LATENT DEMAND & SOCIAL VALUE REPORT

POWERED BY DataHub

PREPARED BY:

4global

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LATENT DEMAND REPORT

SCENARIO ANALYSIS: Full site optimal facility mix

SITE: Bury St Edmunds Leisure Centre (Postcode: IP33 3YU)

PREPARED FOR: Abbeycroft Leisure

REPORT STRUCTURE:

1. **INTRODUCTION:**
   about 4global and DataHub
2. **CATCHMENT OVERVIEW:**
   drive time catchment map and local competition.
3. **PROJECTED NUMBER OF USERS:**
   current latent demand based on optimal site capacity and facility mix (i.e. how many more users could the site accommodate)
4. **ESTIMATED OPTIMAL CAPACITY:**
   the optimal capacity calculations and user per facility unit graphical representation
5. **SOCIAL VALUE GENERATION**
   the estimated Social Value generated from the current and future projected user population.
6. **SERVICE ATTRIBUTES:**
   description of model and approach
7. **CONTACT DETAILS**
8. **APPENDIX**

Introduction

Without exception, every investor and operator should have the most accurate and up to date intelligence available to make informed decisions. Powered by the DataHub, 4global enables all partners to grow participation outcomes, commercial returns and social value.
A data driven return on investment. A more active and healthy nation.

4global

4global is an international sports business with offices in London, Istanbul, Rio de Janeiro and Sydney providing information management solutions and consultancy services to governments, event organisers, national and international sports governing bodies, facility operators and other sports delivery partners since 2002.

The latent demand model in this report is developed by the 4global Sport Planning team using the intelligence generated by the DataHub – the largest data repository within the sports and leisure sector in the UK. The model is further enhanced with the social value projections from the Social Value Calculator – the award-winning DataHub solution, aligned to the DCMS model developed by Sheffield Hallam University and using Experian risk profiling datasets.

DataHub

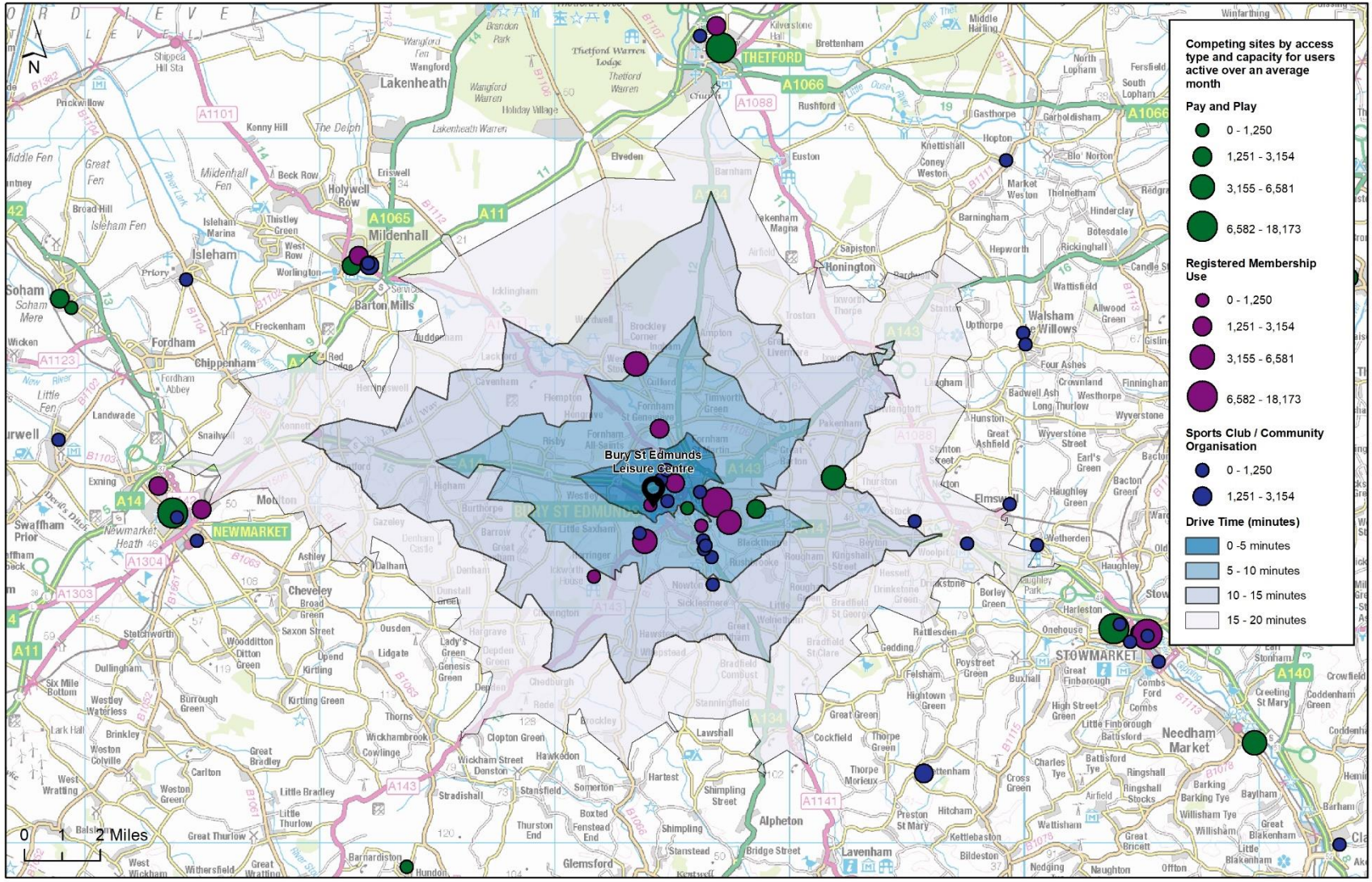
The DataHub initiative was launched in 2013 as an automated way for all sport, leisure and physical activity providers across the sector to securely bring their data together, align it with consistent sector data standards and then access and share business intelligence and best practice, at the point of decision.

