is of course because if the centre is built at Torvean, it will be a standalone venue and require its own management structures whereas, developed as an extension to the existing sports centre minimises the need for additional staffing.

### 5.3 Full Expenditure Projections

- 5.3.1 Table 5 provides a detailed analysis of the overall expected levels of expenditure for the facility options considered. It is important to note that detailed quantity surveyor and engineer inputs were beyond the scope of the present study and so costs like utilities are based on our knowledge of similar facilities elsewhere in country. We expect there to be further energy savings if the centre is integrated into the existing sports centre but these will only be possible to identify when a detailed engineering assessment is carried out.
- 5.3.2 Life cycle maintenance has to be included in any budget if **sportscotland** funding is to be sought. However, local authorities generally deal with life cycle issues from capital budgets and do not make provision in revenue budgets of their trusts. Lifecycle costs are included at 1.5% of the total capital value of the project although more detailed QS assessment will be required at a later point to project the actual life-cycle costs over a minimum 25-year period.
- 5.3.3 It is assumed that the operator of the facility will either be High Life Highland or Inverness Leisure both of whom are charitable trusts and eligible for 100% rates relief.

**TABLE FIVE: Expenditure Projections**

£	Football Torvean	Cycling Torvean	Football Bught	Cycling Bught	Comments
Staffing	1,303,364	1,305,100	410,936	412,672	See Table 4
Utilities	200,000	250,000	200,000	250,000	See AFR
Outdoor Pitch Lighting	10,000	10,000	10,000	10,000	Based on HLH experience
Supplies	221,572	221,867	69,859	70,154	1.7% of staffing costs
Planned Maintenance	151,500	125,000	140,000	115,000	0.5% of capital
3G Pitch Maintenance	40,000	20,000	40,000	20,000	Standard contract rates
ND Rates	0	0	0	0	Zero
Insurance	20,000	20,000	20,000	20,000	Allowance
Marketing	60,000	60,000	30,000	30,000	Allowance
<b>Total Excluding Lifecycle Maintenance</b>	2,006,436	2,011,967	920,795	927,826	
Lifecycle Maintenance	454,500	375,000	420,000	345,000	1.5% of capital
<b>Total Including Lifecycle Maintenance</b>	2,460,936	2,386,967	1,340,795	1,277,826	



- 5.3.4 In simple terms, the same facilities will cost of the order of **£1.1m per annum less to manage on the Bught site compared with the same facilities on the Torvean site** and this difference is because of the savings by simply extending the existing centre and using the staffing and management resources already funded.
- 5.3.5 This section summarises the revenue costs for the facilities but the Steering Group noted that Council will also have to consider the costs of the capital required for the development to establish the overall annual costs of the facilities. Generally the cost of capital is not charged to the revenue cost of a sports facility so we have not included these costs here.

## 5.4 Summary of the Income and Expenditure Projections

5.4.1 Table 6 shows the summary of the overall income and expenditure projections:

**TABLE SIX: Expenditure Projections**

£	Football Torvean	Cycling Torvean	Football Bught	Cycling Bught
Gross Expenditure	2,460,936	2,386,967	1,340,795	1,272,826
Less Projected Income	£821,778	£757,046	£867,783	£803,051
Less Lifecycle Costs	454,500	375,000	420,000	345,000
NET Surplus or deficit	-1,184,658	-1,254,921	-53,013	-124,776
Surplus or Deficit as a % of Expenditure	-59%	-62%	-6%	-13%

- 5.4.2 The levels of deficit for the standalone facility at Torvean are high in comparison with expected levels of subsidy for dry sports facilities elsewhere in Scotland. Because of the synergy benefits of building as an extension to the existing centre, the performance of the new facilities will far exceed its free-standing comparator and the levels of subsidy for the additional facilities are extremely reasonable.
- 5.4.3 Sensitivity analyses of both the income and expenditure are given in Appendix I showing the range of expected financial performance. We suggest that, excluding lifecycle costs and given the sensitivity analysis, it would prudent at this stage of evaluation to budget for up to £250k of subsidy excluding lifecycle costs and the cost of capital for the Bught options and up to £1.5m for the comparable options at Torvean.

5.5 **Potential Economic Impact**

5.5.1 A detailed economic impact assessment was beyond the scope of this study at this stage. However, by understanding the potential uses of the facility options, it is possible to identify which of the sports will bring direct and indirect economic impacts by bringing additional visitors to the area. These are summarised in Table 7 below.

