

FBC – Capital Bid 2019/2020

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Scheme Title: Fairhaven Adventure Golf

Description of Scheme: During the development of the Fairhaven Heritage Lottery Fund project, an opportunity has been identified to create a high quality Adventure Golf course to enhance and support the overall restoration works. This project was first identified as a potential income generating opportunity in response to the 'invest to save' initiative in 2018. The project received 'in principal' support from the senior management team in Spring 2018, on the basis that the facility would provide a positive return on the capital investment and would be delivered in conjunction with a successful Heritage Lottery Fund application.

An initial overview was prepared by officers in the Parks, Leisure and Cultural services team to inform the Budget Working Group in July 2018 but was subject to viability assessment and more detailed costings as well as being conditional on a successful lottery bid application. The Budget Working Group provided 'in principal support' to work up further details including a viability assessment of the scheme prior to presentation to the committee for consideration. As a result a specialist designer was appointed to prepare a concept design, capital cost plan and an outline 'Return on Investment' model to inform a full capital bid to be submitted to the relevant committee subject to the lottery bid application being successful.

HM Adventure Golf Ltd, who are one of the nation's market leaders in Adventure Golf Course design were commissioned to undertake the conceptual design of a 18 hole Adventure Golf course at Fairhaven Lake including capital costs and a detailed business plan, based on a design brief.

The brief included the following key elements:

- Course to be designed 'sensitively' into the surrounding landscape and fit sympathetically with the themes of the proposed park restoration works
- Course to provide a balance between being fun and challenging to suit casual and more 'advanced' players
- The inclusion of local landmarks as course obstacles to promote Fylde tourist and heritage sites and landmarks
- Incorporate facilities which could house a food and beverage offer and viewing area
- Incorporate water feature as an interpretation of Fairhaven Lake
- Look at the possibility of introducing signature holes from local links courses

HM Adventure produced an initial draft design and met with the project officer to discuss the various elements of the scheme and to make adjustments based on feedback provided from officers and heritage lottery stakeholders. A second draft of the design was produced which forms the basis of this capital bid. The general arrangement drawing showing the entire plan layout of the course is contained at Appendix B.

The design pack prepared by HM Adventure Golf also included specific cross sections of 3 separate hole designs, typical details of the kiosk construction, rendered 3d images of the course and a short 3d walkthrough video; a link to which can be found here [HM Adventure Golf Video](#).

The proposed Adventure Golf Course is an integral part of the Fairhaven masterplan that has been agreed with the Heritage Lottery Fund, Fylde Council, stakeholders and the Fairhaven HLF Project Board. The HLF are fully aware of the proposal and are support this facility given that it is consistent with Fairhaven having an historic link to golf, and this facility would replace the existing, out dated, crazy golf course which will be removed as part of the 'core' heritage lottery works.

Capital Cost Plan

The concept design, shown in this report is estimated at a capital cost of **£505,000**, which includes a fully detailed final design, detailed specification, full construction and project delivery, inflation allowance, contractor's preliminaries, and contingency. Emphasis has been put on quality and the capital figure represents what is considered the 'optimum' course design for the proposed footprint and will provide the best return on the investment.

Capital cost plan

Element	Description	Cost
Hole Construction	Includes groundworks, artificial turf, bunkers, obstacles, edging	£183,442
Themed Items	Carved boulders, Lytham Hall, Windmill, Fire Station, Water feature	£88,000
Kiosk	Including area for food & beverage service, equipment distribution and decked seating area	£34,228
Mechanical and Electrical Installation	Post lamps, ducting for ambient sound and sound installation	£31,920
Landscaping and Fencing	Allowance for soft landscaping and fencing across the proposed plan	£35,064
General works	Site Preparation, External Works, Paving and Drainage generally to site	£66,138
Fees, Preliminaries, Inflation and Contingency		£66,000
Total		*£505,000

