

Venue feasibility study guide

Guidance note

Kent County Council



What is a venue feasibility study?

A venue feasibility study is an assessment of market, location, scale, cost, funding, method of building and how a facility will be operated.



Who should produce a feasibility study?

It is advisable for organisations considering developing new or improved facilities to produce a feasibility study for two reasons. Firstly, it helps the organisation to think the project through in logical sequence. Secondly, the submission of the study is more likely to convince potential funding organisations of a scheme's merits, and that the project has been approached in a professional way.

This paper provides a list of headings that should be considered within a feasibility study, and lists a number of issues under each heading to prompt thought. Often a feasibility study for a new capital works/or upgrading of facilities will consist of no more than a dozen or so pages, with perhaps a few lines written under each heading. However, for some major facilities the feasibility study may be very detailed and include the results of extensive market research.

Kent County Council is happy to advise you on sources of information and how you wish to approach some of the points this paper may raises.



Elements of a venue feasibility study

A venue feasibility study should ideally contain:

- analysis of site and market
- design brief and schedule of accommodation
- method of procurement and timescale
- capital cost and funding method
- operating brief.

Part one -

ANALYSIS OF SITE AND MARKET

This section should assess whether there is a demand for the venue and where the best site will be for maximum use, customer access and planning authority requirements.

- A) **Site identification:** pros and cons; land ownership (leases/licences required); potential for future expansion/development on site.
- B) **Location benefits:** how well known is the site? Is it central to town? Is the site visible and easily found?
- C) **Access:** proximity to and quality of transport routes. Consider access on foot, by car and public transport.
- D) **Accessibility:** to the site and within the site; disabled access; parking requirements.
- E) **Catchment characteristics:** population levels; social class groupings; disposable income and car ownership levels; distance people will travel.
- F) **Competing facilities:** are there similar developments locally?
- G) **Demand:** local, regional and national; overt demand and hidden demand (the notion that supply can create a demand).
- H) **Market research:** existing data on locality. Is a new survey/questionnaire required?
- I) **Planning permission:** consider the county structure plan and local plan policies. Make very early enquiries about planning permission.

Part two -

DESIGN BRIEF AND SCHEDULE OF ACCOMMODATION

This section should set out the quantity and quality of the facilities to be constructed or improved and should include simple sketch drawings. The design brief lists the facilities you require and the schedule of accommodation should provide a list of features within the venue.

- A) **Acreage requirements:** e.g. for wet or dry areas; for plant rooms, car parking, internal and external areas; activity areas and supporting ancillary facilities. Consider any future needs for venue expansion.
- B) **Facilities on site:** need to consider activity areas and also ancillary facilities such as: toilets, changing rooms, showers, washbasins, social and bar areas, storage, delivery areas, exit doors, and health and safety requirements. List the number and gross floor area required; e.g. x number of toilets within x metres square of floor area. Also, consider licensing requirements to cover music, staging of performances, fire certificates etc. Consider income-generating areas for vending machines, amusement machines, saleable display spaces etc. Ensure design will allow for control of users by minimum number of staff.
- C) **Quality:** type of finishes and standard of specification.
- D) **Sketch drawings:** should include a plan, all elevations, and cross-sectional drawings for any buildings where the height is an important factor.

When preparing drawings imagine yourself as both a manager and as a customer of the venue. Look closely at features such as the user circulation routes around the building, any public pressure points, potential energy efficiency, emergency routes and the relationship between the activity, social and changing areas.

Part three -

METHOD OF PROCUREMENT AND TIMESCALES

This section should consider how the building is constructed.

- A) **Construction:** how is the venue to be constructed? Consider options including using a design and build company, or an architect to design the venue and then subcontract the construction process.
- B) **Tendering or selection of architect and/or construction company and/or subcontractors**
- C) **Specification:** will a standard specification be issued? Consider local authority building regulations.
- D) **Monitoring the construction phase:** who will manage the contract?
- E) **Timescale:** site preparation; planning permission application; construction phase; post-contract period.
- F) **Phased development:** which parts of the project finish first and why? Perhaps consider constructing the shell initially, with internal fixtures and fittings to be fitted at a later date, possibly using in-house labour.

For large schemes costing more than, say, £200,000 it is wise to consider employing a firm of project managers. You will have to pay for their services but their fee may well be recouped by ensuring that the scheme is built on time and therefore does not incur extra costs.

Part four -

CAPITAL COST AND FUNDING METHOD

This section should state how much the venue will cost to construct and how the cost will be met.

- A) **Capital cost:** assess the cost of the project for the contract start time, not at present prices. Do your estimates include fixture and fittings? Compare costs with those of similar venues. Obtain quotations from construction companies. Include architects' and other professional fees as appropriate. You can calculate total costs using cost per metre square analysis times gross floorspace. Add 10 – 15 per cent for contingencies.
- B) **Funding method:** grant and loan sources such as: local authority; Sport England; parish council; Arts Council; Heritage Fund; central government-initiated foundations charities; and funding schemes. Also consider cash-in-hand commercial sponsorship, bank loans, equity funding, membership contributions, charitable trusts and fundraising. If applying for funding ensure any financial shortfall of the project relates to levels within the application.
- C) **Cash flow analysis:** ensure there will be enough money coming in to pay for the building construction.



Part five - OPERATING BRIEF

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This section considers how the venue will be run on a day-to-day basis once it has been constructed.

- A) **Aims and objectives of the venue:** objectives should be measurable and concern quality and quantity whenever possible.
- B) **Management:** by a trust? by a committee? Manager on site? Consider the merits of commercial management for all or parts of the venue.
- C) **Administration:** staff numbers; manual versus computer records; budgetary control methods; administration/clerical support.
- D) **Staffing:** part-time/full-time split. Temporary, seasonal, numbers, rota system, health and safety considerations, use of volunteers, qualifications of staff.
- E) **Operating times:** number of weeks per annum and hours per week. Need to relate to staffing numbers, planning and authority stipulations, and customer/user demand.
- F) **Booking method:** questions to consider – book by telephone, in writing, on site or in advance? Payment of deposit on booking? Booking cancellation procedure? Credit card compatibility of system?
- G) **Programming:** various activities (ensure flexible space is constructed). Extent of club versus casual versus block bookings versus courses versus schools use. Seasonal? The use of the venue for basic skills, participation and raising the levels of performance and excellence.
- H) **Pricing policy:** peak versus off-peak; concessionary pricing for target groups.
- I) **Usage:** envisaged number of users per day/week/year. Consider probable usage flow...i.e. times when usage will be greatest.
- J) **Membership scheme:** numbers in membership; benefits offered to members; membership list to be used in marketing initiatives?
- K) **Marketing and promotion:** logo and corporate identity; external and internal signposting; mix of leaflets and advertising; special promotions/deals.
- L) **Health and safety requirements:** health and safety policy needs to consider staffing numbers, first aid qualified staff, fire and emergency procedures etc.
- M) **Licences:** e.g. phonographic, performance rights, public entertainment etc.
- N) **Maintenance/refurbishment and renewals:** regular maintenance checks required; set priorities for future refurbishment and renewals. Need to account for depreciation.
- O) **Cleaning:** consider frequency and hours. Rota?
- P) **Site security**
- Q) **Revenue expenditure and income estimates**
- R) **Operational cash flow:** need to ensure that estimates of income will meet anticipated expenditure levels for the medium term (say three years). Should consider possible changes in loan interest levels if the venue is to be paid for through borrowing.



This leaflet is available in alternative formats and languages.

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