

DACORUM BOROUGH COUNCIL

**TOWN STADIUM COMPLEX AT HEMEL HEMPSTEAD
FEASIBILITY STUDY**



**A
FINAL REPORT
BY
THE PMP TEAM**

JUNE 2009

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SECTION 1

INTRODUCTION

Introduction

Background

- 1.1 PMP was appointed by Dacorum Borough Council ('the Council') in November 2008 to investigate the feasibility of a potential Town Stadium Complex for Hemel Hempstead. PMP led a team also including DTZ (property and commercial advisors) and SportConcepts (stadium architects) in undertaking this study.
- 1.2 The Council feels that a new stadium would have the potential to provide a focus for Hemel Hempstead's main sporting aspirations and help to engender pride in a town which will be expanded to around 100,000 people by 2031.
- 1.3 The East of England Plan projects that Dacorum will grow by approximately 17,000 dwellings between 2006 and 2031, with the majority focused around Hemel Hempstead. The subsequent population increase is likely to put further strain on the sporting facilities across the town and Borough.
- 1.4 The Council is keen to ensure an adequate level of sports facility provision to meet the expected needs of the growing population, and to alleviate some of the pressures on existing leisure sites. As such, the Council wishes to investigate the role that a stadium complex could play in this future provision of sport and leisure facilities.
- 1.5 The town does not currently have a stadium per se, although there are several clubs (both football and rugby) with their own grounds, and several of these clubs have potential aspirations to ultimately progress to professionalism and higher league status. In particular, Hemel Hempstead Town Football Club (HHTFC) is seeking to relocate and has expressed ambitions to develop a new stadium, although these have not been realised so far.
- 1.6 The Deposit Draft Dacorum Borough Local Plan (October 1998) included a proposal at the former Lucas Sports Ground, Breakspear Way, Hemel Hempstead to deliver:

“public/private outdoor sports use with spectator and ancillary social and community facilities [with the] site to be reserved for long term relocation of spectator sports facilities based around a town stadium”.
- 1.7 In the absence of a feasibility study, and given other competing demands, the proposal was not progressed. Although the Council has since commissioned a number of studies to inform its sport and leisure facility provision, they have not directly addressed the aspiration for a town stadium. This aspiration remains, particularly given the future expansion of Hemel Hempstead and the potential to secure a sporting legacy following the 2012 Olympics.
- 1.8 This study will inform the development of the Council's Local Development Framework, including:
 - the Core Strategy
 - the Site Allocations Development Plan Document
 - East Hemel Hempstead Area Action Plan (a joint plan with St. Albans City and District Council).

Report structure

1.9 The report is structured as follows:

- Section 2 introduces the study's context, establishing need and identifying potential tenant clubs and the current provision of leisure facilities in Dacorum
- Section 3 investigates the stadium/playing area strand of the study, looking at the requirements of tenant clubs and their interest in moving to a new town stadium
- Section 4 presents the stadium/playing area strand of the study and projects demand for community leisure facilities to satisfy current, and potential future, demand
- Section 5 sets out the project vision, as determined by the Council and key stakeholders in a facilitated workshop session with the consultant team based on the research undertaken, and establishes the facility mix options to help meet the project vision, and provides indicative capital costs benchmarked on a £/sq m or £/seat basis
- Section 6 builds upon the results of consultation and the analysis of the strategic case to present a high level review of site options
- Section 7 provides an outline indication of the project's affordability and deliverability, based on a review of enabling opportunities and other funding sources, and the development of headline business plans to inform revenue sustainability assumptions
- Section 8 summarises whether the project merits further investigation by the Council, and sets out the key next steps.

SECTION 2

SETTING THE CONTEXT

Setting the context

Introduction

- 2.1 This section of the report provides a strategic review of demographic data, project background, and key documents whose findings, recommendations and policies impact upon the potential delivery of a Town Stadium Complex for Hemel Hempstead.
- 2.2 This information sets the contextual background for the project and informs the ultimate feasibility of a stadium project.

Hemel Hempstead and Dacorum

- 2.3 Dacorum is a mixture of urban and rural communities, and has over 138,000 residents. Dacorum has the highest population of all Hertfordshire's districts (Office of National Statistics 2006). 15.6% of residents are aged 65 or more and 18.6% are under 15. The Borough contains above national average numbers of those in the 0-14 and 25-44 year age groups.
- 2.4 Hemel Hempstead was one of the first new towns which brought rapid growth to the area. There are excellent transport links via the motorway and railway network and Luton Airport is within easy reach.
- 2.5 Based on current trends the population is forecast to increase by between 8,900 and 10,300 people by 2021. This figure is expected to increase as more homes are built over the next few years (Dacorum Sustainable Community Strategy). c.10,000 new homes are expected to be delivered in and around Hemel Hempstead, of the c.17,000 total new homes for Dacorum.

The clubs

- 2.6 The Council's original brief identified HHTFC as potential anchor tenants of a new stadium development, believing that the town's projected increased population and the club's aspirations could combine to sustain a team at Football League level. There are a number of other football clubs and rugby clubs (both union and league) who could also potentially have an interest in being tenants. These clubs are briefly introduced in turn below.

Hemel Hempstead Town FC (HHTFC)

- 2.7 HHTFC currently play in Southern Football League Premier Division (as of season 2008/9). This is Step 7 of the football structure/hierarchy in England, beneath Blue Square South (Step 6) and Blue Square Premier (Step 5 – the old Football Conference).
- 2.8 HHTFC is therefore at least three successive promotions away from Coca-Cola League 2 (the Football League proper). The club finished in seventh place in the Southern Football League Premier Division in 2007/8. As of the end of February 2009 HHTFC was in a playoff promotion position with c.10 league games remaining.
- 2.9 HHTFC currently play at Vauxhall Road, their home since 1973. Average attendance for 2007/8 was 185, with a season high attendance of 323 (source: www.southern-football-league.co.uk/statistics).



- 2.10 The c.4.2ha Vauxhall Road site is owned by Homes & Communities Agency (HCA). HHTFC's existing lease expires in 2010, and HCA has stated that it is not looking to extend this. The terms of the current lease include a six-month break clause, and dictates that HCA must provide a new stadium (to the same specification of the existing stadium as a minimum) for HHTFC within 1.5 miles of Hemel Hempstead Town Centre were it to terminate the lease.
- 2.11 HCA would not be obligated to provide any capital for HHTFC's move to a new stadium, though the Council could potentially expect, based on discussions with HCA and through the planning process for the re-classification of Vauxhall Lane from sporting use, to be able to leverage a contribution.

Leverstock Green FC (LGFC)

- 2.12 LGFC currently plays in the Molten Spartan South Midlands League Premier Division. The Division is at Step 9 of the football structure/hierarchy in England, and is the division below the Southern Football League First Division, and therefore two divisions below HHTFC's current division.
- 2.13 LGFC currently plays its home fixtures at Pancake Lane. The pitch is presently heavily-used, with the First XI, Reserves, Women's team, and children's teams all using it in the course of a week.
- 2.14 The c.3.8.ha Pancake Lane site is owned by HCA. LGFC's current lease has over 20 years remaining. The terms of the lease dictate that HCA must deliver a new stadium (to the same specification of the existing stadium as a minimum) for LGFC within half a mile of the existing site were it to terminate the lease.
- 2.15 LGFC has previously explored with HCA the possibility of moving to a new site at Bunkers Lane. This did not materialise due to, amongst other issues, restrictions on floodlighting at the site. In November 2008 LGFC was granted planning permission to make the required changes to its current ground to satisfy league criteria and it is therefore believed that all its requirements for the foreseeable future can be met at Pancake Lane.
- 2.16 LGFC is a community club with aspirations to help develop the game in Hemel Hempstead, rather than seeking to make huge advances up the league with its first XI. It does not aspire to reach the Football League.

Hemel Stags Rugby League Club (HSRLC)

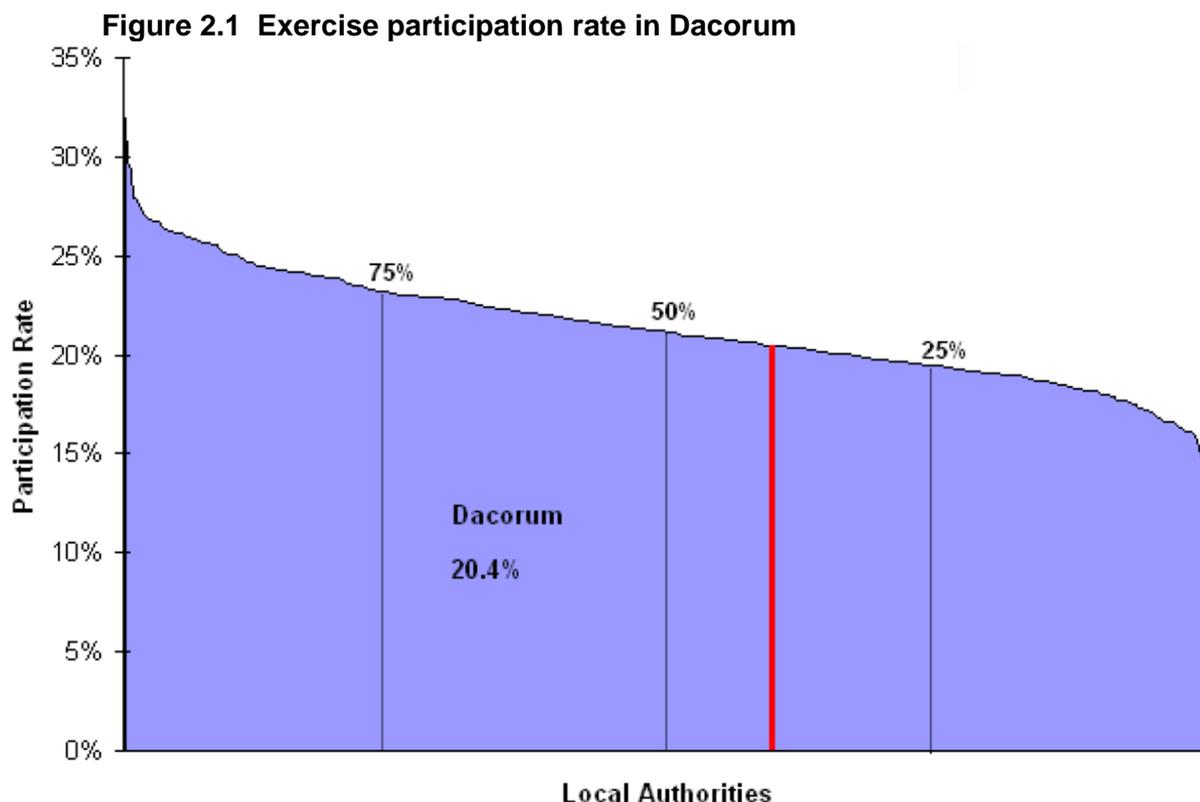
- 2.17 HSRLC are a rugby league team currently playing in the Rugby League Conference National Division. The Rugby League Conference (RLC) is a series of regionally-based divisions of amateur rugby league teams spread throughout England, Scotland and Wales.
- 2.18 There is no promotion or relegation between divisions. Teams may apply to join higher divisions and may or may not be accepted based on different criteria. The league's aspiration on forming was that some member clubs will ultimately progress to become semi-professional clubs. To date only London Skolars have achieved this.
- 2.19 HSRLC currently plays at Pennine Way. In 2008 HSLRC was granted planning permission for the development of a new stand to seat just under 500 people. It will also develop a small gym, new changing facilities, and a small 3G pitch.

Hemel Hempstead (Camelot) Rugby Union Football Club (CRUFC)

- 2.20 CRUFC's home ground is at Chaulden Way. The site has four pitches; two of which are floodlit. The site is owned by the Boxmoor Trust (to whom CRUFC pay a 1p per annum rent), although the clubhouse stands on a separate piece of land, which we understand is half owned by the Council and half owned by the club.
- 2.21 CRUFC currently has four senior sides. Average attendance for the First XI in 2007/8 was c.100-150. There are no dedicated spectator facilities, although the club is investigating the provision of collapsible stands as part of proposals for a new changing block and clubhouse.
- 2.22 CRUFC currently runs 16 teams from Under 7 up to Veterans, and has between 600 and 700 members all playing in teams on the existing site.

Participation levels and health

- 2.23 Sport England research (source: Ipsos MORI 'Active People Survey') has been used to track the respective levels of activity and participation in sport and physical activity in all of England's local authority areas. Specifically, the Survey reveals the number of adults participating in regular physical activity. The findings suggest that participation levels in Dacorum (20.4% of adults) are currently below the national average (21.3%), as shown in Figure 2.1 overleaf.



Source: IPSOS Mori 'Active People Survey'

- 2.24 However, the operational experiences of SportSpace suggest that participation levels in Dacorum are not, in fact, particularly low.
- 2.25 The delivery of suitable new facilities, allied to education and event programming, has the important potential to further increase participation, and to ensure a healthy, as well as growing, population. SportSpace has suggested that its facilities at Hemel Hempstead Sports Centre are well-used and believe there to be existing latent demand for certain facilities.
- 2.26 Dacorum is among the 50 most affluent areas in the country, but it still has some deprived communities. Although health is generally good, there are significant differences in life expectancy between the most deprived and most affluent wards (Dacorum Sustainable Community Strategy).

Existing leisure provision

- 2.27 The Council has recently commissioned research studies evaluating the levels of provision of both indoor and outdoor leisure facilities. These findings retain their applicability and have therefore been used to help inform understanding of the base position.



SECTION 2 – SETTING THE CONTEXT

- 2.28 The provision of publicly-accessible leisure facilities in Dacorum is managed by SportSpace, who operate the following indoor leisure sites on behalf of the Council:
- SportSpace Hemel Hempstead
 - SportSpace Berkhamsted
 - SportSpace Tring
 - Dacorum athletics track.
- 2.29 In addition to these sites, there are a number of private sector sport and leisure facilities run on a membership basis.
- 2.30 The Council has recently commissioned two studies investigating the provision of sports facilities in the Borough. These studies were completed by Knight, Kavanagh and Page (KKP) in 2006, and their findings are summarised in Section 4. The indoor facilities study does not consider the growth implications outlined by the East of England Plan (2008) which has the potential to generate additional demand.
- 2.31 At the county and regional levels, Hertfordshire County Sports Partnership and Sport England have also produced studies (Active Hertfordshire Sports Facilities Strategy 2007–2016; Creating Active Places - East of England Sports Facilities Strategy) identifying areas where new sports facilities are required. This research helps to inform overall projections of what facilities the Council might seek to deliver at the Town Stadium complex to satisfy regional need, but it should be noted that any provision should be based on locally-identified need.
- 2.32 There is also a proposal for a significant new sports facility for Tring, co-located with a school. The project is presently at the concept stage, and is being driven by Tring Sports Forum. The Council understands that this facility is primarily intended to service existing clubs and their growth in the west of Dacorum, and that it is not looking to be a regional/borough-wide centre. This facility has not been included in analysis of the stadium complex feasibility at this stage.



SECTION 3

STADIUM/PLAYING AREA STRAND

Stadium/playing area strand

Introduction

- 3.1 Delivering a large capacity stadium geared towards satisfying professional/semi-professional tenant demand, be it football or rugby or both, demands that the matchday facilities and playing area are suited to the requirements of the tenant club(s) and the league(s) in which they play. This section of the report therefore focuses on the key stadium envelope itself and how it might cater for the existing and potential future aspirations of one or more of the potential identified tenant clubs.
- 3.2 Section 4 focuses separately on the feasibility of delivering community use elements as part of the scheme, and projected ability to deliver development to assist with project funding.
- 3.3 In developing the options for the stadium and playing area, each of the clubs have been consulted about their potential interest in relocating to a new town stadium complex, and their facility requirements were they to do so.
- 3.4 These have then been checked back against the specific stipulations (health and safety, capacity, playing area dimensions etc) of the clubs' current division/league, and the requirements of higher divisions to which each club could conceivably rise. This exercise has included consultation with the key governing bodies.