***Rounded to the nearest £1,000.**

Outputs (i.e. details of what the investment will specifically deliver):

- New outdoor leisure facility
- 18 hole high quality adventure golf course
- New landscape feature
- Timber kiosk for ticket sales and outlet for limited food and beverage offer
- Raised deck viewing area

Outcomes (i.e. details of the broader benefits achieved by the investment, for example community or environmental benefit, health and safety compliance, or statutory obligations):

- Estimated revenue surplus of approximately £50,000 per annum
- A new high quality visitor attraction to be enjoyed by all ages, families, visitors and residents
- Wider tourism benefits
- Increased efficiency of resources at Fairhaven – flexible seasonal staffing resource

Contribution to corporate objectives (i.e. how does the project achieve or help deliver priorities within the corporate plan):

- Contributes to the Corporate Plan 2016 Priority: A Great Place to Visit:
“Revisit the strategy for the development of Fairhaven Lake”
- Contributes to the Corporate Plan 2016 Priority: A Great Place to Live:
“Deliver activities for all age groups”
- Contributes to the Corporate Plan 2016 Priority: Value For Money:
“Explore and initiate new income streams”

Budget Resource Requirements

Breakdown of initial capital costs and future revenue implications

Estimated Total Capital costs of bid: £505,000

Annual **additional Revenue costs** arising from the bid: The Adventure Golf course is estimated to deliver an annual revenue surplus of approximately £50,000 by its third financial year of operation.

The annual income and expenditure estimates can be found in the below summary table

Annual Expenditure

Element	Cost
Direct Costs	£41,119
Running Costs	£16,980
Indirect Costs / Internal Re-charges allowance	£33,000
Total	£91,099

Best Case Scenario Annual Income

Time Period	Income
Out of season (28 out of 40 weeks)	£119,701
Peak Season (12 weeks)	£105,659
(30,000 visitors @ £7.50 per round)	
Total	£225,000

Worst Case Scenario Annual Income

Time Period	Income
Out of season (28 out of 40 weeks)	£60,816
Peak Season (12 weeks)	£81,216
(23,672 visitors @ £6.00 per round)	
Total	£142,032

Return on Investment Summary

Capital Investment	£505,000
Annual Expenditure	£91,099
Best Case Scenario Annual Income	£225,000
Worst Case Scenario Annual Income	£142,032
Best Case Annual Surplus	£133,901
Worst Case Annual Surplus	£50,933
Best Case Return on Investment	3.8 Years
Worst Case Return on Investment	9.9 years

Value and phasing of bid:

2019/20	2020/21	2021/22	2022/23	Additional capital investment required (i.e. the value of the bid)
£454,500	£50,500	Nil	Nil	

Existing resources in the Capital Programme relating to this scheme:

2018/19	2019/20	2020/21	2021/22	Existing capital resources in the approved Capital Programme
Nil	Nil	Nil	Nil	

Estimated timescales for the bid:

Start Date : July 2019	Completion Date: April 2020
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Project Risks (outline any risks to delivery of the project and how these will be mitigated)

Risk	Impact	Mitigating Action
➤ Cost overruns	High Impact	<p>A number of actions will be put in place to mitigate cost overruns as follows:</p> <ul style="list-style-type: none"> - The procurement route will be a design and build which will allocate design development risk onto the contractor. - A detailed brief and specification will be prepared to outline exactly what the requirements are for the contractor to deliver to within the budget allocated.
Programme delays	Medium Impact	<p>The Project Officer will be based full-time at Fairhaven to monitor the agreed programme and take corrective action should delays occur.</p> <p>Liquidated ascertained damages will be pre-determined and specified within the contract.</p>
Ensuring Quality	High Impact	<p>The Project Officer will monitor quality and notify defects where necessary in accordance with the contract and instruct any necessary rectification works.</p> <p>The Contract will include a robust retention amount applicable which will ensure they return to rectify defects swiftly and effectively.</p>