As of April 2018, the DataHub tracks and generates insight from over 450 million visits of 7+ million participants to 1600 leisure centres and sports venues in the UK. This is unprecedented intelligence for the sector and enables detailed outcome and impact modelling.

It is this data that means the latent demand model accurately reflects real world participation and commercial outcomes. This also enables our team to constantly refine the model, ensuring it aligns with known and checked outcomes received back by the DataHub. This de-risks investment decisions. We continue to strive for better!

Thank you for partnering with 4global, ukactive and the DataHub, and using sector intelligence to assess your investment options

CATCHMENT OVERVIEW



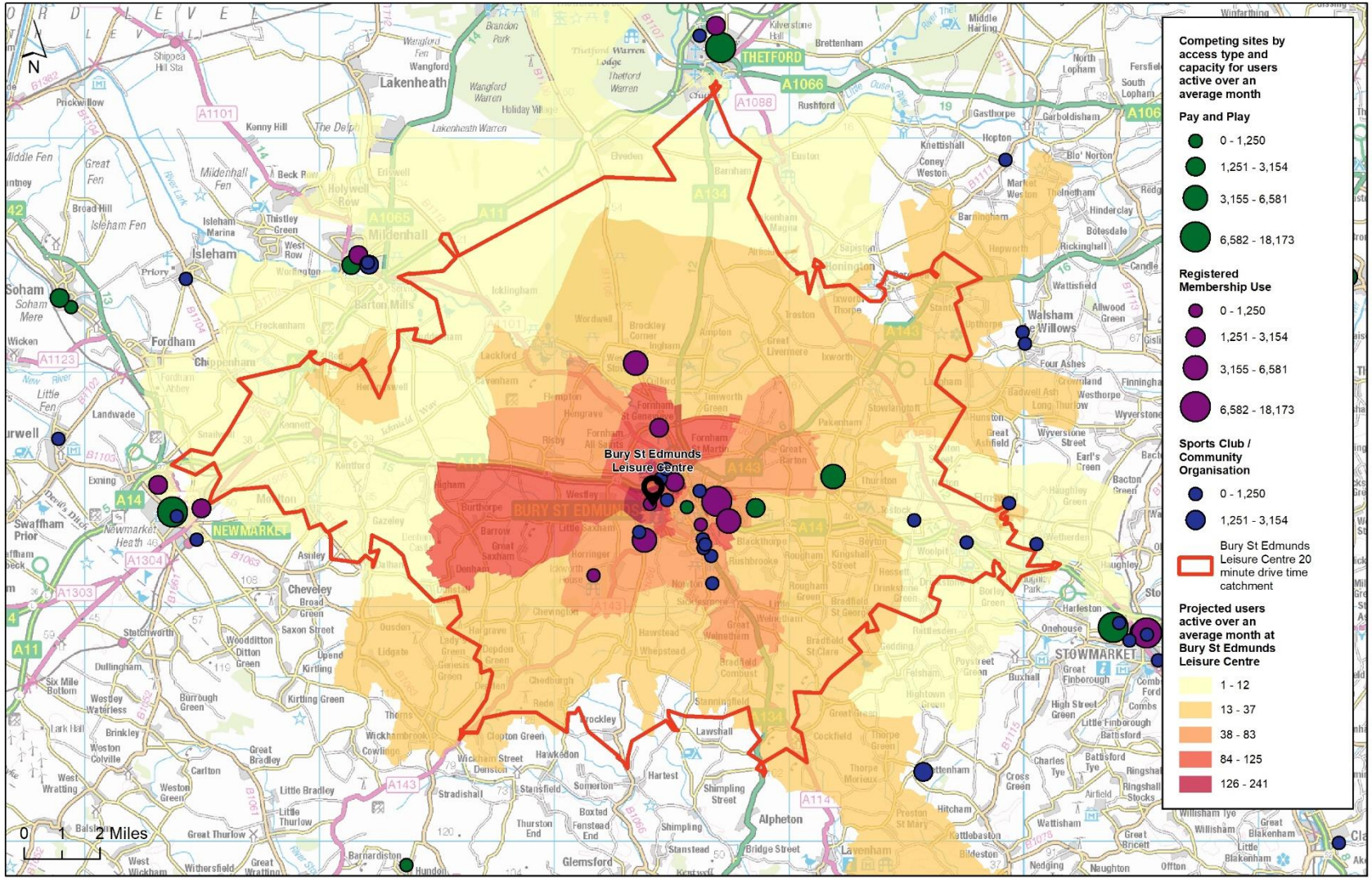
Bury St Edmunds Leisure Centre competing sites and drive time catchments (up to 20 minutes drive time)