Potential tenant clubs

- 3.5 Consultation with the key local clubs (both football and rugby) with existing stadia/grounds or aspirations for substantial future progress identified in Section 2 has identified those clubs that would potentially be interested in relocating to a new Town Stadium complex in Hemel Hempstead.
- 3.6 This consultation has included reviewing their current league position and attendances, their aspirations, geographical considerations (ie are clubs linked to specific parts of Dacorum beyond which they would be unwilling to move), scope for growing attendances with progression up the league structure, and potential timeframes for the clubs' changing/increasing requirements.

HHTFC

- 3.7 HHTFC's lease on its current Vauxhall Road site expires in 2010, and HCA has indicated that it does not intend to extend this lease. Under the terms of the lease with the landowner, HCA would be obligated to deliver a replacement ground within 1.5 miles of Hemel Hempstead were it to terminate HHTFC's lease early. Upon the expiration of the lease, however, HCA would not be legally bound to make any financial contribution towards re-housing HHTFC.
- 3.8 The Council has engaged in discussions with HCA. Based on these discussions and the anticipated potential to put in place obligations around the re-designation of Vauxhall Lane, the Council could hope to realise a capital contribution towards a new stadium project for Hemel Hempstead.

SECTION 3 – STADIUM/PLAYING AREA STRAND

- 3.9 HHTFC currently play in the Southern Football League Premier Division. The club aspires to be promoted to the Blue Square South for the 2009/10 season, and aims to be in the Blue Square Premier Division (ie 'The Football Conference') within 4/5 years – by c.2013/14.
- 3.10 The club would then intend to consolidate in this division for a further 4/5 years before determining whether it wished to pursue promotion to the Football League proper, dictated by its ability to compete on the field at this level and to sustain the financial commitments required with professional playing staff and higher wages and travel costs. HHTFC's timeframe suggests that it would be hoping to gain entry to the Football League for the 2017/18 season at the earliest. While the progression through the lower tiers of British football, namely non-league, is highly challenging, the club's aspirations appear relatively practical and achievable.
- 3.11 Each of the tiers through which HHTFC would be required to progress has different ground/stadium requirements to which the club would need to adhere. At the Football League level, clubs must currently deliver a series of obligations – the most substantial of which is a minimum capacity of 5,000 including 2,000 covered seats prior to 1st May in its third season as a member
- 3.12 Despite significant advances in the area, and UEFA accrediting synthetic pitches for use for full international matches and Champions League games (up to the semi-final stage), the FA still does not allow Football League or FA Cup matches to be played on these surfaces. If this were to change in the years before the delivery of a stadium in Hemel Hempstead, we would recommend that this be considered for inclusion in the stadium to deliver higher utilisation and offer an important revenue source.
- 3.13 In moving ground, HHTFC would like to remain at a site close to Hemel Hempstead town centre (the terms of its agreement with the landowner at Vauxhall Road identifies a 1.5mile radius of the centre as a benchmark proximity).
- 3.14 With the expiring lease at Vauxhall Road, HHTFC needs a ground both in the short-term, and in the medium-term needs either significant renovation (unlikely to be deliverable at Vauxhall Road in any case given the land available) or a new ground to facilitate its aspirations and deliver a higher profile and higher standard of football for Hemel Hempstead.
- 3.15 HHTFC is considered a very important and likely component of a new stadium complex for Hemel Hempstead, as tenants and also potential heavy users of available training facilities/times.
- 3.16 With progression through the league structure, HHTFC could be expected to potentially mirror the average divisional attendances summarised in Table 3.1 below.

Table 3.1 Average league attendances

Division	2004/5	2005/6	2006/7	2007/8
League 2	4,545	4,249	4,272	4,427
Blue Square Premier	1,995	1,844	2,042	1,906
Blue Square South				c.600

Source: <http://soccer.net.espn.go.com/stats/attendance?league=eng.5&year=2007&cc=5901>



LGFC

- 3.17 LGFC's lease on its current Pancake Lane site has over 20 years remaining on it. Under the terms of the lease with the landowner, HCA would be obligated to deliver a replacement ground to the same specification elsewhere in Leverstock Green were it to terminate LGFC's lease. No details around break clauses built into the contract have been provided at this stage.
- 3.18 LGFC currently plays in the Molten Spartan South Midlands League Premier Division. The club has no particular aspirations for the promotion of its First XI from Step 9 of the football pyramid. Instead, it is currently happy to consolidate in its present division, develop its youth programme, and work in partnership with HHTFC to support its aspirations to progress through the divisions.
- 3.19 LGFC has expressly stated that it wishes to remain in the Leverstock Green ward and would be unwilling to move any significant distance beyond the ward boundaries to a new home ground. No specific distance has been stated, although LGFC has previously shown a willingness to consider a move to Bunkers Lane, which is c. 0.5miles outside the ward boundary.
- 3.20 LGFC has also stated that, in order to retain its identity and sovereignty, it would insist on playing on its own pitch and would not consider ground-sharing with another club. LGFC would though be willing to play on a smaller ground adjacent to a larger stadium, were another tenant secured for the Town Stadium complex.
- 3.21 LGFC was granted planning consent for the development of its existing stand in November 2008, to allow the club to deliver the additional covered seating required by the League. It is expected that this development will satisfy the club's aspirations in at least the short term and mean that it does not need a new stadium.
- 3.22 LGFC is not considered a likely or key component of a new stadium complex for Hemel Hempstead as a tenant, given its stated aspirations, geographical constraints (ie remaining within the ward) and unwillingness to groundshare. There is however strong potential that the club and its youth teams etc would be heavy users of available training facilities/times, given the distances that teams must currently travel to access suitable floodlit synthetic surfaces for training.

HSRLC

- 3.23 HSRLC currently plays in the Rugby League Conference National Division. There is no promotion from this division, though teams may apply to join higher divisions and may or may not be accepted based on different criteria. The league's aspiration on forming was that some member clubs will ultimately progress to become semi-professional clubs. To date only London Skolars have achieved this. HSRLC ultimately has aspirations to achieve Superleague status – the top flight of domestic rugby league.
- 3.24 In 2008 HSRLC was granted planning permission for the development of a new stand to seat just under 500 people. Given this development, the club has stated that it intends to remain at its existing site at Pennine Way for the foreseeable future.
- 3.25 HSRLC would be interested in moving to a new stadium only if it were to be awarded a Superleague franchise in the future. These franchises are awarded in phases via a competitive process.

- 3.26 Licences are awarded based on a number of criteria, including stadia, fanbase and financial and playing strength. The Rugby Football League (RFL) decided to adopt the scheme to allow clubs to develop mid to long-term development strategies. There is therefore no promotion and relegation system. 3-year licenses were granted to Celtic Crusaders and Salford City Reds in July 2008 to allow them to enter Superleague in 2009.
- 3.27 Pennine Way can feasibly accommodate all of the club's needs up to Superleague level. The club has therefore expressed an interest in being a secondary tenant (under a ground share arrangement) from 2016 onwards based on an application for a Superleague franchise in the 2013/2014 bidding round. The stadium would therefore have to be able to accommodate a 12,000 capacity (potentially all seated) crowd, as per current Superleague requirements.
- 3.28 The aspirations of HSRLC may complement those of HHTFC. Were the Council to deliver a c.5,000 capacity stadium to satisfy Football League requirements, and allow sufficient space for the development of additional stands to deliver a further 7,000 capacity and therefore meet Superleague requirements, there may be strong opportunities for phasing that would allow the stadium to have two anchor tenants – maximising profile and usage.
- 3.29 Since the rugby league calendar primarily occupies the summer months, scheduling is even less likely to be an issue than if accommodating football and rugby union. There would be potential concerns around how heavily the playing surface would be used year round, but these issues have been overcome elsewhere (for example Wigan FC and Wigan Warriors share the JJB Stadium) and with advances in pitch technology concerns are likely to be further reduced.
- 3.30 HSRLC is not considered a potential short-medium term tenant of a new town stadium complex. However, were the club to explore the potential to join the Superleague with a licence application for 2016 or later, it would require a new home and a phased project would allow the flexibility to add the club to the town stadium were the capacity raised to 12,000.

CRUFC

- 3.31 CRUFC currently plays at Chaulden Lane, on a site owned by the Boxmoor Trust, under a 100-year lease. CRUFC has plans to construct a replacement changing block on its existing site. This would contain 6-8 changing rooms, and has been costed at c.£1.2m by the club. The club is also investigating the potential to deliver collapsible stands as part of the new changing block and clubhouse proposals.
- 3.32 CRUFC has not indicated that it requires a stadium per se, as it has not stated a necessity for spectator seating. However, the club has a degree of interest in the project overall and may consider moving away from their existing site if relocation were to stack up. Were CRUFC to relocate, it would prefer a site located towards the east of Hemel Hempstead near to the junction of the M1.
- 3.33 CRUFC is not considered a likely tenant for a town stadium complex. It would however be a potential user of training facilities if its requirements were met.

Table 3.1 Likelihood of identified clubs becoming Town Stadium tenants

Likely	Potential	Unlikely
 <p>HHTFC considered key tenants and heavy user of any wider community sport facilities</p>	 <p>HSRLF potential tenants only if Superleague franchise obtained</p>	 <p>LGFC have little appetite to move far from existing location or for ground share – would require own facilities (changing, ancillary, spectator etc).</p>
	 <p>CRUFC have some interest dependant on scale of stadium.</p>	

Existing professional clubs

- 3.34 Discussions have been initiated with major rugby union and football clubs in the vicinity of Hemel Hempstead. At this stage clubs have not yet yielded an indication of interest.
- 3.35 While rugby union clubs tend to be more nomadic, and therefore open to a move, it is more difficult for football clubs to consider substantial relocation. Football League requirements stipulate that the location of the ground be within the conurbation from which the club takes its name or with which it is traditionally associated. While Milton Keynes Dons (relocated from Wimbledon) constitute a significant exception to this, it is not expected that the Football League will allow this to develop into a trend.
- 3.36 Should interest from professional clubs materialise, the Council may wish to consider revisiting the project to investigate their inclusion. At this stage, however, their requirements have not been considered in detail.

Stadium/complex requirements

- 3.37 In developing the potential complex concept, a range of key source documents has been consulted – the standards of which the project must meet. These sources are introduced and reviewed below.
- 3.38 This report has not included an explicit, step-by-step evaluation of the requirements of the Green Guide as this document is exhaustive (at over 250 pages in length) and does not have legal authority over design. In developing design further to any planning application, it will nevertheless be important that the Green Guide is consulted and its guidelines observed. At this stage in the process the key requirement that most impacts the stadium's feasibility and its site is around required capacity.
- 3.39 The Football League specifies that:
- the club must fulfil the qualification criteria (capacity), of a minimum capacity of 4,000 including 500 covered seats prior to 1st March in the season prior to promotion (ie while still in the Football Conference)
 - where the club does not currently fulfil the admission criteria (capacity), the club must demonstrate its ability to provide a minimum capacity of 5,000 including 1,000 covered seats prior to 1st May in its first Season as a Member
 - where the club does not currently fulfil the membership criteria (capacity), the club must demonstrate its ability to provide a minimum capacity of 5,000 including 2,000 covered seats prior to 1st May in its third Season as a Member.
- 3.40 The final bullet represents the most onerous requirement, for continued participation in the Football League. At the Conference level, a minimum 4,000 capacity is required, and the ground must have the potential of being upgraded to meet the criteria for membership of The Football League.
- 3.41 It must also be possible for spectators to view the match, either standing or seated, for the full length of at least three sides of the playing area. Given that the requirements of the Conference and Football League are largely comparable, and that they continue to diverge, it is questionable whether there is value in meeting minimum standards of the Conference only and waiting to meet those of the Football League. Delivering Football League standards outright might prove a more sensible approach, rather than phasing works with minimal amendments.
- 3.42 The key findings to date related to the playing area strand and potential club tenancy are summarised overleaf.

Summary of key playing area strand findings

- HHTFC is considered a very strong likely tenant, with the ability to increase attendances and the town's profile with progression towards the Football League
- HHTFC is in significant need of a new stadium both in the short term (given its expiring lease at Vauxhall Road) and in the medium term to support its aspirations to advance through the league system
- HHTFC would require a 5,000 capacity (2,000 covered seating) to secure and retain Football League status – the club's aspirations are to be in the football league in c.9-10 years, which is considered potentially achievable
- LGFC is considered unlikely as a tenant, however there would be likely to be demand for training facilities from the club
- CRUFC is considered a potential/unlikely tenant, however there may be demand for training facilities from the club
- HSRLC has stated that it is not interested in a tenancy at the town stadium in the medium term. Should it seek Superleague status via the franchise approach it would be interested in moving to the town stadium for c.2015 provided it is able to offer the 12,000 capacity required to satisfy entry requirements
- There may be synergies of phasing and sustainability to be achieved from developing a solution capable of attracting and hosting multiple tenant teams, which would also increase site footfall.

HHTFC has a pressing need for a new stadium in the short term. In the medium to long-term, if the club is to progress through the National League structure as per its aspirations, it will need a stadium that meets Football League, or at least Blue Square Premier criteria. There is scope to deliver a stadium that meets the medium-term aspirations of the club, designed in such a way as to allow for further expansion should HHTFC or HSRLC require additional capacity in future years, though it would not be desirable to immediately build a large-scale (ie 10,000+ capacity) stadium since no potential tenant can justify the necessary expenditure.

SECTION 4

COMMUNITY LEISURE STRAND

Community leisure strand

Introduction

- 4.1 In addition to the requirement for a main stadium for Hemel Hempstead, PMP has also reviewed demand for additional community leisure provision as part of the complex, to form a sport village-type solution.

Projecting demand

- 4.2 As indicated in Section Two, the Council has recently commissioned two studies investigating the provision of indoor and outdoor sports facilities in the Borough. These studies were completed by KKP in 2006.
- 4.3 Whilst these studies concentrate on supply and demand issues across the Borough as a whole, we have identified where possible information specific to Hemel Hempstead. This allows us to understand how the Town Stadium project can assist with meeting current and future need if possible.

Summary of findings from the Indoor Facilities Assessment (2006)

- 4.4 The Indoor Facilities Assessment Report analyses the supply of sports facilities in Dacorum across four main types of provision:
- leisure centres
 - community centres
 - village halls
 - schools.
- 4.5 Each facility underwent a detailed audit to assess quality of provision and sports clubs were consulted to establish the suitability of each facility in meeting the needs of its users. Table 4.1 overleaf highlights the key findings for each type of provision.