**TABLE SEVEN: Potential Areas of Economic Impact**

	<b>Football Torvean</b>	<b>Cycling Torvean</b>	<b>Football Bught</b>	<b>Cycling Bught</b>
Athletics	No Impact	No Impact	Scottish Athletics have confirmed that they would hope to bring at least two national events to Inverness each year but this is only possible if the athletics facility is built adjacent to the present track. National Junior Championships, for example will attract approximately 1000 visitors from outwith the area for two days	As Bught Football
Cycling	N/A	The velodrome is conceived primarily as training venue and it will have some impact as it will attract participants from throughout the north of Scotland. Even with limited seating, the venue will attract competitors from outwith the immediate area to regional events.	N/A	As Torvean Cycling
Training Camps and Summer Schools	All sports consulted have indicated that they see a Regional Centre attracting training camps and summer schools particularly for those in the wider Highlands and Islands area.	As Torvean Football	As Torvean Football	As Torvean Football
Concerts and Conferences	No Impact	The velodrome option provides space for 2000-2500 seats in the infield which could accommodate major concerts and conferences larger than can currently be supported in Inverness.	No Impact	As Bught Cycling

## 6 Conclusions and Recommendations

### 6.1 Options Cost Benefit Appraisal

6.1.1 As was identified at the outset, the Steering Group established clear criteria against which the options could be assessed and the outcome of that appraisal exercise, relating capital and revenue costs to the potential benefits, is included below in Table 7.

**TABLE Seven: Multi-Criteria Options Appraisal**

		Football Torvean		Cycling Torvean		Football Bught		Cycling Bught	
Factor	Weighting	Rank	Weighted Score	Rank	Weighted Score	Rank	Weighted Score	Rank	Weighted Score
Capital Cost	10	4	40	2	20	3	30	1	10
Revenue Performance	10	3=	30	3=	30	1=	10	1=	10
Contribution to the main Regional Centre Criteria	10	4	40	2	20	3	30	1	10
Site Practicalities	5	2	10	1	5	4	20	3	15
Economic Impact Through Major Events	5	4	20	2=	10	2=	10	1	5
Potential to Increase Community Participation	5	4	20	2	10	3	15	1	5
Disability Sport	5	4	20	2	10	3	15	1	5
TOTAL			180		105		130		60
<b>FINAL RANKING</b>		<b>4</b>		<b>2</b>		<b>3</b>		<b>1</b>	

- 6.1.2 Clearly any ranking exercise of this type can be seen as being partially subjective but we believe that the best value solution and the one which will provide the greatest lasting benefit to the whole of the north of Scotland in the most cost effective way is to build adjacent to the existing sports facilities and to include an indoor velodrome as the flagship heart of the Regional Centre. This would establish a uniqueness in the whole development and one which would tie in closely with the Council's and the Scottish Government's ambition for Inverness being Scotland's Cycling City.
- 6.1.3 In terms of the basic site options, subject to further confirmation of the site conditions and planning constraints at the Bught, we see there only to be one choice as the opportunity to build on to the existing centre provides major capital and revenue savings and minimising the on-going revenue subsidy required. Equally, we have concluded that the athletics provision in particular can only really be provided at the Bught given the concerns of **sportscotland** and Scottish Athletics. The Bught site gives a hugely exciting opportunity for the integration of the performance aspects of a much wider range of sporting interests than would be possible even nearby at Torvean. **We conclude therefore that the Bught site option offers best value in sporting and economic terms.**
- 6.1.4 The second main question is the consideration of whether the flagship core facility should be football or cycling? Against the criteria set, and following detailed discussions with the Steering Group and **sportscotland**, it is clear that the facility that would best deliver genuine regional objectives is the indoor velodrome. **sportscotland** have considerable experience of how the other full-size football halls are functioning elsewhere in Scotland and have found that very little time is used in the full pitch setting and for performance development in football. The football halls are therefore very expensive facilities where the majority of play is in community small-sided games in Inverness will draw use away from the planned synthetic pitches.
- 6.1.5 Professional football clubs generally are making only limited use of the other full-sized facilities in Scotland because the preference is always to play out of doors when conditions allow. The Highland Football Academy already exists and while there should certainly be strong links developed with the Institute in the Regional Centre, we believe this can be achieved without displacing activity from the Dingwall or Charleston locations of the Academy. Nonetheless, we do think that the development of community football facilities would be a useful project to be considered by HIE for the Inverness Campus site.
- 6.1.6 In addition to the contribution to the Regional Centre objectives, the velodrome options offer much more effective opportunities for integration with other sports and the consequent major reduction of the overall capital cost of the building.
- 6.1.7 In terms of disability sport, especially for performance athletes, the cycling options will provide far greater support for existing performers and increased opportunities for the development of new disciplines.
- 6.1.8 The velodrome option offers considerable major non-sports events opportunities for seated audiences of up to 2,500 and standing audiences of 3,500.
- 6.1.9 One final consideration is the relative uniqueness of the velodrome proposition. There are many football halls around Scotland and the interest in one in Inverness will be mainly from the immediate Inverness community for community use. An indoor velodrome