PROJECTED DEMAND

	Projected demand (individuals actively using the facility over a 1 month period)						
	Drivetime Catchments (Users)						
Facility type	0-5	5-10	10-15	15-20	20-30	Total users	Visits per week
Health and Fitness Suite	1,209	777	107	153	73	2,319	3,144
Swimming Pool	749	729	71	141	65	1,755	2,261
Studio	472	448	35	49	42	1,046	1,939
Sport Hall	353	497	28	64	49	990	1,341
Artificial Grass Pitch	220	213	15	47	60	555	617
Tennis Courts	78	65	1	2	2	148	246
Creche	88	82	1	3	4	179	205
Climbing Wall	47	50	2	3	0	104	118
Squash Courts	35	38	7	10	7	98	109
Martial Arts Area (Dojo)	27	18	4	2	3	53	69
Boxing gym	27	18	4	2	0	51	66
Indoor Bowls	15	28	2	2	0	46	51
Athletics Track	17	19	0	1	1	39	43

* All demand projections are for the optimal capacity of each facility type.
More information as to calculation of optimal capacity is shown on page 9 and can be found in the appendix section of the report.

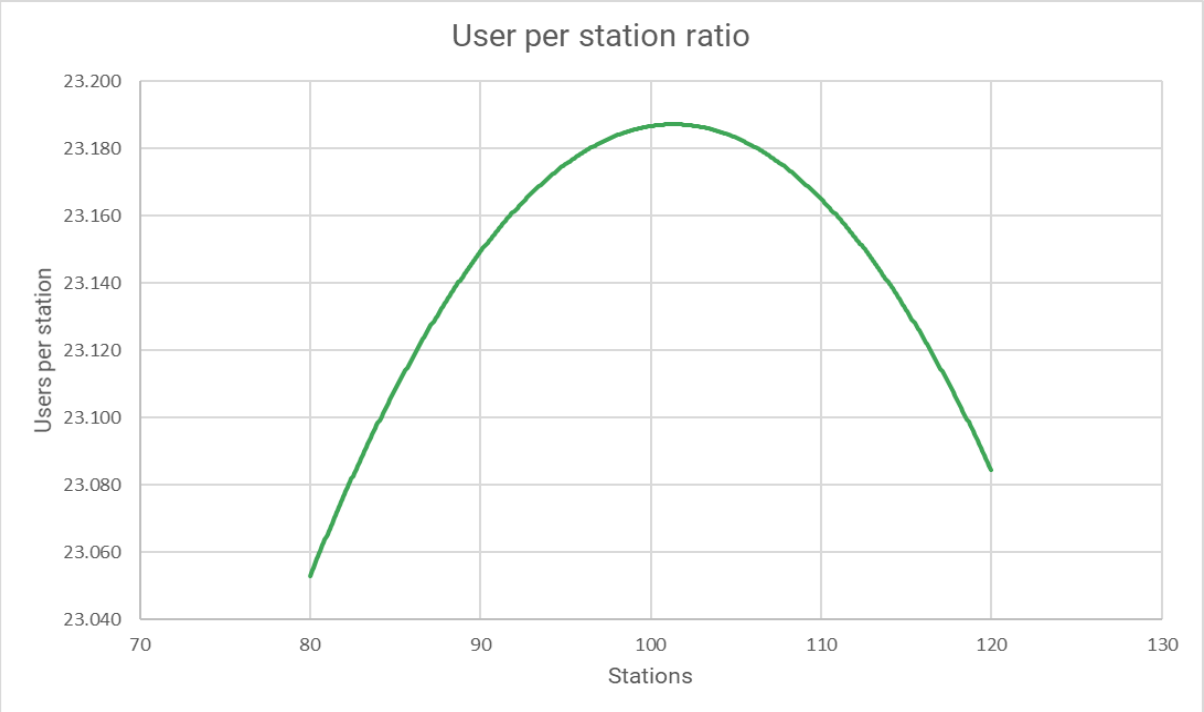
USER LOCATIONS



Bury St Edmunds Leisure Centre projected users active over an average month in a 20 minute drive time catchmnet and competing sites