Table 4.1 Key indoor facility study findings (KKP report, 2006)

Type of provision	Key findings	Relevance to Stadium development
Leisure centres	<ul style="list-style-type: none"> • Hemel Hempstead Leisure Centre is flagship facility in the Borough, with a 25m swimming pool and 9 court sports hall • sports hall heating needs upgrading to host Hertfordshire and East Region gymnastics competitions, which have recently relocated to Stevenage and Ipswich. • generally, facilities are a high standard and operating to capacity, although the impact of an increase in population has not been considered 	Stadium may fall within the catchment area of Hemel Leisure Centre and any replication of its facility mix could displace users from existing facilities.
Education provision	<ul style="list-style-type: none"> • limited indoor provision at some school sites, particularly Hemel School 	Limited scope for stadium development to provide indoor facilities for school use.
Sports halls	<ul style="list-style-type: none"> • high level of supply across the borough • current supply meets identified demand of organised sports clubs, with only facility-specific qualitative improvements necessary to meet ongoing needs • specific facility improvement at Hemel Sports Centre is necessary to meet needs of Sapphire Gymnastics Club 	No identified demand for increased sports hall provision, although improvements to Hemel Sports Centre are required - larger gymnastics facility capable of holding regional events.
Swimming pools	<ul style="list-style-type: none"> • 25m pool at Hemel Leisure Centre • Hemel Swim Club does require additional pool time (c 4 hours per week) to meet demand but this is a timetabling issue 	No identified need for additional swimming pool provision, emphasis on improving the quality of existing stock.
Health and fitness suites	<ul style="list-style-type: none"> • the 90 station suite at Hemel Sports Centre has a 4km catchment area • within this catchment there are four other commercial fitness suites • gaps in provision are towards the north of the Borough (Flamstead) and in other rural areas 	Hemel is well served by both a large scale, Council run facility and several commercial, membership-only suites. Under-provision is predominantly in rural areas and unlikely to be overcome by a Town Stadium.
Community centres	<ul style="list-style-type: none"> • catchment gaps in Berkhamsted but a high concentration of facilities in the Hemel area 	A range of generic community indoor spaces is important, particularly as

Type of provision	Key findings	Relevance to Stadium development
	<ul style="list-style-type: none"> current provision is not at capacity 	Dacorum has an ageing population. However, sustaining existing community spaces, rather than introducing new provision, is a priority.

4.6 The assessment report did not, therefore, highlight any need for a quantitative increase in provision, based on the 2006 population (although this is slightly contradicted by elements of consultation completed for this project). Hemel Hempstead was considered to be well served by a good network of accessible and good quality provision offering a range of programmes. One of the key strategic aims of the Strategy relating to new provision is to ensure that any new facilities are located near public transport hubs.

4.7 The Strategy sets a hierarchy framework into which the Council can place each type of leisure provision. There are three categories of provision:

- Borough-wide facility – serves all residents in Borough and accessible to neighbouring authorities
- Area facility – one per analysis area (Hemel, Berkhamsted, Tring, Eastern, Northern)
- Local facility – one per large village or significant neighbourhood.

4.8 It is recommended that only one facility be included in Tier 1 (Borough-wide facility) and investment weighted accordingly to reflect its strategic importance. Therefore, any Town Stadium development should not compete with the range of indoor facilities at Hemel Hempstead Sports Centre.

Key issues from the Indoor Facilities Assessment

4.9 A key limitation of the Indoor Facilities Assessment, highlighted throughout consultation with a number of stakeholders, is that it does not project future demand for indoor facilities. This issue is particularly important for Dacorum given the scale of housing growth earmarked for the Borough by the East of England Plan.

4.10 The Assessment presents a snapshot rather than a strategic position of indoor facility supply against demand. Hemel Hempstead's designation as a Key Centre for Development and Change in the East of England Plan (2008) will require the Council to plan comprehensively for the needs of the town and its population to 2031.



SECTION 4 – COMMUNITY LEISURE STRAND

- 4.11 Whilst the report concludes that there is sufficient supply to meet existing demand, consultation with key stakeholders as part of this study (including Hertfordshire County Sports Partnership (HCSP), Dacorum Sports Network (DSN) and Sportspace) has revealed perceptions of specific indoor facility deficiencies.
- 4.12 To provide further context and a strategic overview of facility provision going forward, PMP has sought to quantify the increased facility needs of Hemel Hempstead as a result of the population growth expected over the period to 2031.
- 4.13 This included a desktop demand modelling projection exercise based to quantify the facilities (health and fitness stations, volume of pool water and badminton courts/sports halls) needed to meet demand purely attributable to this new population.
- 4.14 The projections use assumptions based on the parameters of Sport England's Facilities Planning Model (FPM) including:
- penetration rates specific to age and gender
 - the total number of peak operating hours
 - the proportion of visits during those peak hours
 - average duration of visits
 - the 'at one time' or total capacity of facilities (station/swimming pool/sports hall).
- 4.15 This has identified potential usage of the facilities by the new population (the demand) and the requisite number of facilities required to accommodate this demand.
- 4.16 Based on population projections from Hertfordshire County Council for the Hemel Hempstead area, a need for the following indoor sports facilities has been identified as set out in Table 4.2.

Table 4.2 2006-2031 population increase impact on indoor facility provision

	Relevant population increase	Facility requirement
Health & fitness	16,597*	119 stations
Swimming pools	18,230	182m ² 0.9 25m x 4 lane pools
Sports halls	18,230	5.4 courts 1.3 x four court sports halls

* For Health & Fitness, only those aged over 16 are considered as potential users of this form of provision, hence the lower relevant population increase

- 4.17 Based on analysis of the increased population expected in Hemel Hempstead to 2031, this projects additional demand for indoor sports facilities beyond the existing supply. A Town Stadium might therefore seek to address this anticipated demand through inclusion of wider community sport and leisure opportunities within the complex.



Summary of findings from the Outdoor Facilities Assessment (2006)

- 4.18 The outdoor assessment report identified a total of 171 pitches in Dacorum, of which around half (49%) are located in and around Hemel Hempstead. The largest amount of pitches are designated as senior football (87) and cricket (25).
- 4.19 The report highlighted four sites – Pennine Way, Chaulden Playing Fields, Reith Fields and Pancake Lane – as being played over their weekly (recommended) match carrying capacity and identified various needs amongst local clubs and NGBs for additional provision.
- 4.20 However, it is highlighted that improvement to the quality of pitches (through drainage or maintenance improvements), particularly at Pennine Way, would increase the carrying capacity of the pitches and may enable them to cope with these additional matches. This is prioritised over the development of new pitches.
- 4.21 There is limited community access to school facilities and a number of schools, such as the Cavendish School and John F Kennedy School, are not used at all by community clubs. Hemel Hempstead School is used, although research suggests that community access could be extended further should demand increase substantially in the future.
- 4.22 The Strategy identified that Hemel Hempstead Town Cricket Club, which is based at Station Road, has latent demand for junior teams which amount to the need for an additional cricket pitch.
- 4.23 Overall, through analysis of the Hemel analysis area, the KKP report indicates the following pitch shortfalls in the Hemel analysis area, in order to accommodate existing latent demand:
- two senior football pitches
 - one junior rugby pitch
 - one senior cricket pitch.
- 4.24 There is no specific analysis of synthetic turf pitches (STPs) in the Strategy. However, the audit identified that there are currently three STPs and this has been verified against Active Places Power. These are:
- Tring Sports Centre (sand-based)
 - Cavendish School Sports Centre (3G)
 - Hemel Hempstead Sports Centre (3G).
- 4.25 Two of the three STPs are third generation, rubber crumb pitches and are available for community hire. Despite there being no analysis in the Strategy as to the appropriateness of this provision, our analysis shows that there is a slight deficiency of STPs in the Borough (0.02 per 1,000 population) compared to the national and regional averages (both 0.03 per 1,000 population). Consultation has suggested that there is substantial demand for additional synthetic pitch provision in Dacorum.

Analysis of anticipated future demand

- 4.26 The report calculates team generation rates (TGRs) to understand levels of participation in each area of the Borough. TGRs are shown as a ratio of how many residents it takes to produce one team, based on current participation, and allows us to benchmark participation in each area against the Borough average.
- 4.27 Whilst the statistics show that participation in Hemel Hempstead is generally lower than the Borough average (ie it takes more people to form one team) there is no participation modelling of these TGRs and population increases to reflect anticipated future demand.
- 4.28 However, based on the population projections received from Hertfordshire County Council, the impact of these TGRs and the increase in population anticipated to 2031 on grass pitch provision has been modelled in Table 4.3 below.

Table 4.3 Effect of increased population (2006-31) on grass pitch provision (TGRs)

	Hemel TGR	Relevant population increase	Teams generated	Carrying capacity	No. of pitches
Adult football	1:478	7,207	15	2	3.8
Junior Football	1:88	1,254	14	2	3.6
Mini Soccer	1:159	839	5	2	1.3
Adult Rugby Union	1:8,098	6,927	0.8	2	0.2
Junior Rugby Union	1:1,477	514	0.3	2	0.1

NB The carrying capacity of a pitch is assumed at two games per week based on the Sport England standard PPM for a 'standard' pitch.

- 4.29 In addition to the above, there is also a noted demand for cricket pitches based on increased population figures and current TGRs.
- 4.30 The Town Stadium complex offers a good potential opportunity to accommodate both the existing shortfalls identified in the KKP Outdoor Facilities Assessment and the identified future demand for pitch provision based on these recent TGRs exhibited for the Hemel area. The complex could also meet the identified need for STP provision, be it solely full-size pitch or a combination with small-sided football provision.
- 4.31 With reference to small-sided football provision, preliminary discussions with Goals Soccer Centres (GSC) have suggested that they may be interested in delivering a project in Hemel Hempstead. They would be willing to offer a financial contribution as well as develop the facilities. SportSpace has also indicated an interest in, and a willingness to, deliver this form of provision. The closest 5-a-side centre is the Bushey Heath/Watford PowerLeague facility (9.5 miles, estimated 20-minute drive time – source www.theaa.com).

Summary of findings from the Dacorum Open Space Study (March 2008)

- 4.32 The Dacorum Open Space study (2008) highlights that the Borough has an overall deficiency of 45.469ha of 'leisure space'. Leisure space is defined as including:
- children and young people facilities
 - public outdoor sport facilities
 - private outdoor sport facilities
 - parks and gardens.
- 4.33 The Hemel Hempstead area in particular has a deficiency of 6.02ha of leisure space however it is noted that the excess of amenity green spaces and natural green space may provide opportunities to alleviate this deficiency.
- 4.34 The current provision of facilities for children and young people in particular is below the standard set within the Dacorum Local Plan and provision of allotments is below the standard recommended by the National Society of Allotment & Leisure Gardeners (NSALG).
- 4.35 The Open Space Study indicates that, based on EERA Chelmer Model projections applied to the Hemel Hempstead area, that an extra 28.84ha of leisure space will be required by 2021.
- 4.36 The Town Stadium complex may seek to include appropriate provision of leisure space in order to alleviate both existing deficiencies and meet future projected demand.

Other community sport findings

- 4.37 Consultation has also identified additional potential demand for sports facility provision. These are summarised below, with consultees expressing potential for:
- tennis
 - contingent on the inclusion of Leverstock Green Tennis Club, who are investigating the potential to relocate from their existing site
 - cricket
 - potential demand for indoor cricket facility (linked to community safety/diversionary tactic) as there is presently a lack of indoor facilities for cricket in Dacorum; Herts CCC has indicated that it would use such a facility as its base
 - netball
 - based on a perceived shortfall of suitable facilities for the sport in both quantity, and particularly quality, terms. The requirement for four outdoor courts has been identified as necessary to satisfy league demands

- badminton
 - has run out of court time availability due to a lack of provision
- basketball
 - has run out of court time availability due to a lack of provision
- baseball
 - the successes of Herts Baseball Club and its aspirations to maintain the best possible baseball facilities while extending its reach are such that additional space is likely to be required to meet these aims.

4.38 We would suggest that the Council considers the inclusion of purpose-built facilities for these sports where funding is available to support their delivery. Otherwise, design solutions may be available to deliver a multi-use space that can cater to these sports and uses.

Summary of key community leisure findings

- existing studies highlight no immediate requirement to increase quantitative indoor facility provision, although these studies do not assess future need likely to emerge from the significant increase in housing earmarked for the town
- local consultation (Dacorum Sports Network, SportSpace and Herts CSP) has suggested latent demand for new indoor provision locally
- the Council's Outdoor Facilities Assessment (2006) indicates a shortfall of both adult football and rugby and junior cricket pitches in the Hemel Hempstead analysis area
- children and young people's facilities are below Dacorum's standard
- effect of increased population indicates future demand for following facility provision (to 2031 unless otherwise stated):
 - 28.84ha of leisure space (to 2021)
 - 119 health and fitness stations
 - 182m² pool water (0.9 x 4 lane, 25m pool units)
 - 5.4 badminton courts (1.3 x four court sports halls)
 - 3.8 adult football pitches
 - 3.6 junior football pitches
 - 1.3 mini soccer pitches
 - 0.2 adult rugby union pitches
 - 0.1 junior rugby union pitches.

PMP research projects substantial additional demand for leisure space in the town to 2031 given the population increase identified in the East of England Plan. While the private sector can be expected to meet this demand in part, it is recommended that the Council delivers additional sport and leisure provision to offer opportunities for activity and improving health. Delivering this provision as part of the Town Stadium development would help to meet projected future demand and create a true hub facility.

SECTION 5

PROJECT VISION AND FACILITY MIX OPTIONS

Project vision and facility mix options

Project vision

- 5.1 The PMP team facilitated a workshop with the Council and key stakeholders to identify the vision for the Town Stadium complex. This vision was then used as a key principle in developing the facility mix options.
- 5.2 The workshop was staged at Hemel Hempstead Sports Centre on 11th February 2009. Attendees included representatives of:
- Dacorum Borough Council
 - St. Albans City & District Council
 - Hertfordshire County Sports Partnership
 - Dacorum Sports Network
 - SportSpace.
- 5.3 Attendees were provided with PMP's interim findings ahead of the workshop session to inform their input. On the basis of this information, and their own experiences, attendees suggested that:
- there is a lack of existing indoor and outdoor provision – existing interventions (eg Five Hour Offer) are increasing the demand placed on facilities and limiting supply
 - sports halls, hard courts (MUGAs), STPs, and pool space are all required – some of this demand could be accommodated through timetabling (demand often is focused in small window) – sustainability of any new facility is critical, and complementing existing provision
 - maintaining/improving income streams for the tenant club(s) is important
 - resolution of existing quality issues (identified in the Council's 2006 studies) could alleviate shortfalls identified for outdoor pitches
 - the delivery of a quality spectator experience and flexibility of spectator provision is important, which is linked to design and phasing
 - elite sport provision caters for a very small proportion of athletes/users and any such provision needs to account for those sports where elite need is identified locally in Hemel Hempstead and the immediate surrounding area
 - it is important that the provision caters to community need both now and in the future
 - the stadium should provide scope for local clubs to grow and prosper to the elite level
 - the scheme should help clubs and the community's ability to develop sporting pathways.

- 5.4 This information and the aspirations therein were then distilled into a strong, identifiable vision for the Town Stadium Complex.

Project vision – Hemel Hempstead Town Stadium Complex

A town stadium that provides scope for its tenant(s) to grow and prosper at the heart of a sustainable complex that boosts community sports participation and health for the present and future population of Hemel Hempstead and beyond.

- 5.5 On the basis of the key tenets of the project vision, a series of potential facility mix options were developed by the PMP team in consultation with the workshop group.