would be a facility that is recognised both nationally and internationally and would identify Inverness and the whole area of the Highlands as a place with a major commitment to the sport of cycling.

6.1.10 **We conclude that cycling rather than football would provide the most appropriate facility for the Regional Centre and provide the best value in capital and revenue terms.**

### **6.2 Recommendation**

6.2.1 Based on our analysis above and the guidance of the Steering Committee, we recommend that, subject to possible capital funding identified, the Council proceed to the next stages in consideration of these developments in discussion with sportscotland.

6.2.2 The next stages would include proceeding to the next stage of design development (Royal Institute of British Architects Stage 3) and that further detailed consultation take place with the sports to be involved.

**Appendix 1 – Sensitivity Analysis (Expenditure excludes lifecycle costs)**

<b>Sensitivity Analysis Torvean Football</b>	<b>Variance</b>	<b>Operating Income</b>	<b>Staff Costs</b>	<b>Expenditure Ex Lifecycle</b>	<b>Deficit</b>	<b>Deficit as %</b>
Base Figures		821,778	1,303,364	2,006,436	-1,184,658	-59
Increased income	10%	903,956	1,303,364	2,006,436	-1,102,480	-55
Reduced income	10%	739,600	1,213,500	2,006,436	-1,266,836	-63
Increased expenditure	10%	821,778	1,303,364	2,207,079	-1,385,301	-63
Reduced expenditure	10%	821,778	1,303,364	1,805,792	-984,014	-54
Increased staff costs	10%	821,778	1,433,700	2,136,772	-1,314,994	-62
Reduced staff costs	10%	821,778	1,173,028	1,876,099	-1,054,321	-56

<b>Sensitivity Analysis Torvean Cycling</b>	<b>Variance</b>	<b>Operating Income</b>	<b>Staff Costs</b>	<b>Expenditure Ex Lifecycle</b>	<b>Deficit</b>	<b>Deficit as %</b>
Base Figures		757,046	1,305,100	2,011,967	-1,254,921	-62
Increased income	10%	832,751	1,305,100	2,011,967	-1,179,216	-59
Reduced income	10%	681,342	1,305,100	2,011,967	-1,330,625	-66
Increased expenditure	10%	757,046	1,305,100	2,213,164	-1,456,118	-66
Reduced expenditure	10%	757,046	1,305,100	1,810,770	-1,053,724	-58
Increased staff costs	10%	757,046	1,435,610	2,142,477	-1,385,431	-65
Reduced staff costs	10%	757,046	1,174,590	1,881,457	-1,124,411	-60

<b>Sensitivity Analysis Bught Football</b>	Variance	Operating Income	Staff Costs	Expenditure Ex Lifecycle	Deficit	Deficit as %
Base Figures		867,783	410,936	920,795	-53,013	-6
Increased income	10%	954,561	410,936	920,795	33,766	4
Reduced income	10%	781,004	410,936	920,795	-139,791	-15
Increased expenditure	10%	867,783	410,936	1,012,875	-145,092	-14
Reduced expenditure	10%	867,783	410,936	828,716	39,067	5
Increased staff costs	10%	867,783	452,030	965,998	-98,216	-10
Reduced staff costs	10%	867,783	369,842	879,702	-11,919	-1

<b>Sensitivity Analysis Bught Cycling</b>	Variance	Operating Income	Staff Costs	Expenditure Ex Lifecycle	Deficit	Deficit as %
Base Figures		803,051	412,672	927,826	-124,776	-13
Increased income	10%	883,356	412,672	927,826	-44,471	-5
Reduced income	10%	722,746	412,672	927,826	-205,081	-22
Increased expenditure	10%	803,051	412,672	1,020,609	-217,558	-21
Reduced expenditure	10%	803,051	412,672	835,044	-31,993	-4
Increased staff costs	10%	803,051	453,939	969,093	-166,043	-17
Reduced staff costs	10%	803,051	371,405	886,559	-83,508	-9