OPTIMAL NUMBER OF STATIONS

Stations	Number of projected active users	User to station ratio
70	1,599	22.839
80	1,844	23.047
90	2,084	23.155
95	2,202	23.179
100	2,319	23.187
105	2,434	23.180
110	2,548	23.160
120	2,771	23.088



OPTIMAL CAPACITY SUMMARY

The below table show the optimal point for each facility type (the point of greatest projected user per unit ratio). A further detailed explanation like shown on page 8 can be found in the appendix for each facility type.

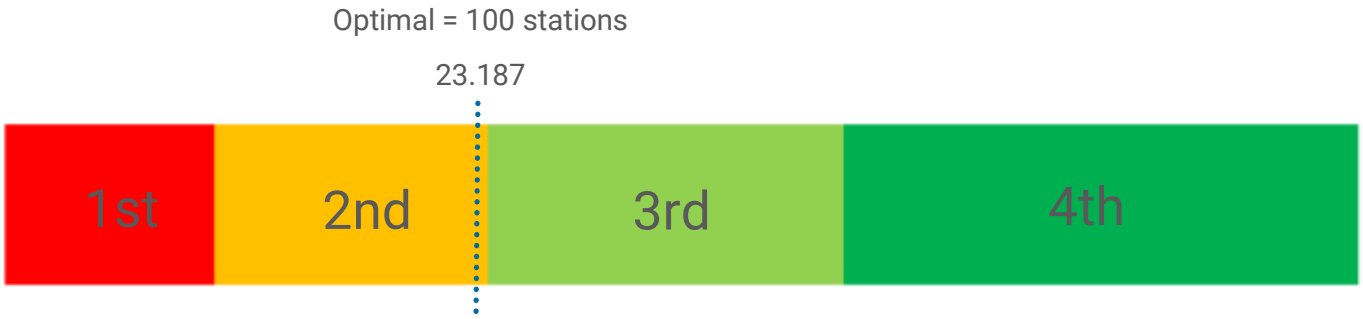
Facility Type	Unit Type	Optimal Capacity	Users per unit
Health and Fitness Suite	Stations	100	23.187
Swimming Pool	Pool Area (m^2)	300	5.851
Studio	Studio Space (m^2)	200	5.231
Sport Hall	Badminton Courts	4	247.46
Artificial Grass Pitch	Area (m^2)	6,000	0.0925
Tennis Courts	Courts	3	49.39
Creche (Children's Area)	Creche Areas	1	179.08
Climbing Centres	Centres	1	104
Squash Courts	Courts	2	48.09
Martial Arts Area (Dojo)	Dojos	1	53.43
Boxing Gym	Gyms	1	50.79
Indoor Bowls	Rinks	2	23.07
Athletics Track	Lanes	6	6.51