Stadium strand

- 5.6 Consultation has suggested that Hemel Hempstead is highly unlikely to be able to secure a high-profile professional team like Saracens, Luton Town, or Watford, due to the key factors identified in Section 2. In the absence of this imperative, a larger capacity stadium becomes unnecessary in the short term.
- 5.7 It is highly unlikely that HHTFC would wish to play in such a large stadium since, given its lower attendances, matchday atmosphere would be very limited and the capital cost necessary to deliver the project would not be justified by greater income from ticket sales/rental from HHTFC.
- 5.8 For these reasons none of the options delivers an immediate large-scale (i.e 10-15,000+ capacity) stadium solution capable of hosting elite level rugby or football.
- 5.9 The Council could also conceivably resolve to make no contribution towards a new stadium for HHTFC, other than identifying and leasing a site on which the club might deliver a replacement for its Vauxhall Road stadium, needed due to the expiry of its lease in 2010.
- 5.10 However, this approach would make the delivery of a landmark development more unlikely, and also remove the opportunity for a key anchor for community sport in the town.
- 5.11 Figure 5.1 overleaf presents the three identified options for the stadium itself. These all present variations of capacity based on league requirements – from matching the existing Vauxhall Road stadium to the delivery of a stadium capable of satisfying Football League criteria.
- 5.12 Options B and C are both intended to offer the flexibility to increase the capacity through phased development to allow scope for the growth of HHTFC, and potentially the future inclusion of HSRFC. There is also flexibility within these three options for a modification of capacity and phasing based on tenant requirements. There was broad agreement that a stadium capable of phased incremental development in the future with a degree of covered seating provision (likely in one stand) is the correct way to progress the project.

Figure 5.1 Stadium strand options



5.13 SportConcepts has produced indicative capital costs for each of these solutions, using benchmarking against recent/current projects. These projections are based on industry experience and are taken as a mid-point. However, a range of capital costs has been provided for indicative purposes in each instance. These costs exclude VAT, inflation, and fees at this stage, and also do not include parking.

5.14 The projected capital cost of the three options presented above, to the required standard and including the ancillary provision considered necessary to secure HHTFC’s tenancy, are:

- Stadium Option A – £5.4m (£5.1m-£5.8m)
- Stadium Option B – £6.7m (£6.5-7.4m)
- Stadium Option C – £8.6m (£8.3-9.2m).

5.15 The cost/seat projections (£1500/seat) are in line with those delivered on a number of recent projects, as shown below in Table 5.1. The capital costs are based on an all-seated solution, and there may be scope for the Council to value engineer these projections based on amendments to the mix and specification of the stadium. It should also be noted that the site location, its visibility, and planning regulations are also likely to impact the ultimate specification and capital cost of the stadium.

Table 5.1 Indicative community stadium cost per seat benchmarks

Stadium		Capacity	Capital cost	Cost/ seat
New Stadium, Worcester	-	6000	£8,000,000	£1,333
Prostar Stadium, Shrewsbury	2007	9875	£15,000,000	£1,519
Kassam Stadium, Oxford	2001	12500	£15,000,000	£1,200
Pirelli Stadium, Burton	2005	6068	£7,200,000	£1,187
Colchester Community Stadium	2008	10000	£14,000,000	£1,400
Keepmoat Stadium, Doncaster	2006	15700	£32,000,000	£2,038

- 5.16 Based on the aspirations of HHTFC and HSRLFC, Option C is likely to offer the best long-term solution to meet the needs of the clubs and the community. It offers the opportunity to build a stadium with the flexibility to expand in future if required. However, this option will require further investigation to determine the facility mix and cost in greater detail.
- 5.17 Outline projections for the spatial requirements of these options are:
- Stadium Option A: 3,000 capacity – footprint c.10-12,000 sqm
 - Stadium Option B: 4,000 capacity – footprint c.11-13,000 sqm
 - Stadium Option C: 5,000 capacity – footprint c.14-18,000 sqm
- 5.18 Were the stadium to be developed in future phases to be capable of accommodating 12-15,000 capacity, a footprint of c. 20-24,000 sqm would be likely to be required.
- 5.19 All footprints are indicative at this stage, based on experience of similar projects. The spatial requirements will be dependent on considerations such as the split between seating and standing, design solutions, and the level of ancillary facilities (corporate provision etc.) included in the ultimate scheme.
- 5.20 Parking is excluded at this stage, with assumptions to be developed in partnership with the potential tenant(s) and acknowledging the potential to share car park space with the community facilities. Under the terms of PPG13, the recommended maximum provision for stadia of over 1,500 seats is one parking space per 15 seats. This is therefore dependent on the final capacity and potentially the split between seating and standing accommodation.

Community sport & leisure strand

- 5.21 Three options have also been developed for the community leisure strand. These options can all potentially be delivered in conjunction with any of the stadium options A-C.
- 5.22 These options are intended as responses of varying scale to both existing latent demand and projected future demand generated by the town's population growth. In each instance the options include a mix of indoor and outdoor facilities to meet varying degrees of the additional demand projected to 2031, as presented previously in Table 4.2.
- 5.23 This approach acknowledges that additional facilities may be delivered elsewhere in Hemel Hempstead in the intervening years by the private sector, and therefore does not attempt to address the entire projected shortfall in each case. These options again are open to refinement based on the projected deliverability of each, to be explored in Section 7 of this report.
- 5.24 Table 5.2 overleaf presents the three identified options for the community leisure elements of the complex, and Table 5.3 lists the facility mix components of each option.

Table 5.2 Community sport & leisure strand options

	1	2	3
Outdoor			
STP	✓	✓	✓
Goals/Powerleague-type small sided pitches	✗	✓	✓
Grass pitches	✓	✓	✓
Indoor			
Sports hall	✗	4 court	6 court
Swimming pool	✗	4-lane, 20m	6-lane, 25m
Health and fitness	30 stations	50 stations	70 stations
Ancillary (meeting rooms, food & beverage etc)	✓	✓	✓

Table 5.3 Community sport & leisure strand options – facility mixes

Option 1	Option 2	Option 3
<ul style="list-style-type: none"> • 1 full size 3G STP • 1 full size grass pitch • 1 grass junior pitch • 30 station H&F suite • 10x10 dance studio • Associated changing • F&B (café) • Office/ operations space 	<ul style="list-style-type: none"> • 1 full size 3G STP • 8-10 pitch outdoor Goals/ PowerLeague style facility • 2 full size grass pitches • 2 grass junior pitches • 50 station H&F suite • 10x10 dance studio • 4-court sports hall • 4-lane, 20m pool • Associated changing • F&B (café) • 10x10m meeting room • Office/ operations space 	<ul style="list-style-type: none"> • 1 full size 3G STP • 8-10 pitch outdoor Goals/ PowerLeague style facility • 2 full size grass pitches • 2 grass junior pitches • 50 station H&F suite • 10x10 dance studio • 4-court sports hall • 4-lane, 20m pool • Associated changing • F&B (café) • 10x10m meeting room • Office/ operations space
<p>Indicative footprint:</p> <p>17,000 sqm (plus c.100 parking spaces)</p>	<p>Indicative footprint:</p> <p>39,000 sqm (plus c.150 parking spaces)</p>	<p>Indicative footprint:</p> <p>52,000 sqm (plus c.240 parking spaces)</p>

5.25 All footprints are indicative at this stage, based on experience of similar projects. The spatial requirements will be dependent on design and massing considerations (ie if components can be incorporated into a stand of the stadium) and site configuration. In particular, the pitches (grass and synthetic) take up significant space.

5.26 The necessary levels of parking are also to be determined through refining the facility mix in conjunction with the Council and likely tenant clubs, and developed with the Council in light of its objectives for sustainable transport in the Borough.

Capital costs – community leisure strand

5.27 SportConcepts has also produced headline capital cost estimates for the community sport elements of the project, as per the three options presented in Table 5.2 above.

5.28 The projected costs of these elements are:

- Community leisure Option 1 – £3.1m
- Community leisure Option 2 – £8.8m
- Community leisure Option 3 – £12.8m.

5.29 These projections are based on benchmarks from industry experience, Sport England and BCIS estimates, and are for indicative purposes only at this stage. These costs exclude VAT, inflation, and fees at this stage, and also do not include parking.

5.30 As the project advances and the preferred facility mix is refined, it is important that the capital cost projections be reviewed and updated accordingly.

5.31 As with the stadium element of the project, the site location, its visibility, and planning regulations are also likely to impact the ultimate specification and capital cost of the stadium.

5.32 Options 2 and 3 are the options that best meet projected future need. The Town Stadium complex offers a potentially important opportunity to meet this demand. Although these options will require further investigation to determine the facility mix and cost in greater detail, their delivery as part of the Town Stadium development would help to meet projected future demand and create a true hub facility.

Summary

5.33 Business plans have been prepared for each of these indicative facility mix options. The key headlines of these business plans are presented in Section 7 of this report.

5.34 Each stadium option (A, B or C) could be paired with any community sport option (1, 2 or 3).

5.35 These facility mix options will be further refined based on fit on site and capital deliverability/revenue sustainability, if the Council determines that the project pass to Phase 2 of feasibility. There is flexibility for the Council to select the leisure facility mix and stadium specification to meet its needs and those of stakeholders.

5.36 Appendix A provides case studies of recent projects of comparable to that envisaged by the Council and its stakeholders. These stadia developments are for lower league/non-league clubs, and in some instances also include community sport provision on site.

SECTION 6

SITE OPTIONS

Site options

- 6.1 The final facility mix of the town stadium complex and the extent that it can be supported by further/ enabling development will be dependent on the suitability of sites in the local area in terms of scale, access, cost and planning.
- 6.2 Ahead of the workshop session, the PMP team developed a list of criteria key to the success of different potential component elements of the town stadium complex. This has subsequently been reviewed with the Council and, building upon the results of consultation and the analysis of the strategic case, a high level review of site options has been completed, including:
- reviewing overall site size and physical fit on site
 - the identification of issues in terms of access and potential complementary local development/ infrastructure
 - assessing the site's visibility and profile particularly in terms of its suitability for enabling development and opportunities to generate advertising/naming rights income or other commercial revenues
 - an assessment of transport links and potential catchment areas
 - reviewing the site's topography.
- 6.3 A headline analysis of potential sites was completed to further inform a view on the feasibility of a Town Stadium complex for Hemel Hempstead. The starting point of analysis included identification of four conceptual areas. This approach is intended to identify the broad areas of the town that will maximise the impact and sustainability of the project.
- 6.4 These conceptual areas were classified as:
- Hemel Hempstead Town
 - South West Hemel Hempstead
 - North West Hemel Hempstead
 - East Hemel Hempstead.
- 6.5 Due to considerations around site ownership in particular, the latter three areas were considered for broad suitability rather than in terms of particular site boundaries. The four areas are considered in turn below.
- 6.6 These areas were considered for outline suitability against the key site success criteria lists developed by the PMP team (see Appendix B). This allows the Council to develop an appreciation of the suitability of each area in headline terms.
- 6.7 Where analysed, sites/areas were scored out of five (1 being poor, 5 being very good). This produced total scores out of 60 for each site.

South West Hemel Hempstead

- 6.8 The area to the south and south west of Hemel Hempstead town has been considered for outline suitability for the Town Stadium Complex. There are a number of key considerations that render this part of the Borough unsuitable for the project, including:
- lack of visibility to major traffic routes reduces commercial opportunities and project sustainability
 - reduced accessibility via major/arterial roads
 - limited existing public transport infrastructure
 - potential to compete unduly with existing community sport provision (Hemel Hempstead Sports Centre and, particularly, Tring Sports Village if delivered)
 - smaller future catchment relative to other areas of Dacorum based on planned location of future residential development
 - likely considerations around available sites – size, planning constraints and topography.
- 6.9 These key factors are such that the land south west of Hemel Hempstead is not considered a suitable location for a project in keeping with the vision of the Council and its stakeholders.

North West Hemel Hempstead

- 6.10 The accessibility of sites in the area of Dacorum north and north west of Hemel Hempstead is likely to be significantly limited by the absence of major roads (though this would be addressed in part were a bypass realised), and there are a number of further key considerations that render this part of the Borough unsuitable for the project.
- 6.11 Specifically, the shortcomings of this area as a site for the Town Stadium Complex are:
- lack of visibility to passing traffic
 - lack of accessibility via major/arterial roads and public transport
 - potential to compete unduly with existing community sport provision (Hemel Hempstead Sports Centre and, particularly, Tring Sports Village if delivered)
 - smaller future catchment relative to other areas of Dacorum based on planned location of future residential development
 - likely considerations around available sites – size, planning constraints and topography.
- 6.12 These key factors are such that the land north west of Hemel Hempstead is not considered a suitable location for a project in keeping with the vision of the Council and its stakeholders.

Hemel Hempstead Town

- 6.13 As a facility for Hemel Hempstead, there is intrinsic benefit in the base concept of locating the Town Stadium Complex in the town itself, to capitalise on existing transport infrastructure and to have a substantial catchment within a reasonable distance of the venue. However, this aspiration is made more challenging by the lack of potential available and suitable sites.
- 6.14 The existing club sites at Vauxhall Road, Pancake Lane, Pennine Way and Chaulden Lane have been analysed for suitability to accommodate a town stadium complex along with Lucas Sports Ground.

Vauxhall Road

- 6.15 The Vauxhall Road site is situated to the east of the town in a residential area. It is the current home of HHTFC and the site includes a floodlit football pitch with ancillary provision including changing rooms, terraced and seated stands (totalling 3,152 capacity) and parking for c.150 vehicles. The site is owned by HCA.
- 6.16 The site is bordered by Adeyfield Comprehensive School and playing fields to the east and neighbouring residential to the south and west. As a result, the site itself is somewhat locked in terms of potential future expansion, although forthcoming Building School for the Future (BSF) proposals involving the potential relocation of the school might alleviate this issue in the future.
- 6.17 Access to the site is however restricted by the residential nature of the immediate surrounding area and the limitations of the road system. The site's visibility is also with the site firmly located within existing residential development. This reduces the appeal of the site and its ability to generate interest, footfall, and revenue/commercial opportunities.
- 6.18 Based on footprint alone (c.4.2ha) the site is not considered to have the potential to accommodate a stadium significantly beyond the existing capacity, and has limited scope for future expansion beyond this. Furthermore, this would leave no land available on which to develop community sport and leisure or enabling development.
- 6.19 Vauxhall Road scored 26 out of 60 on the site evaluation exercise. It scored particularly low marks on elements of site size, expandability, and visibility. On this basis, Vauxhall Road is considered unsuitable for the development of a Town Stadium Complex in keeping with Council's vision.

Pancake Lane

- 6.20 The Pancake Lane site is located to the east of Hemel Hempstead town centre, at the Westwick Row end of Pancake Lane.
- 6.21 It is currently the site is home to LGFC and provides a floodlit football pitch and limited ancillary provision including a small clubhouse and changing rooms and limited spectator provision. LGFC has recently been granted planning permission to allow the club to deliver additional covered seating required by the league.
- 6.22 The site is an area of archaeological significance with agricultural/farmland to the immediate north of the site and the land to the east earmarked for housing development under the adopted Dacorum Borough Local Plan (policy H42). There is also existing residential provision to the east and south of the site.

SECTION 6 – SITE OPTIONS

- 6.23 Road access to the site is limited and visibility is also considered poor owing to the residential nature of the surrounding area.
- 6.24 Based on footprint alone (3.8ha) the site is considered to have the potential to accommodate a stadium of c.3,100 capacity (Stadium Option A) but does not offer scope for future expansion. Beyond provision of a stadium, there is very limited land available on this site to develop a community sport and leisure offer or any enabling development.
- 6.25 Pancake Lane scored 23 out of 60 on the site evaluation exercise. This was the lowest score awarded to any site considered. Pancake Lane scored particularly low marks on elements of site size, expandability, accessibility and visibility. On this basis, Pancake Lane is considered unsuitable for the development of a Town Stadium Complex in keeping with Council's vision.

Pennine Way

- 6.26 The Pennine Way site is located to the east of the town centre, off Redbourne Road. The site currently features two rugby pitches with changing and ancillary provision for HSRLFC and parking for c.50 cars. HSRLFC has recently been granted planning permission for the development of a new stand to seat just under 500 people and improved clubhouse and changing provision to include a small community health and fitness offering.
- 6.27 The site is surrounded by school playing fields to the north across Pennine Way and residential and a disused railway to the south and residential development to the immediate east. A large depot and a general employment area is adjacent to the site to the west.
- 6.28 The visibility of the site is considered reasonable given its height relative to the surrounding area. However, the surrounding residential and business areas reduce the site's overall visibility.
- 6.29 Access to the site is also considered reasonable with Redbourn Road offering strong access by car, however Pennine Way itself would require significant improvements in order for access to reach the necessary level for substantial spectator or user demand. Physical access to the site overall is therefore considered difficult without improvements to Pennine Way.
- 6.30 It is considered that, based on site size alone, Pennine Way might potentially accommodate a stadium of c.4,000 capacity (Stadium Option B), but without scope for future expansion. Under this scenario there would also be unlikely to be land available on the site to deliver a community sport and leisure offer or enabling development.
- 6.31 Pennine Way scored 33 out of 60 on the site evaluation exercise. This was the highest score awarded to any of the existing clubs' sites, and fourth highest overall. Pennine Way scored low marks on access and parking considerations, and due to the adjacency of residential development. The site's topography and size were considered strengths.

- 6.32 On this basis, Pennine Way is considered potentially suitable for the development of a Town Stadium Complex in keeping with the Council's vision, although this is largely contingent on using adjacent land, and even in the event of this other sites would be strongly preferred.

Chaulden Lane

- 6.33 Chaulden Lane and the CRUFC site is located to the west of the town centre with access to Chaulden Lane from Northridge Way.
- 6.34 The site is c.0.75 miles from Hemel Hempstead railway station, which offers strong potential public transport links with both rail and bus services serving the station.
- 6.35 Currently, the CRUFC site contains three rugby pitches, with three small floodlit training areas located on the periphery of the pitches. There is parking for c.80 cars and a changing pavilion with small ancillary/social provision.
- 6.36 The site is within the Green Belt with the River Bulbourne to the south, Chaulden Lane and residential provision to the north and additional playing fields to the west.
- 6.37 The playing fields to the west of the site include one football pitch and two additional rugby pitches with small changing provision and parking for c.20 cars also on site. There is also a small children's play area located on the playing fields site. Were both sites to be available for a stadium development, this would free up space to deliver additional necessary ancillary areas and parking, plus potentially community sport space.
- 6.38 Access is considered strong for public transport given proximity to the railway station but more limited for private transport given the residential/rural nature of the immediate area surrounding the site. The close proximity of the railway line presents strong advantages in terms of visibility from this line, although overall site visibility is limited by the surrounding residential development.
- 6.39 The general topography of the site is good with the site already used for community sport (rugby). Based on size alone, it is considered to be of sufficient size to be able to potentially accommodate a stadium of c.3,100 capacity with residual areas for both indoor and outdoor community sports provision.
- 6.40 Chaulden Lane scored 30 out of 60 on the site evaluation exercise. It scored particularly low marks on elements of accessibility, parking and expandability. The site scored higher marks for size and image/visibility.
- 6.41 On this basis, Chaulden Lane is considered potentially suitable for the development of a Town Stadium Complex in keeping with Council's vision, but other sites would be preferred.

Lucas Sports Ground

- 6.42 Lucas Sports Ground is located on land north of Breakspear Way to the east of the town centre. It is owned by HCA and is part of the Maylands Gateway Development Brief and the Maylands Masterplan. There is currently no public access to the site and it is presently not maintained.
- 6.43 The site has historically provided sports facilities including grass pitches, a grass athletics track and a small changing pavilion.

SECTION 6 – SITE OPTIONS

- 6.44 Although access is currently restricted, this site has potentially very strong links for public access with Breakspear Way and considering its proximity to the existing junction with the M1 motorway. Access would be contingent on the development of a road leading off Breakspear Way or Maylands Avenue.
- 6.45 Significant road frontage with Breakspear Way presents considerable visibility benefits for the site compared to others and there is little surrounding conflicting development (residential) other than a small area to the north of the site.
- 6.46 Based on footprint alone, the site could potentially accommodate a stadium of c.4,000 capacity with additional space on the residual area for community sport and leisure provision. However, it is unlikely that the site in its present form would be able to accommodate space to extend the stadium to 5,000 capacity (as per Stadium Option B) while also delivering community provision. Proximity to the Maylands area and the visibility of the site does though present opportunities for enabling development.
- 6.47 The Deposit Draft Dacorum Borough Local Plan contained a specific proposal (L14) relating to Lucas Sports Ground:
- “Public/private outdoor sports use with spectator and ancillary social and community facilities. Site to be reserved for long term relocation of spectator sports facilities based around a town stadium”*
- (Source: Dacorum Borough Local Plan 1991-2011 Deposit Draft, Parts 1-3, October 1998)
- 6.48 However, in the adopted Local Plan (April 2004) this specific proposal had been removed.
- 6.49 Lucas Sports Ground scored 44 out of 60 on the site evaluation exercise. This was the second highest score awarded to any site considered. The site scored consistently strongly against the majority of evaluation criteria, with the exception of pedestrian access and proximity to existing parking. Based on site size considerations however, the site is unlikely to be able to deliver the expandability necessary should spectator capacity requirements increase beyond 4-5,000.
- 6.50 Figure 6.1 shows the site overlaid with 4,000 seat stadium, parking, and some indoor sport provision.



Figure 6.1 Lucas Sports Ground



- 6.51 On this basis, Lucas Sports Ground is considered potentially suitable for the development of a Town Stadium Complex in keeping with Council's vision, though there are some reservations over total site size to achieve a large-scale solution for elite and community sport.
- 6.52 However, as highlighted above, the area falls within the Maylands Gateway and is subject to a Development Brief. The Council is looking to bring this area forward as a high-tech, office-led development. It is therefore unlikely that this site would be considered for a Town Stadium facility despite its relatively high score.

East Hemel Hempstead

- 6.53 The area to the east of Hemel Hempstead, close to the M1, falls outside the administrative boundary of Dacorum yet is still likely to be psychologically associated with Hemel Hempstead since it is at the edge of the town.
- 6.54 There is also potential scope for the amendment of administrative borders between Dacorum and St. Albans in the coming years as the future residential development in the corridor between the M1 and Dacorum is realised. For this reason, the area has been considered for potential outline suitability at this stage.
- 6.55 The East Hemel Hempstead area exhibits a number of the key criteria deemed essential to the success of the Town Stadium Complex. Most notably, these include visibility and accessibility (with the adjacency to the M1), and a large potential future catchment population with the new residential development nearby. Also importantly, any community sport delivered at this site would be more likely to complement provision at Hemel Hempstead Sports Centre and serve an identified future need, and thereby not compete unduly with the existing Council-owned site in the town.

SECTION 6 – SITE OPTIONS

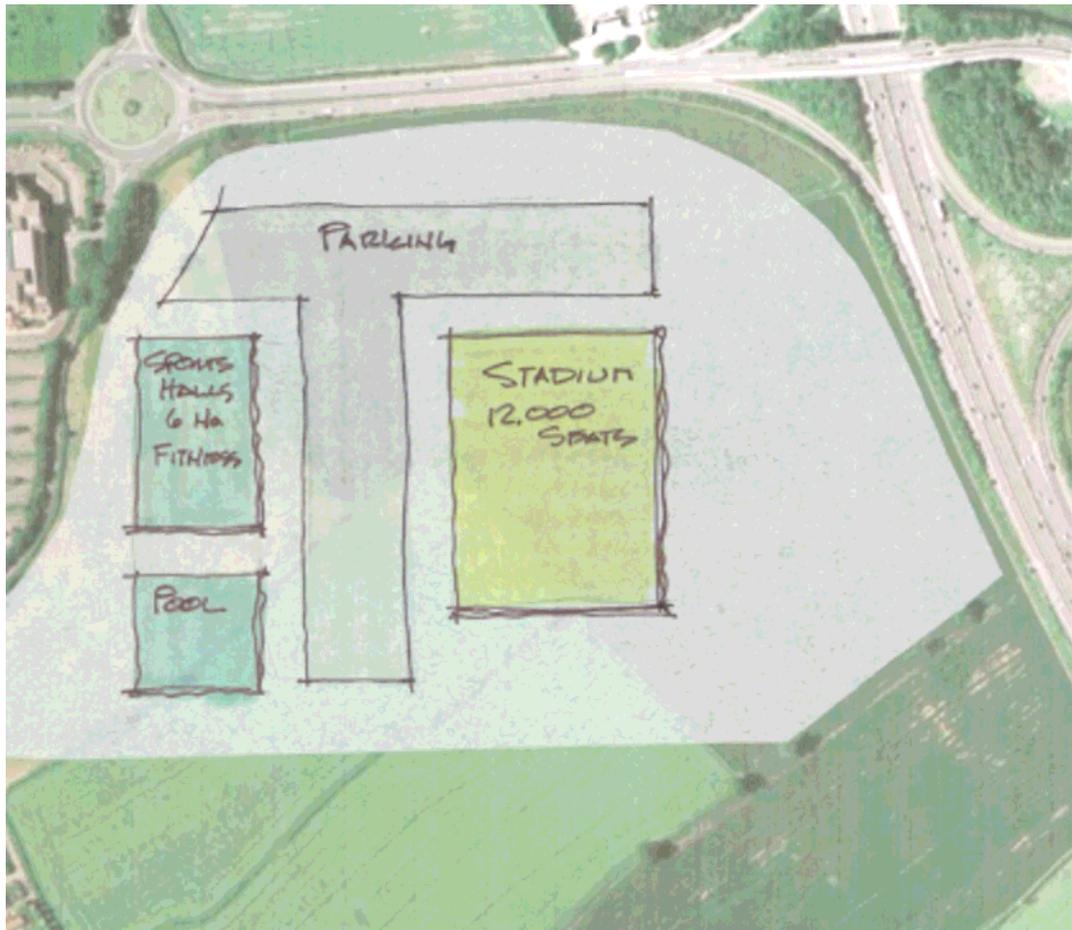
- 6.56 In the East Hemel Hempstead area two sites have been identified and evaluated in line with these criteria. These two sites are those areas immediately south and north of the junction between the A4147 and the M1, to the East of the town centre.
- 6.57 A general evaluation of these areas has been completed rather than an analysis of particular site boundaries. This approach is considered more practical at this stage given potential issues of land ownership. It does however provide the Council with a headline analysis of the potential suitability of certain areas, which can then be explored in greater detail at the next stage.
- 6.58 This exercise is summarised in Table 6.1 below, which provides an initial overview of the suitability of each of the potential sites evaluated.
- 6.59 The site north of the junction of the A4147 and M1 was awarded 41 out of 60 against the evaluation criteria. This was the third highest score awarded to any site. There are considered strong benefits to the selection of this site, including high visibility, excellent motorway access, and suitable topography. The site does however have two significant shortcomings, namely:
- the area falls within the administrative boundary of St. Albans District Council
 - the site is within close proximity of the Buncefield Oil Depot..
- 6.60 The latter point is a particularly key consideration. It is the view of the Council, after detailed discussions with the Health & Safety Executive (HSE), that restrictions on the site are such that there would not be sufficient space to deliver a project on this site.
- 6.61 Figure 6.2 shows the site overlaid with 12,000 seat stadium, parking, and significant indoor sport provision. Additional space on site also theoretically has the potential to accommodate outdoor sports pitches and/or enabling development.
- 6.62 However, planning considerations as revealed through consultation with HSE suggest that this is not a viable site for the development of a town stadium complex. On this basis, despite a high score on the evaluation matrix, this site should not be considered as a potential site for the Town Stadium Complex, unless HSE's position changes in the short to medium-term.

Figure 6.2 Site north of A4147/M1 junction



- 6.63 The site south of the junction of the A4147 and M1 was awarded 46 out of 60 against the evaluation criteria. This was the highest score awarded to any site. Figure 6.3 (overleaf) shows the site overlaid with 12,000 seat stadium, parking, and significant indoor sport provision. Additional space on site also has the potential to accommodate outdoor sports pitches and/or enabling development.

Figure 6.3 Site south of A4147/M1 junction



- 6.64 It is recommended that areas within close proximity of the junction with the M1 would be strongly preferred as potential sites for the project, in order to maximise the development's visibility, appeal, and accessibility, and to allow it to function as a true "Town" stadium complex. Moving the complex significantly further north or south of the junction would potentially reduce its appeal and effectiveness.
- 6.65 As noted previously, the development of a c.5,000+ capacity stadium and community leisure facilities will have significant land take. Given the exclusion boundaries around Buncefield oil depot it is highly unlikely that a facility as large as this would be acceptable north of the junction. Given this consideration, a site to the south of A4147/M1 junction is likely to be most suitable for the development of a Town Stadium complex.

SECTION 6 – SITE OPTIONS

Table 6.1 Summary of site evaluation exercise

Criteria	Vauxhall Road	Pancake Lane	Pennine Way	Chaulden Lane	Lucas SG	M1 site(s) north of A4147	M1 site(s) south of A4147
Environment & Perception							
Adjacent land uses & scale	1	1	2	2	5	0	4
Facility image / visibility	1	1	3	4	4	5	5
Linkages							
Proximity to existing parking	2	2	3	2	2	4	3
Proximity to public transport	3	2	3	3	4	2	2
Accessibility							
Motorway	2	1	2	1	5	5	5
Primary arterials	4	4	3	2	5	5	5
Parking egress / ingress	2	1	2	2	3	5	4
Pedestrian	3	3	3	4	2	2	2
Site Factors							
Size	1	1	4	4	4	2	5
Topography	4	4	4	3	4	5	3
Edge conditions	2	2	2	2	4	4	4
Expandability	1	1	2	1	2	2	4
TOTAL (out of 60)	26	23	33	30	44	41	46



Summary

- 6.66 The existing home grounds of the town's clubs offer limited scope for the scale of development necessary to deliver a project as envisaged by the Council and key stakeholders, although there may be some opportunities at Chaulden Lane and Pennine Way.
- 6.67 The site opportunities best suited to maximising the impact and benefit of the Town Stadium Complex are considered to be those in close proximity to the M1/A4147 junction, while noting that there are reservations around the northern site given the proximity to Buncefield, based on the Council's discussions with HSE.
- 6.68 As the facility mix is refined, the necessary footprint required to accommodate the Town Stadium Complex will emerge, which can be used to further determine the site suitability appraisal process at the next stage of the work.
- 6.69 If issues around site ownership, planning considerations and topography can be resolved there are potential strong opportunities to deliver a Town Stadium Complex in line with the Council's overall vision for the project at one of these sites.

SECTION 7

DELIVERABILITY AND SUSTAINABILITY

Deliverability and sustainability

- 7.1 This section of the report provides some indicative projections as to the broad deliverability and sustainability of a series of facility mix options. In addition to identifying a suitable site and a facility mix that meets the vision developed by the Council and key project stakeholders, it is also essential that the proposed Town Stadium and wider complex are deliverable in capital terms and operationally sustainable in the long-term. Further investigation of these considerations will therefore be important if the Council is to take the project forward.
- 7.2 To provide a headline view as to the project's deliverability and sustainability, the PMP team has prepared indicative capital costs for the shortlisted facility mix options, summarised potential sources of funding for the project, and investigated the likely business plan implications.
- 7.3 Based on benchmark analysis, SportConcepts has prepared a headline capital cost assumption for each of the shortlisted facility mix options. Presented in Section 5, the indicative capital costs of the options are:
- Stadium strand
 - Stadium Option A – £5.4m
 - Stadium Option B – £6.7m
 - Stadium Option C – £8.6m
 - Community leisure strand
 - Community leisure Option 1 – £3.1m
 - Community leisure Option 2 – £8.8m
 - Community leisure Option 3 – £12.8m.
- 5.37 These capital costs exclude VAT, inflation, and fees at this stage, and also do not include parking. The stadium costs in particular are based on mid-range projections, though there is potential scope for value engineering as the project progresses, to increase affordability.