SECTOR BENCHMARKS

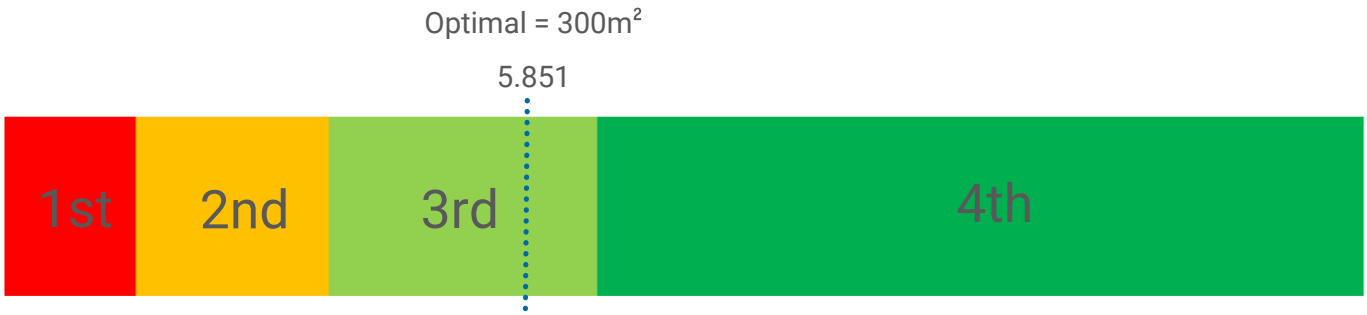
The below quartile graphs display the members per unit of facility sector benchmark for all sites in DataHub with the facility. Sites falling in the top 25% are located in the 4th quartile (top quartile performance).

The top 5 facility types (by throughput) have been analysed in the graphics below, with sector benchmarking for the remaining facility types provided in the accompanying appendix.