Business plan headlines

- 7.4 An outline business plan has been prepared for each of the facility mix options identified in Section 5, to inform the Council's view as to the sustainability of the Town Stadium Complex. This is central to understanding the ongoing revenue position, key income streams and expenditure items.
- 7.5 These business plans, though indicative at this stage, are based on a combination of benchmark data, local pricing, and information collected during the course of this study.

- 7.6 The Stadium component has been assumed to be broadly cost neutral for the Council. The business plan for the wider complex assumes a net rental of £8,250 per annum from HHTFC for the stadium. HHTFC will then be responsible for management and all operational expenditure incurred, although alternative management models are potentially open to the Council to safeguard its investment.
- 7.7 The business plan has not at this stage, evaluated potential increased stadium revenues/rental as HHTFC progresses through the league system and generates increased matchday income. However, the Council may wish to consider a mechanism for sharing super income, which does not limit the ability of HHTFC to make the returns necessary to support its growth and on-field success.
- 7.8 The business plan has also not assumed future revenues from the potential tenancy of HSRLFC or another team.
- 7.9 Headline business plans have been completed for the community leisure facility mixes. These have shown the key likely income streams and expenditure items associated with this part of the scheme. The headline projections produced through this business planning exercise are:
- Option 1, the least extensive mix of indoor and outdoor leisure facilities, is projected to cost c.£435,000 (excluding lifecycle costs) to run in a mature year – this facility mix has the highest net operating deficit
 - Option 2 is projected to cost c.£350,000 (excluding lifecycle costs) to run in a mature year
 - Option 3, the most extensive mix of indoor and outdoor leisure facilities, is projected to cost c.£190,000 (excluding lifecycle costs) to run in a mature year.
- 7.10 Were the facility to be operated by SportSpace, or another leisure trust, there would be opportunities for substantial rates (NNDR) and VAT savings, although the ultimate scale of savings would be contingent on the Council's policy with regard to the recovery of NNDR.
- 7.11 PMP has also developed business plans for the three options using amended assumptions to reflect a trust management vehicle. Specifically, these amendments include:
- income on the majority of uses (though excluding F&B for example) is VAT exempt and therefore 15% higher than under the base model
 - the assumed VAT recovery rate is reduced from 90% to 16.5% to reflect the greater ability of the private sector to recover this item
 - NNDR expenditure has been reduced by 80% to reflect the mandatory rate relief from which a trust would benefit, though dependent on the Council's policy on discretionary rate relief there may be scope to further increase savings to up to 100% relief.

SECTION 7 – DELIVERABILITY AND SUSTAINABILITY

- 7.12 Under this scenario, the Town Stadium complex is projected to be more operationally sustainable. The headline projections produced with the application of these assumptions are:
- Option 1 is projected to cost c.£273,000 (excluding lifecycle costs) to run in a mature year
 - Option 2 is projected to cost c.£58,000 (excluding lifecycle costs) to run in a mature year
 - Option 3, the least extensive mix of indoor and outdoor leisure facilities, is projected to cost c.£43,000 (excluding lifecycle costs) to run in a mature year.
- 7.13 Under both management scenarios, Option 3 is the most operationally efficient solution, and is also likely to generate the greatest usage/number of visits per annum. However, the scale of land take and capital required to deliver this option is greater than for the other options, which the Council may consider to be a factor in its deliverability.
- 7.14 These business plans should be developed at the next phase of the project as the facility mix is refined towards a preferred option.

Potential funding sources

- 7.15 Table 7.1 below provides a summary of the potential capital funding sources. Specific values have been provided where possible but at this early stage, figures are indicative.

Table 7.1 Headline grant funding summary

Source	Value	Comments
Dacorum Borough Council	Unknown	Contribution from DBC towards the development of stadium or community leisure facilities.
Tenant club(s)	Dependent upon club	Capital contribution plus ongoing revenue stream (rental). HHTFC presently pay £8,250 per year at Vauxhall Road.
Developer/enabling	Unknown	Capital contribution from developers related to disposal of existing club sites or to relevant DBC s106 policies. Enabling development can yield ongoing revenue streams which could be capitalised to fund stadium development costs.
Football Foundation	Up to £1m (unlikely to yield over £500k)	Capital contribution towards development of community football facilities and changing (if 85% football usage). Note significant partnership funding required and development in partnership with Charter Standard Community Club recommended.
Leisure operator (community leisure facilities)	Dependent on facility mix	Capital contribution to development of community leisure facilities and ongoing revenue stream.

Source	Value	Comments
Football Stadia Improvement Fund	Dependent on league level	Grant funding available to improve facilities for players, officials and spectators to meet membership conditions of league. Related to level of competition in National League System. HHTFC currently at Step 3 = up to £150k contribution. NB: funding is only available upon confirmation of promotion – not speculatively.
Sport England/ other grant funding sources	Up to £1m (unlikely to yield over £500k)	Capital contribution towards community sports facilities (unlikely to fund community football elements – would look to FF). Significant partnership funding required and scheme will need to fit with new Sport England 'funding themes' in order to achieve funding.
Other private sector (eg GOALS/ Powerleague)	Circa £25k-£40k per annum plus cap ex. of STP build	Capital contribution towards STP development and ongoing revenue stream which could also be capitalised. Free access to facilities for community groups during off peak hours.

- 7.16 Appendix C presents DTZ’s analysis of the commercial property market, and identifies demand for, and potential valuation of, office space, retail, and other enabling development in Hemel Hempstead. This research has helped to inform projections of the potential for developer contributions towards the funding of the Town Stadium complex.
- 7.17 Based on a series of assumptions around potential grant and enabling funding, an indicative outline of the project’s affordability has been prepared. This exercise is intended to illustrate the level of Council/gap funding required to deliver various scheme options.
- 7.18 Under this, four scheme mixes (stadium and community leisure) have been investigated. These are:
- the cheapest stadium solution (Option A) with the cheapest community facility (Option 1)
 - the second most expensive stadium solution (Option B) with the second most expensive community facility (Option 2)
 - the most expensive stadium (Option C) with the most expensive community facility (Option 3)
 - the most expensive stadium (Option C) with the second most expensive community facility (Option 2).

SECTION 7 – DELIVERABILITY AND SUSTAINABILITY

- 7.19 This has assumed that there are no savings or additional costs incurred through delivering the community and stadium facilities together. The options are intended to illustrate the range available to the Council, from the cheapest to most expensive, plus that which is deemed most likely to meet the project vision without incurring excessive undue costs.
- 7.20 Table 7.2 overleaf presents the projected capital deliverability of these mixes.



Table 7.2 Projected capital shortfall for Town Stadium Complex options

	Stadium strand	Cost (£m)	Community leisure strand	Cost (£m)	Total capital cost (£m)	Projected enabling funding (£m) #	Projected grant funding (£m) *	Shortfall (£m)	Revenue position
A1	Stadium Option A	5.40	Community leisure Option 1	3.10	8.50	4.00	2.25	2.25	-£273,000
B2	Stadium Option B	6.70	Community leisure Option 2	8.80	15.50	4.00	4.75	6.75	-£58,000
C3	Stadium Option C	8.60	Community leisure Option 3	12.80	21.40	4.00	5.00	12.40	-£43,000
C2	Stadium Option C	8.60	Community leisure Option 2	8.80	17.40	4.00	4.75	8.65	-£43,000

Projected enabling funding is based on a mix of uses as identified in DTZ's review of the property market (demand and valuation) summarised at Table 4.4. This figure is indicative at this stage

* Projected grant funding is based on projections linked to the community leisure facility mix and the potential funding available from major funding bodies on this basis, as summarised at Table 7.1. This figure is indicative at this stage

SECTION 7 – DELIVERABILITY AND SUSTAINABILITY

- 7.21 The projections at Table 7.2 above illustrate the potential capital shortfall associated with a series of facility mix options.
- 7.22 Further work will be required to take these conclusions forward and investigate them further. Delivering the Stadium Complex and securing its long-term sustainability are important areas of work that will need to be advanced.
- 7.23 Although not the cheapest in capital build terms, Options C2 and C3 potentially offer deliverable and sustainable facilities that best meet the vision set out by the Council and its major stakeholders. It is recommended that these options are therefore taken forward for further detailed consideration.

SECTION 8

CONCLUSIONS AND NEXT STEPS

Conclusions and next steps

Conclusions

- 8.1 This study has confirmed the potential demand for, and deliverability and sustainability of, a Town Stadium Complex in Hemel Hempstead. Based on market research and consultation, together with the vision developed by the Council and its stakeholders, there are strong opportunities to deliver a project that is a valuable resource for existing and future residents of the town.
- 8.2 The Complex could potentially support the delivery of the sporting aspirations of the town's clubs and their progress through the respective football and rugby league structures, while offering a valuable community leisure facility to meet demand for indoor and outdoor sport in Hemel Hempstead.
- 8.3 In order to achieve this, it is recommended that the Council consider, as a base position, the delivery of a stadium solution that allows for competition at the Football League level (Option C) and community sport provision that meets existing latent, and projected future, demand (Option 2 or Option 3).
- 8.4 Delivering a substantial mix of professional and community sport provision has the potential to stimulate interest and activity levels in residents of Hemel Hempstead and beyond, providing a valuable hub site that provides opportunities to both play and watch sport, in keeping with the Council's vision for the Town Stadium Complex.

Next steps

- 8.5 Based on the findings of this study, the Council should consider further investigation of the deliverability of the Town Stadium Complex. Key steps to be undertaken in Phase 2 of the study are:
 - refining the optimum facility mix based on demand, deliverability and operational sustainability
 - market testing with sport and leisure operators to determine market interest, and with potential users of enabling development to determine appetite and valuation
 - reviewing management options, and developing ownership structure options through discussions with project partners
 - preparing further analysis of site location options – detailed feasibility (location, access, size) within the area(s) of the town identified as potentially suitable for the town stadium complex
 - developing conceptual plans, taking into account project phasing assumptions, for consultation
 - developing procurement/delivery route and prepare financial model
 - preparing a full risk register to track key issues
 - outlining an ongoing communication/ consultation strategy.

APPENDICES

APPENDIX A

COMPARATOR PROJECT CASE STUDIES

Comparator project case studies

Morecambe Stadium

Following promotion to the Football League in May 2007, Morecambe FC outlined plans to develop a new stadium at Westgate primarily driven by the combination of three key factors:

- a historical trend in the Club losing money (with the deficit continually funded by the Morecambe Board)
- an increasing cost base as the Club progressed through the Football League
- lack of capacity at the Club's existing ground (Christie Park) to develop in order to improve the Club's sustainability.



The Club secured planning permission from Lancaster City Council in September 2008 to develop on a circa 5.3 hectare (13 acre) site a number of facilities that will enhance the Club's ongoing sustainability and improve community sports provision. These facilities include:

- a 6,800 capacity stadium (including 2,100 seats) and a 300 capacity function suite (divisible into smaller areas); club shop; 264 car parking spaces with 76 additional spaces for hotel parking
- three new artificial football pitches – one full size STP and two five a side pitches; two all-weather tennis courts (also to be used for netball, basketball and hockey); dedicated changing provision including a café/bar area
- a hotel with significant frontage to the surrounding road network providing a ground floor reception and approximately 40 rooms over 2 floors.

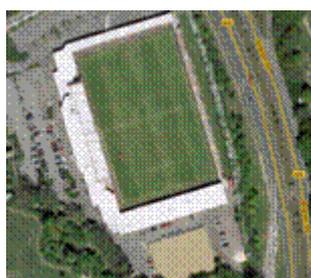
To finance the multi-million pound development, the Club's existing site at Christie Park was sold to Sainsbury's which is expected to apply to Lancaster City Council for a new 40,000 sq ft superstore which will provide 350 new permanent jobs for the area, if approved. Work is scheduled to start on the new stadium in April 2009 and scheduled for completion in time for the start of the 2010/2011 season.



Broadfield Stadium, Crawley

The Broadfield Stadium is home to Crawley Town FC who are currently competing in the Blue Square Premier League. Constructed in 1997 at a cost of £5.2million, the stadium has a capacity of 4,996. The site is owned by Crawley Borough Council and the football club have a lease agreement in place to secure their tenancy.

The stadium was primarily funded through the sale of the Club's previous site (Town Mead) for development, however, a significant community football offering has also been developed by the Council on the site through Football Foundation grants totalling £831,244.



A full size, floodlit, 3G artificial turf pitch was constructed to replace three average quality grass pitches funded through £696,244 of Football Foundation money. A further £135,000 was granted to the Council to implement a Football Development Programme which aimed to attract 1,500 junior male and female players to the facilities every week.

The emphasis placed on this Development Plan was towards forming links and playing opportunities with local schools and clubs, encouraging active lifestyles and positive attitudes to community life amongst under-represented local groups including the disabled, female players and those from black and ethnic minority communities.

In addition to this Community football offering, the Broadfield Stadium also offers a Function Suite for company conferences, sales meetings, training seminars or parties, weddings and other functions. With a capacity of 200 guests, the Function Suite offers both matchday hospitality options for Crawley Town FC and opportunities for the local community to make use of the stadium facility.

Colchester Community Stadium, Colchester

Colchester United FC opened its 10,000 seat Community Stadium in 2008. The stadium development is linked with the overall regeneration programme for Colchester which is estimated to be costing in the region of £3billion, of which the stadium accounted for c.£14m.



The stadium will act as a catalyst for regeneration and development of employment land and up to 3,500 new jobs on adjoining site alongside the building of 1500 new homes.

Within the stadium itself office accommodation is provided for the Colchester United FC Community Trust, along with an IT Suite and training/conference facilities capable of hosting up to 400 people. 24 executive boxes and bar/restaurant facilities are also provided within the stadium.

The wider stadium complex accommodates two five-a-side football pitches (with plans to provide two further pitches). There are also plans to include a crèche and changing facilities to support the five-a-side pitches.

The £14m cost of the stadium was funded by a number of parties. The East of England Development Agency (EEDA) provided £1m, the Department of Communities and Local Government (DCLG) a further £1m, with £2m achieved from the Stadia Improvement Fund (Football Foundation). Colchester Borough Council committed to £10m to fund the rest of the development, via prudential borrowing.

Keepmoat Stadium, Doncaster

Opened in December 2006, the Doncaster Keepmoat Stadium complex straddles a 40 acre site.

The site is accessible from the M18 and A1 and highly visible. The stadium complex cost approximately £32m, which was publicly funded, to construct.

On opening, was used by Doncaster Rovers FC., Doncaster Rugby League FC and Doncaster Rovers Belles Ladies FC.



This site includes a 15,200 all seated stadium, a soccer centre (including eight mini pitches and one full size STP), an athletics track and grass playing surface. Furthermore the stadium complex includes a health and fitness club, IT suite and 1000 parking spaces.

A single 500-seat stand is also located beside the main stadium to provide spectator accommodation for the six-lane running track. The stand/mini stadium is used by Doncaster Rovers Belles (moved from the main stadium itself), Doncaster Rovers reserves, Doncaster RLFC's academy team, and the South Yorkshire Mustangs American football team, creating a key sporting hub in the town.

The stadium itself is sponsored under a long-term naming rights contract by Keepmoat, a company specialising in council housing, which provides a further commercial revenue stream. The visibility and profile of the site is likely to have contributed to being able to secure this arrangement.

The venue had been losing around £20,000 a week in its early months of operation, and was expected to make losses of £2.5m in its first 18 months. However, the SPV formed to manage the stadium complex released a statement in September 2008 stating that the community facility is now backed by a "sustainable business model" which generates a monthly profit.