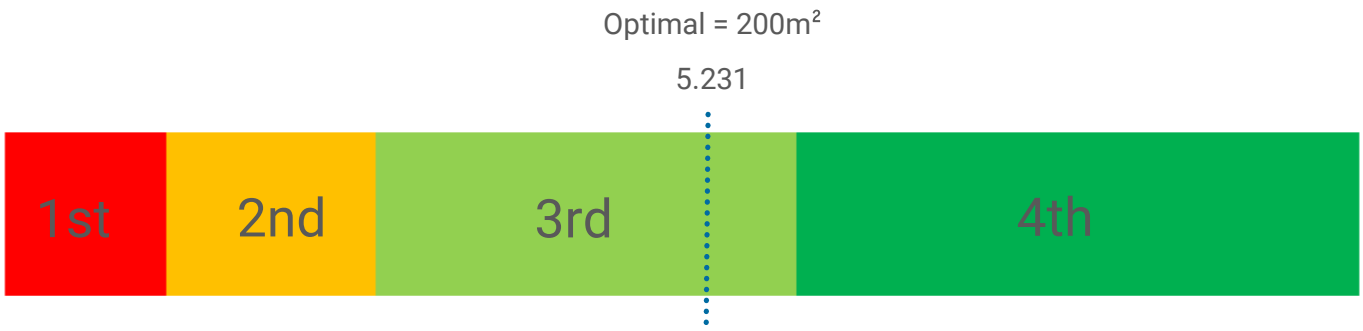
HEALTH AND FITNESS – USERS PER STATION



SWIMMING POOL – USERS PER M²

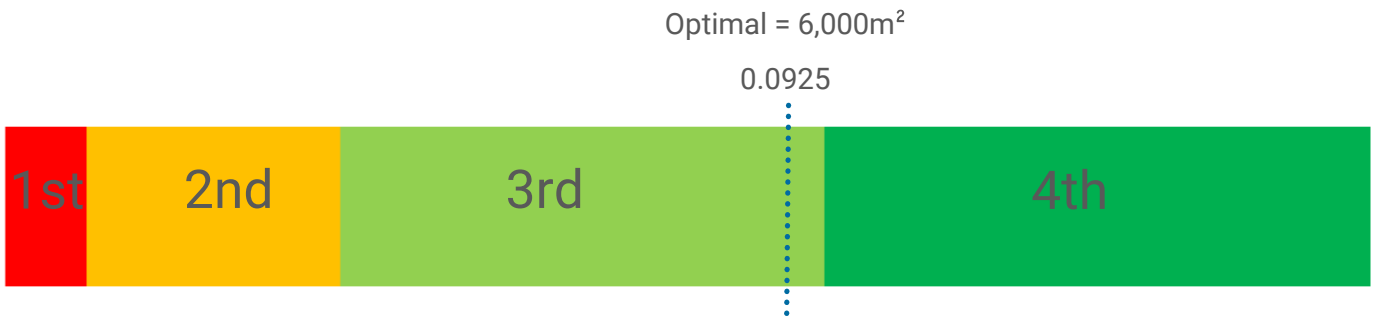


STUDIO – USERS PER M²



SPORT HALL – USERS PER BADMINTON COURT

ARTIFICAL GRASS PITCH – USERS PER M^2



OPTIMAL FACILITY MIX

The following table displays the optimal facility mix for the site. The options are selected based upon generating the most throughput of people (visits per week). The approximate space required for each facility type has been calculated by gathering a sector average from DataHub sites.

4m² per station has been assumed when calculating the total approximate space required for health and fitness.

A more detailed and customized analysis is available, pending a greater understanding of the potential site footprint.

Facility Type	Number of Unit	Approximate Space required (m²)	Visits per week
Health and Fitness Suite	100 Stations	400m²	3,144
Swimming Pool	300m ² pool area	600m²	2,261
Studios	200m² studio space	200m²	1,939
Sport Hall	4 badminton courts	600m²	1,341
Artificial Grass Pitch	6,000m²	6,000m²	617
Total		**7,800m²**	**9,302**

SOCIAL VALUE CALCULATOR

	Number of active unique users	Social value per individual user	Social Value projections - per year
Total unique users	**4,132**	**£454.40**	**£1,877,576**

Category	Social Value projections
Improved health	£415,916
Improved subjective well-being	£1,409,558
Increased educational attainment	£50,693
Reduced crime	£1,409
Total	£1,877,576

For more information on Social Value please use the following link to the recent ukactive report, powered by DataHub:

https://web.datahubclub.com/wp-content/uploads/2017/09/Physical-Activity-A-Social-Solution-2017.pdf

OUR PARTNERS:

KEY OBSERVATIONS AND RECOMMENDATIONS

- When considering facilities for the new Bury St Edmunds Leisure Centre latent demand analysis identifies an optimal health and fitness offer of 100 stations, with 2,319 individual users expected over an average month.
  When this is translated into approximate spatial requirements, an assumption of 4m^2 has been used per station. If the operator would like to create a more open and spacious health and fitness facility, a higher assumed spatial requirement can be used (such as 5m^2), however this would increase the overall space requirement for health and fitness.

- The optimal swimming pool offer is 300m^2 of water space, which equates to approximately 1 x 25m 6-lane pool (325m^2). The current site provides a main pool of this size and additional smaller teaching pool, activity pool and leisure pool. To accommodate demand for these pool types and considering the lack of leisure pool competition in the area, it is recommended that these pool types are also considered in the facility mix of the new site.

- DataHub identifies a recent trend in sites using sports halls to accommodate other sessions such as a fitness classes, martial arts or multi-sport programmes, which would normally require studio space or a purpose-built facility. If the site was to provide a flexible sport offer, particularly in off peak hours by making the site multi-purpose, it would cater for this demand from other sports, such as the demand for boxing and martial arts identified in this report.

- A full-size artificial grass pitch (AGP) has been included in the facility mix, due to the levels of projected usage. Given that the site currently provides a sand-filled pitch it is recommended that consultation is undertaken with local users to determine the best surface type to provide given local demand.
  Considering there are two further full-size sand-based pitches in the area, 3G provision may be required. Investing in 3G AGP provision aligns with the strategic objectives of the FA, Sport England and other notable investment partners. Using 3G AGP for grassroots training and matchplay is also a proven business model, with operators generating significant surpluses that can be reinvested back into wider facility improvement.
  The model considers the willingness to drive of individuals, the strategic advantage of locating a facility in one location over another and the perceived quality of a facility in calculating the allocation of demand within an area. Given the close proximity to the existing 3G AGP at Skyliner Sports Centre, further analysis would be required to determine the impact that the new site is likely to have on the existing facility and whether there is enough demand for two financially sustainable full size 3G AGP pitches in the area.