APPENDIX B

SITE SELECTION ISSUES

Site selection issues

This document sets out those site issues that are considered key when determining the potential location of the new Hemel Hempstead Town Stadium complex. This has primarily focused on the stadium itself, though it does extend to the potential commercial and community elements of the scheme.

Stadium considerations – professional sports team as tenants

Essential	Desirable
<ul style="list-style-type: none"> • Sufficient scale to allow stadium to meet league entry requirements • Staff/operational parking (includes players/ officials?) • Parking for VIPs/suite holders/ disabled • Excellent (main) road access • Good public transport links • Flat site (topography) • In conurbation from which club takes its name (football only) • Good pedestrian access • Coach parking • Limited planning constraints eg floodlighting, licensing etc 	<ul style="list-style-type: none"> • Excellent site visibility/profile • Parking for general admission • Proximity/links to railway station • Good catchment market/ demographics • Potential for expansion

Stadium considerations – amateur/lower tier (to Football Conference) sports team as tenants

Essential	Desirable
<ul style="list-style-type: none"> • Sufficient scale to allow stadium to meet league entry requirements • Staff/operational parking (includes players/ officials?) • Good (main) road access • Good public transport access • Flat site (topography) • In conurbation from which club takes its name (football only) • Good pedestrian access • Limited planning constraints eg floodlighting, licensing etc 	<ul style="list-style-type: none"> • Good site visibility/profile • Proximity/links to railway station • Proximity to existing ground/ fanbase • Potential for expansion



Commercial/enabling development considerations

Essential	Desirable
<ul style="list-style-type: none">• Excellent site visibility/profile• Large catchment area/ proximity to residential area• Excellent (main) road access• Parking for tenants/shoppers	<ul style="list-style-type: none">• Good public transport access• Flat site (topography)

Community sport considerations

Essential	Desirable
<ul style="list-style-type: none">• Large catchment area• Excellent site visibility/profile• Excellent (main) road access• Parking for visitors• Good pedestrian access• Good public transport access• Location does not create undue competition with existing public facilities	<ul style="list-style-type: none">• Flat site (topography)• Absence of competitor facilities in catchment



APPENDIX C
PROPERTY MARKET REVIEW



Hemel Hempstead Stadium Feasibility Study

Property Market Review

20th January 2009

DTZ
125 Old Board Street
London
EC2N 2BQ



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1. Introduction

1.1 Overview

The following report provides an all-sector review of the Hemel Hempstead property market in order to determine uses which may be suitable as part of an overall stadium complex to help cross-subsidise the costs of delivering the proposed stadium facilities. At this early feasibility stage this report is non-site specific. We have not been provided with details of the likely stadium size, cost or location. Similarly the location, site size and density of enabling development are unknown. Where possible for each sector we have considered the prevailing rental or capital values, investment yields, the levels of take up and demand from occupiers, together with retailer / occupational requirements and provided an overview of potentially competing developments in the town and pipeline development expected to be delivered. The sectors we have considered for this stage of the feasibility study are:-

- Commercial Office Market
- Industrial and Warehouse Market
- Residential Market
- Retail Market
- Hotel Market

This market overview is written at a time of extreme market uncertainty when short to medium term prospects for the property market are particularly difficult to forecast.

1.2 General Property Market Conditions

The current global economic conditions have had a significant impact upon the UK property market with continuing uncertainty, falling capital values and investment yields moving out substantially. Build costs have increased significantly in recent years whilst development finance has become increasingly difficult to secure due to the effects of the credit crunch. The recessionary conditions currently being experienced in the UK economy have put pressure on occupational demand as many retailers and businesses have cut back on expansion plans, or have made redundancies and are seeking to minimise costs. The residential market has suffered due to the combined effects of a lack of available mortgage credit and a continued diminution in consumer confidence leading to falling sales volumes and values across the UK.

As a result of these factors, many developments across the country have been put on hold as developers seek to minimise their exposure to risk. Some developments are even experiencing problems mid-construction as banks / funders have become nervous about possible risk and concerns over financial returns. Central government initiatives due to be announced mid January 2009 however, designed to relieve the key drivers of the financial crisis, are expected to revive the property markets to some degree by making mortgage credit and loans for large employers more accessible.

Whilst it is difficult to ignore the prevailing economic and property market conditions, it should be noted that the development of a stadium for Hemel Hempstead is likely to be a long term project and conditions could be more favourable when actual development takes place.

1.3 Overview of Potentially Suitable Complementary Uses with Stadium Projects

The most suitable complementary uses for stadium projects are highly dependent on the location and the scale of the development together with the planning policy in place and market demands.

Due to the out-of-town and accessible nature of many of the larger facilities DTZ has been involved with, 'big-box' retail and superstores have often provided highly compatible land uses. These land uses often generate high land values although they do require large sites in order to be accommodated. Residential schemes can generally be developed to a high density by comparison to other land uses and can bring both value to a stadium development and the required footfall to support other enabling development uses such as foodstores, restaurants and drinking establishments. Hotel developments have similar benefits to the residential and can be highly flexible and adapt well to a range of stadium schemes given that they can generally be developed over anything from 1 to 20 storeys. Hotel sites often, however, must have extremely high levels of visibility.

2. Office Market

2.1 Local Employment Overview

Hemel Hempstead is amongst the smallest office centres covered within the UK Office Promis report produced by the PMA research and forecasting service. Only 25.2% (circa 14,800 jobs) of total jobs in 2006 were in the Financial and Business Services sector according to the National Statistics. Given that two-thirds of office take up in the UK comes from firms within the Finance and Business Services sector it is not surprising that the office market in Hemel Hempstead is small.

Between 1992 and 2006 total employment in Hemel has expanded only 0.9% per annum making it an area of low growth across all employment sectors and placing Hemel in the growth rankings at number 52 out of the 67 Office Promis Centres. In terms of growth the best performing subsector within Hemel has been Computing, Research and Development and Telecoms which has seen the average growth of 3.9% pa since 1992 (an additional 1,400 jobs). In contrast Professional Business Services only saw an average growth of 1.8% pa over the same time period. Although it must be appreciated that the strong growth in the economy between 2006 and Q2 2008 is not accounted for in these figures we expect that the economic slowdown post Q2 2008 will have begun to counter balance the effect the growth period on the figures. Over the past year the unemployment rate in Hemel has risen to 2.4%, slightly above the 2.2% average of all 67 Office Promis centres.

2.2 Take Up

Office take up in Hemel during 2008 was estimated to be 100,000 sq ft, up 100% on the 2007 figure. The 2008 figure, however, does include the 85,000 sq ft pre-let of Phase 2 of the People Building to Northgate Information Solutions to resolve their displacement caused by the Buncefield blast and is therefore not a pure reflection of new business arriving to the area. By sector, the key driver of demand in Hemel over the last five years to Q3 2008 has been

Information Communication and Telecommunications (ICT), accounting for over 37% of all take up. In the same time period there has been one deal over 100,000 sq ft, two deals of 50-100,000 sq ft, and 4 deals of 25-50,000 sq ft. The majority of space taken up over the last five years has been of over 25,000 sq ft.

2.3 Current Supply

At the end of 2007 Hemel had an estimated office stock of 3.8 million sq ft of which approximately just 7.9% (300,000 sq ft) was less than 5 years old, considered 'new' stock. It is reported that there is approximately 31,600 sq ft of office space under construction in Hemel Hempstead at the Kodak Building representing less than 1% of existing office floor space expected to be completed in summer 2010. It is believed that all of the office space under construction is available and that none is pre-let or purpose built.

Excluding office space currently under construction there is 2.1 million sq ft of office space in Hemel Hempstead's development pipeline, of which only 400,000 sq ft has planning permission. This development pipeline, at the rate of construction seen in Hemel over the last 5 years, represents 36 years of development.

Of the space planned in Hemel 3 schemes are over 100,000 sq ft, 5 are between 50,000 and 100,000 sq ft.

Thornfield Properties have been selected by Dacorum Borough Council to deliver the Waterhouse Square development planned to commence on site in 2012. The amount of new office space to be delivered in this scheme is yet to be finalised.

2.4 Development Trends

During 2007 there were 129,000 sq ft of completions within the local authority district. This represents the peak in the recent cycle. Development in Hemel Hempstead has been largely speculative since the end of 2002 with only 16% of development having been pre-let or purpose-built. All office developments recently constructed have been out of town developments. The new 85,000 sq ft office building however at the People Building site is expected to go on site mid 2009. This scheme is currently being progressed through planning by Stanhope having secured a pre-let from Northgate, mentioned above, for whom the building is being purpose built.

2.5 Availability

The Dacorum Borough Council's Commercial Property Register, December 2008, indicates that there is approximately 700,000 sq ft current supply available to let, although local agents believe the amount of space available to be closer to 600,000 sq ft. In addition to the current supply available there is approximately 400,000 sq ft available to pre-let at the People Building over 5 buildings. Other than this there is limited other development activity within the town.

In light of the current economic climate with the UK Gross Domestic Product having contracted by 0.6% in the third quarter of 2008 we believe that Hemel Hempstead currently has an oversupply of office space.

2.6 Requirements

DTZ are aware of 3 current requirements for office space in Hemel Hempstead.

Company Name	Requirement
Hertsreach Dacorum Computer Services	1,000 – 1,200 sq ft
Medendum Group Publishing Ltd Publishers and Publications	3,000 – 4,000 sq ft
Shipton Communications Ltd Telecommunications Equipment	2,000-3,000 sq ft

2.7 Top Rents

Top rents currently stand at around £20 psf. The highest rent over the past 12 months was achieved at Breakspear Park this letting was for 4,100 sq ft of office space on a 10 year lease equating to £21.50 per sq ft in May 2008. It must be noted that in the current economic climate that demand for office space and rents achieved may be adversely affected. In order to achieve the top figures space should be provided in locations with easy access to both the town centre and the M1 and have good visibility from a main road with high levels of traffic and pedestrian flow.

2.8 Investment Yields

Although mid-2008 prime yields in Hemel Hempstead were reported to stand at 7.50% DTZ is of the opinion that newly built prime out of town office accommodation would currently attract investment yields today in the region of 9-10%. This will however vary depending on the location, specification, size of accommodation, lease terms and tenant covenant strength.

3. Industrial and Warehouse Market

3.1 Local Employment Overview

The industrial economy as well as the economy as whole suffered a major shock in 2005 with the explosion at the Buncefield Oil Depot. With the town's industrial stock significantly concentrated in the surrounding Maylands area, the impact on the short to medium term has been quite significant. There has been no census information gathered post the Buncefield Oil Depot explosion all though it is believed it will be a considerable time before the towns industrial sector fully recovers.

The PMA research and forecasting service estimates that in 2006 around 13% of total employment in Hemel was in the Manufacturing and Transport & Distribution sectors accounting for 7,700 jobs. Although total employment in Hemel Hempstead expanded on average by 0.9% pa between 1992 and 2006 the manufacturing employment sector in Hemel Hempstead over the same period decreased on average by 4.3% pa according to data provided by the National Statistics. This decline in manufacturing has varied within subsectors from -1.5% pa for Oil, Plastics & Chemicals to -9.1% pa for Electrical & Electronic engineering. The Transport and Distribution sector in Hemel Hempstead shows a more positive story with, a 2.1% increase pa in employment in this sector which is above the Promis Industrial centre average of 1% pa in other Industrial locations. This reflects an increase of 900 jobs since 1992.

Due to Hemel's position, adjacent to the M1 and just outside Greater London, it has become a key national and regional distribution centre. Recent rapid growth in consumer spending within London and the South East has helped reinforce Hemel Hempstead's status as an important distribution hub for these markets.

3.2 Major Manufactures

Hemel Hempstead benefits from a varied range of manufacturing employers although there are a number of electrical and electronic firms present in the town including Desoutter, Bartlett Catering and Atlas Copco.

Table of Major Manufacturers in Hemel Hempstead

Company Name	Number of Employers
Atlas Copco	250-499
Desoutter	250-499
Golden West Foods	250-499
Henkel Loctite Adhesives	250-499
Multicore Solders	250-499
Avica Equipment	100-249
Bartlett Catering	100-249
Dexion Intl	100-249
IT Image (formally The Little Red Book Co)	100-249
Schroff	100-249

Source PMA Reseach & Forecasting Service

3.3 Major Distribution Occupiers

The Buncefield Oil Depot was traditionally one of Hemel Hempstead's main distribution employers; it was a major tanker depot for a number leading companies, including Total, Elf, BP, Texaco and Shell. Following the explosion in 2005, the future of the depot in this location

is now in doubt. The rise in importance of Hemel Hempstead as a distribution base over the past decade has attracted a number of contract distributors mainly those serving retailers.

Table of Major Warehouse Occupiers

Company Name	Sector	Number of Employers
GIST	T&D	250-499
Next	Services	250-499
Waverley Vintners	Services	100-249
Wickes	Services	100-249
Tiger Haulage	T&D	0-99
GIST	T&D	250-499

Source PMA Research & Forecasting Service

3.4 Take Up

Take up since 1995 has been influenced by the Buncefield explosion. The PMA research and forecasting service estimates that the total take up in 2007 was 619,000 sq ft, a 122% increase on the 2006 figures. Given the current economic climate we believe that this was the peak of the current cycle as consumer spending habits are expected to retract across the south east in 2009. The 5 year average take up to the end of 2007 was 295,000 sq ft.

Table of significant deals completed in 2007:

Address	Occupier	Sq ft	Date	Notes
DC1 Maylands IE	Keystone Distribution	245,000	Mar-07	20 years, replaces unit destroyed in Buncefield explosion.
DC158 Maylands IE	ASOS	158,000	Sep-07	Let, 10 years brk in 5
Maylands IE	Gist Limited	121,900	Sep-07	Assignment

There has been a lack of 'big shed' deals, over 100,000 sq ft, in 2008 with the largest deal being a 85,000 sq ft letting to 66 Storage and Distribution. Although the figures have not yet been published we expect the annual take up estimate for 2008 to represent a decrease on the 2007 figures.

Table of top deals completed in 2008:

Address	Occupier	Sq ft	Date	Notes
66 Wood Lane End	66 Storage & Distribution	85,000	Sep-08	Let
Graphic House	Ffei	65,000	Sep-08	Let, high office content.
Unit 1, Swallow Lane	Maxi Muscle Ltd	33,300	Jul-08	Let 15 yrs 9 mnths rent free, brk at yr 5.
Kingstone Bpk	Kawai UK	10,300	Sep-08	Let 10 yrs

McDonald Bpk, Mayland Ave	Screwfix	7,700	Feb-08	Let
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3.5 Development Trends

The explosion at the end of 2005 was responsible for the destruction of a large part of the industrial stock in the Maylands Industrial Area where the majority of the industrial and warehouse activity in Hemel is focused. Subsequently much of the development was focused on the regeneration of the area as such 2007 saw record levels of completions.

When combining completions, demolitions and the change of use of industrial space in Hemel over the 20 year period to the end of 2003 the figures have stayed relatively flat. If to break the figures down however into the sub-sectors factory stock over this period has decreased by 35% whilst warehouse stock has increased by 40%.

From the end of 2002 to the end of 2007 completions averaged 387,000 sq ft pa. During 2007 alone completions totalled 873,000 sq ft. Based on current supply information for 2008 a total of 186,000 sq ft is expected to complete.

The latest official ODPM stock data for Hemel suggests that industrial stock at the end of 2003 stood at 8.4 million sq ft which is comparable with centres such as Croydon and Reading. This figure can then be broken down into 35% factories and 65% warehouses.