- The total throughput for athletics is limited in comparison to other facility types, so a track has not been included in the optimal facility mix. It is recommended,

however, that further consultation is undertaken to understand the usage of the current track by clubs and schools in the area and the impact the loss may have.

- As an alternative to an AGP, if there are spatial constraints with the new site, substituting this with 2 squash courts and 3 tennis courts would generate a larger visits per m^2 with these two facilities combined projected to receive 355 visits in 1,140m^2 of space, as opposed to the 617 visits for 6,000m^2 of AGP.

- An indoor tennis court caters for longer opening hours and provides year-round access to service demand, rather than outdoor courts, particularly over the winter period. Although they are deemed to be the preferable option for new leisure centre facilities, the high capital build cost is understood. Further financial modelling is therefore required to calculate projected return on investment.

- A café can increase the secondary spend of users at a site by up to 65%. Therefore, it is recommended to be included within the optimal facility mix if the space is available on–site. Additional benefits can include more frequent visits by individuals and a perceived higher quality, driving acquisition.

- The social value analysis provides a view of projected social value across the entire leisure facility, identifying the total number of unique users and the social value that they are projected to generate.

PROCESS

DataHub Sample
National sample of sites and individuals by Age, Gender, Postcode and programme (1 Million people per day)

Mosaic Type by Postcode
User Postcodes aligned to corresponding Mosaic lifestyle types and aggregated by lower super output area (LSOA)

Demand Population
Extrapolate profile ratios of age/gender/Mosaic types of sample to the whole population nationally by LSOA to show the demand locally

Facility Drive Time Catchments
0-5, 5-10, 10-15, 15-20 and 20-30-minute drive time catchments around each facility

Travel Time Decay
Identified the travel time ratio between actual and projected demand for each drive time using DataHub sites and user postcodes

Competition
Identified the competition which overlap within each LSOA drive time catchment. Assigned demand based upon impact of competitors)

Metrics Included

- Capacity for demand at each site (based on performance benchmarks from DataHub
- Facility mix at each site and demand within catchment
- Access Policy of each site (often reflects opening times and pricings)
- Drive Time preference of individual

Facility Demand
Distributed the demand per facility taking into account travel time decay, site capacity and catchment overlaps. This accounts for unmet demand due to accessibility and availability constraints of other sites

APPROACH

4global has undertaken a supply and demand analysis, considering the current distribution of competition. The model assesses the likely additional users the site should accommodate if capacity is increased. The model combines multiple national datasets, Experian mosaic information, drive time analysis calculations, as well as data from 450 million visits from over 1,600 venues sourced from DataHub.

Using various analytical techniques such as correlation and regression exercises the model identifies what factors influence which outcomes and what the strength and significance of each is.

OUTCOMES:

- An individual's propensity to use a facility type;
- Why an individual uses one facility as opposed to another;
- How far an individual is willing to travel to use each facility type; and
- The time of use (peak/off peak) which an individual uses the facility type.

DEMAND FACTORS:

- Age;
- Gender;
- Lifestyle segment (Experian Mosaic dataset);
- Resident, workplace and student population;
- Mobility;
- Population growth;
- Deprivation;
- Risk of inactivity (DataHub data profile using up to data from multiple points);
- Drive time preferences;
- Daily differences in activity; and
- Health indicators.

SUPPLY FACTORS:

- Accessibility: Opening hours, car parking spaces, access type, ownership type, annual train station through-put (Office of Road and Rail);
- Quantity: Unit of facility type, Access type, ownership type, likely programming of site (DataHub); and
- Quality: Access type, ownership type, age of facility, co-location of additional facilities, management type, changing rooms, price point, additional amenities.

The result of this statistical research enables the prediction of active users and visits per week to over 96% accuracy, when checked against the actual performance of sites (DataHub).

Using the geographical locations of sites, a 40-minute drive time catchment is placed around each, identifying the Lower Super Output Areas (LSOAs) where possible individuals can originate from. This also allows for identification of all competing sites.

Individuals within LSOAs are then assigned to sites based upon the contextual and situation-al factors of both the site and individual, using the statistical analysis previously outlined. This varies by facility type and again reflects actual current market trends.