23% of all stock is considered 'new' which is relatively high in comparison to the 5.8% average for the Industrial Promis centres report produced by PMA. The largest and most recently completed schemes are Astral and Blackstone's 465,000 sq ft Mammoth Scheme on Green Lane, and Gazeley's G Park development, which totals 410,000sq ft in two phases. The former was severely damaged by the Buncefield blast to such an extent that it needs to be rebuilt.

3.6 Availability

Before the explosion in December 2005, availability in Hemel Hempstead had risen sharply due to fairly large scale speculative development. As a result, and due to the release of 400,000 sq ft by Gillette, post the Buncefield blast availability remained high despite the destruction of recently completed schemes. At the end of 2006, availability decreased dramatically as space was quickly taken up by firms having to relocate.

By the end of 2007 availability rose as rebuilt stock came back onto the market. Gazeley completed the 170,000 sqft M1stral 170 and M1stral 260 also became available again following vacation by Scottish & Newcastle. Further large scale development was completed by Prologis, however, this was taken by ASOS and Keystone Distribution. Other schemes completing in early 2008 also contributed to this rise in availability.

EG Property Link estimates that availability in Hemel Hempstead stood at 1,180,000 sq ft in mid 2008, 14% of total stock.

3.7 Supply

There is currently one scheme under construction, 62 Maxted Road, 44,000 sq ft of space being developed speculatively. This figure compares with an annual average level of completions over the last five years of 381,000 sq ft.

There is currently 1.5 million sq ft of space in the Hemel Hempstead development pipeline, excluding space currently underway. Of this only 400,000 sq ft has planning permission. The total pipeline equates to 4 years of development at the rate seen over the past five years.

3.8 Requirements

The DTZ in-house industrial space current requirements database identifies two requirements in Hemel Hempstead. However, both of these are relatively small, being for space in the region of 15,000 to 20,000 sq ft. The first is from Simon Charles Group Ltd, a Manchester based auctioneering business and the second is from S & I Electronics. The desktop report has not revealed any further requirements.

3.9 Rents

Our general view on rents achievable is dependent on the size and location of a development however if to assume a good location within easy reach of the M1 we would expect newly built space to achieve between £8-£8.25 psf for a 50,000 sq ft unit or between £7.75-£8 psf for a 100,000 sq ft unit. Light industrial/warehouse trade counter units can expect to achieve slightly higher rents in the region of £9.25-£9.50 psf, the landlord of the McDonald Business Park recently secured the highest rate in November 2008 for a 13,649 sq ft letting at a rate of £9.95 psf.

3.10 Investment Yields

DTZ's internal database currently places prime investment yields between 8-8.25%, 6 months ago yields stood at 6-6.25%. These figures will depend heavily on the site location and size.

4. Residential Market

4.1 National Overview

There was a 2.2% decline in average UK house prices in December 2008. Continuing pressures on incomes and the negative impact of the drying up of mortgage finance are expected to exert further downward pressure on the market over the coming months. One benefit of the reduction of values is that the house price to earnings ratio – a key affordability measure - is at its lowest for five and a half years. National average house prices in Quarter 3 2008 were 12.4% lower on an annual basis according to the Halifax House Price index.

The RICS 2009 House Price Forecast predicts further falls during the year of between 10%-15%, based on mortgage approval indices compiled by HBOS and the Nationwide Building Society. The RICS report also notes however that they believe evidence suggests transaction activity may now have reached the trough and predict transactions to pick up again throughout 2009. It must be noted however that due to the particular volatility being

experienced in the market at present, accuracy of forecasts is inevitably more difficult than usual this year.

4.2 Local Overview

Our assessment of the Hemel Hempstead residential property market indicates that average values have declined over the last 12 months in line with the national averages outline above. Although some residential developments are progressing on site many new schemes are being put on hold as a result of the expected further decline in sales values over the next 12 months.

Although the East of England Plan indicates that Dacorum should grow by approximately 17,000 dwellings between 2006 and 2031 current uncertain market condition will substantially restrict the private sector's ability to deliver the required growth rates to meet this target. In the medium to long term, however, further central governmental intervention in the UK financial markets expected to be announced mid January 2009 may help to alleviate some of the issues and stimulate both transaction and development rates.

4.3 Development Trends

We are aware of a number of new build developments within Hemel Hempstead such as Bellway's Primrose Heights scheme and Dandara's Image Building current on-site. More developers, however, are choosing to place schemes on hold indefinitely until increased certainty return to the market place. A typical example of this is George Wimpey's plans to place their Woodlands scheme on hold until debt finance can be obtained at a reasonable rate and the financial viability of the scheme can be substantially improved. They had intended to develop 1, 2 and 3 bed apartments on the site but because the scheme was still in its early stages, planning permission had not yet been gained, the developer cancelled the project for the immediate future and has indicated that they have no intention of currently progressing the development in 2009.

4.4 New Build Sales Values

Units within the Bellway development, Primrose Heights, are being marketed at £180,000 for 2 bed flats, £225,000 for the 2 bed with study houses and £330,000 for the 3 bed houses with a study and garage. The development consists of 7 houses of which 1 has sold and 17 apartments of which 7 have sold. The agent has informed us that the majority of the flats have sold as part of a shared equity scheme that has helped first time buyers to enter the market. Although the agent informs us that these asking prices have been achieved in recently months we expect that due to the low transaction rate experienced over the last 6 months that the developer would be willing to deviate from asking prices to purchasers not using a shared equity scheme.

The developer Dandara is currently redeveloping the former Kodak Tower in the centre of Hemel Hempstead called the Image Building. The mixed use development will include retail, office and residential accommodation with one and two bedroom apartments currently available off plan. The development is due to finish in 2010. Dandara have informed us that there are 460 residential units being built within the development and that they have sold 60%

of these. Although we have been informed that the starting price for apartments within the scheme is £180,000 our research has revealed re-sales of these off-plan units are now being put back on the market by purchasers with local agents. For example a 1 bedroom re-sale unit is now being marketed with local agents at £170,000 with the agent informing us that they expected to only achieve £140,000 in the current market, 22% below the developer asking price.

Our analysis of the new build residential market in Hemel has confirmed that developers' asking prices stand in the region of £275 to 325 psf depend on location and quality however we believe in the current climate actual prices being achieved are likely to be closer to a range of £220 to £260 psf. Values will depend upon location and specification and therefore will need to be reviewed once a more site specific assessment is undertaken.

5. Retail Market

5.1 Current Supply

The town centre retail floorspace in Hemel Hempstead is estimated at 760,000 sq ft, containing broadly the expected volume and quality of retail provision given the size and affluence of the shopping population. Hemel Hempstead has a diverse range of retail and service provisions. It is evident that the addition of the Riverside Centre, the 281,000 sq ft shopping centre opened in 2005, has introduced higher quality floorspace into the town centre and increased Zone A rental values. Over the past four years there has been a loss of 26 service operators resulting in the town centre having a higher proportion of comparison goods retailers when compared with the national average. Vacancy rates have also risen since the 2005 however, proportionally, vacancy levels are still below the national average. Despite the challenging economic climate, it is not uncommon for vacancy levels to rise within a town centre initially after the introduction of new additional floorspace. There will inevitably be a period of transition whilst units in new areas of the town centre are being let, with some retailers shifting from old floorspace to new, and others falling out of the market.

The retail warehousing supply has been estimated at 286,000 sq ft which ranks below average in the Promise Centres report produced by the PMA research and forecasting service in terms of provision of retail warehousing floorspace per household. Around 39% of total retail warehousing floorspace is on retail parks. In addition Hemel Hempstead has an estimated 379,000 sq ft of superstore and supermarket floorspace.

5.2 Demand

Our search on the Focus database for retailer and service provider requirements in Hemel Hempstead has identified that demand from comparison goods retailers in the town centre is currently weak. This is largely a result of the current economic recession, which is forcing retailers to focus on survival, and restricting new shop openings to only the very strongest retail locations in the country.

There is retailer demand for new convenience goods stores in Hemel, particularly in the deep discount foodstore market. We have contacted a representative of one of the larger deep discount foodstore operators who emphasised that there are currently no large deep discount foodstores in Hemel Hempstead and consequently they have a requirement for at least 2

stores “and probably three”. In addition two other discount foodstore operators have expressed interest in Hemel. However, it should be noted that not all of the food retailers expressing interest would necessarily open new stores. It would depend upon the retailers’ assessments of the market potential at that time. It is highly probable that if one retailer succeeded in gaining permission for a new store, the interest of others would be reduced because the first retailer would by then have reduced the perceived market opportunity.

Lidl is one of the largest providers of discount food stores actively looking for sites across the UK. Their key criterion is that sites are positioned on main roads with easy access and strong pedestrian or traffic flow. They are willing to consider both freehold and leasehold opportunities for unit sizes ranging between 8,000 sq ft to 19,000 sq ft and a minimum site area of 0.7 acres for standalone units. Lidl is also keen to consider acting as a developer, or work in conjunction with a developer, for mixed use schemes on sites up to 4 acres. The other key operator is Aldi who have similar requirements however in addition have recently announced a joint venture with Travelodge, the budget hotel operator, to develop joint hotel and food store sites throughout the UK.

DTZ is also aware of interest from three major food retailers in opening another food superstore in Hemel Hempstead. Tesco has also previously submitted an application to extend its existing food superstore at Jarman Park, which indicates serious retailer demand for more superstore floorspace – although in that case principally for the sale of more comparison goods. Overall, we consider that the demand from food retailers should be sufficient to support one new food/non-food superstore in Hemel Hempstead, together with up to about 2 or 3 discount supermarkets.

Our retail requirements search has also identified a relative strong demand for out of centre retail, service provider and retail warehousing floorspace with a number of strong national businesses looking of space in Hemel Hempstead on prominent sites. These are summarised in the table below:

Table of out of centre retailers/service provider floorspace requirements

Retailer	From sq ft	To sq ft	Notes	Last Updated
B & Q Plc	50,000	100,000		11-Jun-08
Vets4Pets Ltd	2,000	2,400	Locations required are for D1 use, prominent to arterial roads and residential areas.	23-Sep-08
Floors-2-Go	2,500	3,000	Roadside locations with parking required	29-Sep-08
Safestore Ltd	15,000	50,000	Roadside and out of centre locations only	30-Sep-08
UC Holdings	4,000	15,000	Freehold only. Prominent units on edge of town/arterial route positions	22-Oct-08
Majestic Wine	2,500	5,000		19-Nov-08
Formula One Auto Centre	2,500	10,000	Development sites from .25 to .5 acres. Main road prominence essential.	24-Nov-08
Machine Mart	2,000	15,000		27-Nov-08

Limited			
			Development sites .66 acre - 2
Lok'nStore	15,000	50,000	acres.
Tile Depot	1,500	2,500	
			03-Dec-08
			21-Jul-08

Source: Focus January 2009

Between 100,000 sq ft and 250,000 sq ft of floorspace is registered as being required in the town by 10 retailers and service businesses on the commercial property information website Focus, however these requirements have not been verified with the agents. We would expect the level of demand for space to decline in the short term future as the economic slowdown inhibits many retailers from seeking and taking space. Of particular interest is the large amount of space required from self-storage providers, having a total maximum requirement for 100,000 sq ft of floorspace. This clearly identifies a shortage in Hemel Hempstead with the closest facilities being approximately 10 miles away in Watford provided by Big Yellow.

5.3 Development Pipeline

The planned £350m mixed-use Waterhouse Square development that aims to enliven the town's evening economy and stem leakage of shopping expenditure to competing destinations could help to create the critical mass required to alter shopping patterns further and secure Hemel's role as that of an important centre in the future. That scheme is set to include a 110,000 sq ft food/non-food superstore as well as a range of shops between around 500 sq ft and 5000 sq ft. It is likely to meet the requirement for a new superstore identified above from one of the major providers.

Jarman Park has recently secured consent to develop 75,000 sq ft of retail warehouse floorspace, limited to bulky goods, which may satisfy a large proportion to the identified demand. We are not aware of any forthcoming discount foodstore or self-storage unit developments which the need has been identified for above.

5.4 Rents and Yields

Retail rents and yields are highly sensitive to location, size, category and covenant strength. At this stage therefore we will not be in a position to provide a detailed breakdown of the likely figures achievable until a more site specific analysis can be carried out.

6. Hotels

6.1 Current Supply

There appears to be a relatively strong covering of chain hotels within Hemel Hempstead as well as a number of independent hotels. Premier Inn has 3 hotels in the town and Holiday Inn have 2 hotels, one of which being a Holiday Inn Express.

6.2 Demand

The budget hotel market still maintains ambitions to expand across the UK despite the economic slowdown. DTZ is aware of a requirement from the Accor Hotel group whose agents have informed us that they are keen to develop a hotel in the form of one of their Ibis or Etap brands. Typically these models require from 0.5 to 1 acre sites and accommodate between 60 and 150 rooms. In addition Travelodge has informed us that East Hemel Hempstead one of their target locations for a new 50 to 80 rooms hotel. Given the recent joint venture between Travelodge and Aldi, mentioned above, a combined discount foodstore and hotel may be a suitable development option in Hemel Hempstead.

6.3 Development Pipeline

This desktop report has not identified any hotel developments being planned or constructed in Hemel Hempstead.

6.4 Rents and Yields

Focusing on the budget hotel market, due to the current expansion trends, we believe a Travelodge scheme will generally attract the best yield at present of approximately 6.5% although DTZ's in-house hospitality team have indicated that transaction rates over the last 6 months have slowed on such investments. Other operators are likely to attract slightly high yields. Rents are highly dependent on the operator and location but range on average between £3,000 to £4,500 pa per room with build costs varying between £35,000 and £50,000 per room. These figures are particularly site sensitive and we emphasise that budget hotel schemes are difficult to make financially viable unless sites are highly visible from a main road with large foot and traffic flows.

7. Conclusion

This report reviews the key property market sectors in Hemel Hempstead on a non-site specific basis. The type of development that will complement a stadium in Hemel Hempstead best will be highly dependent on the size and location of the scheme however we have identified a number of key opportunities in today's market and attempt to forecasts likely future trends.

The current global economic conditions have had a significant impact on all sectors of the property market however some business sectors have benefited from the credit crunch. These businesses have urgent requirements for, in many cases, purpose built space in order to accommodate their expansion plans.

Our research has highlighted significant demand for floorspace from discount foodstores, self storage facility and budget hotel operators. Provided that suitable development sites could be made available for these uses we believe that in the current market they may offer suitable enabling development solutions to help cross-fund a stadium facility. Clearly this advice would need to be reviewed in detail once the scale of the stadium development and the location of the development site(s) are known.

Current demand and need for other types of retail development such as a new superstore and 'big-box' retail is likely to be met by the emerge development proposals at Waterhouse Square and Jarman Park. These demands and needs should however be recognised at the detailed feasibility stage of the stadium proposal before being ruled out entirely.

In the medium to longer term we would expect the residential market to recover once mortgage credit and development finance can be more widely accessed and confidence returns to the market. Given the traditionally high value nature of residential development, therefore, we recommend that this use should be considered for enabling development for medium to longer term development schemes.

The industrial and warehouse market in Hemel Hempstead remains active due to the strong locational benefits of the town, however we expect the level of demand from occupiers to decline over the next 12 months and the investment yields to push out further in the short term. Although this use may offer a suitable enabling development option in some instances we suspect that, if planning policy permits, it would be ruled out in favour of other high land value generators.

Our review of the office market in Hemel Hempstead has revealed that there is currently a significant over supply of both available floorspace and floorspace in the development pipeline. For this reason we believe that unless a prime development site could be made available (i.e. with extremely high visibility and accessibility) an office development is unlikely to offer the best enabling development solution to help cross-fund a stadium in Hemel Hempstead.