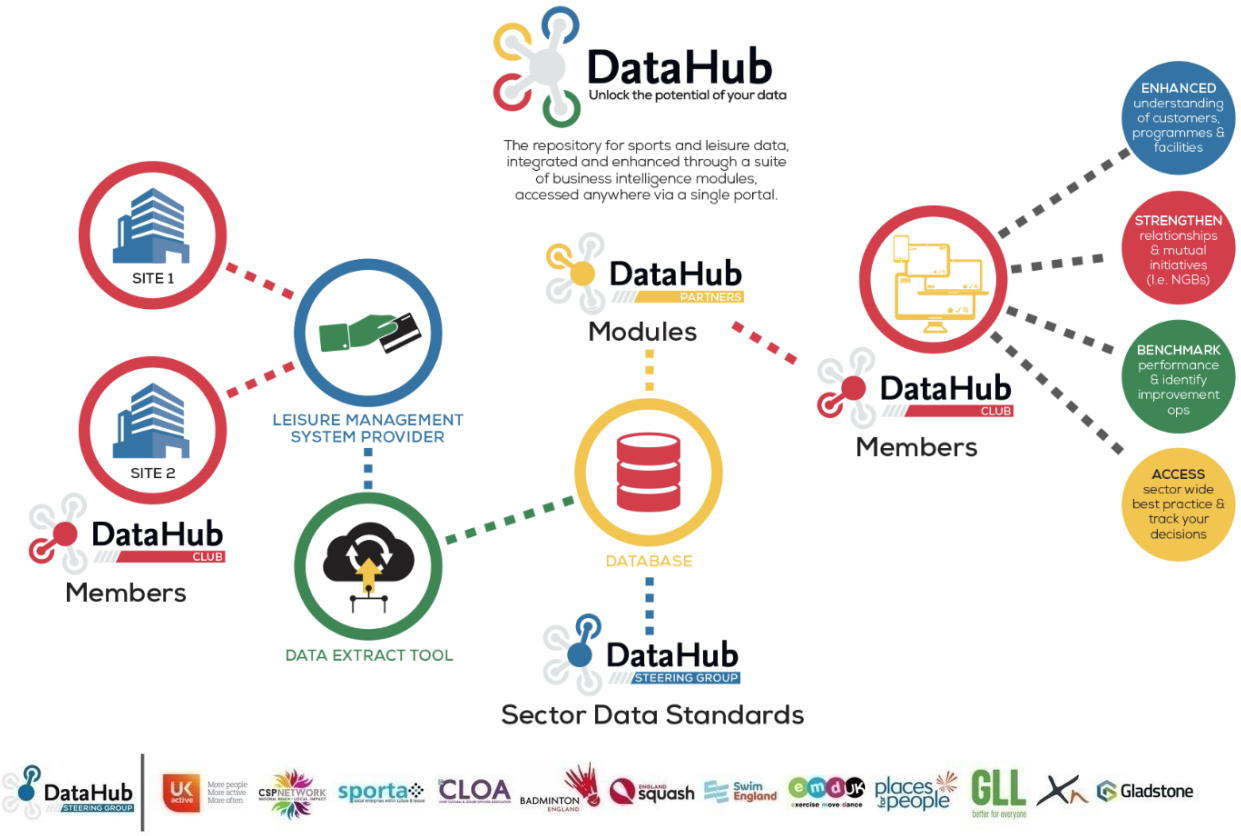
SOCIAL VALUE CALCULATOR

4global developed the Social Value Calculator in partnership with Experian and Sheffield Hallam University (SHU) as a tool that is used by the leisure sector via the DataHub.

The model used was originally developed for the Department of Culture, Media and Sport (DCMS), using the profile of expected use of a facility to identify the monetary value of community savings that are likely to be generated through individuals undertaking a minimum threshold of activity at venues. These savings fall under sub-categories of health, education, crime and subjective wellbeing.

Further information on the SVC can be found at:
https://web.datahubclub.com/social-value-calculator/

DATAHUB PROCESS



CURRENT SERVICES:

Single facility type scenario: for example, investing into a gym - knowing the optimal capacity that should be provided, and what the participant outcome from investment is likely to be. This also means knowing what a new operator contract could deliver if supported by capital investment (or not, and just based on the status-quo, but factoring in latent demand in the area today);

New site scenario: based on a known site, what facility mix will generate greatest participant numbers (and returns);

Optimal site scenario: which site, based on a proposed facility mix, and participant numbers (and re-turns);

Full site optimal facility mix: new site and new facility mix to meet local need. This includes UK-wide scanning to support large private sector chains.

NOTES

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CONTACT INFORMATION

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APPENDIX

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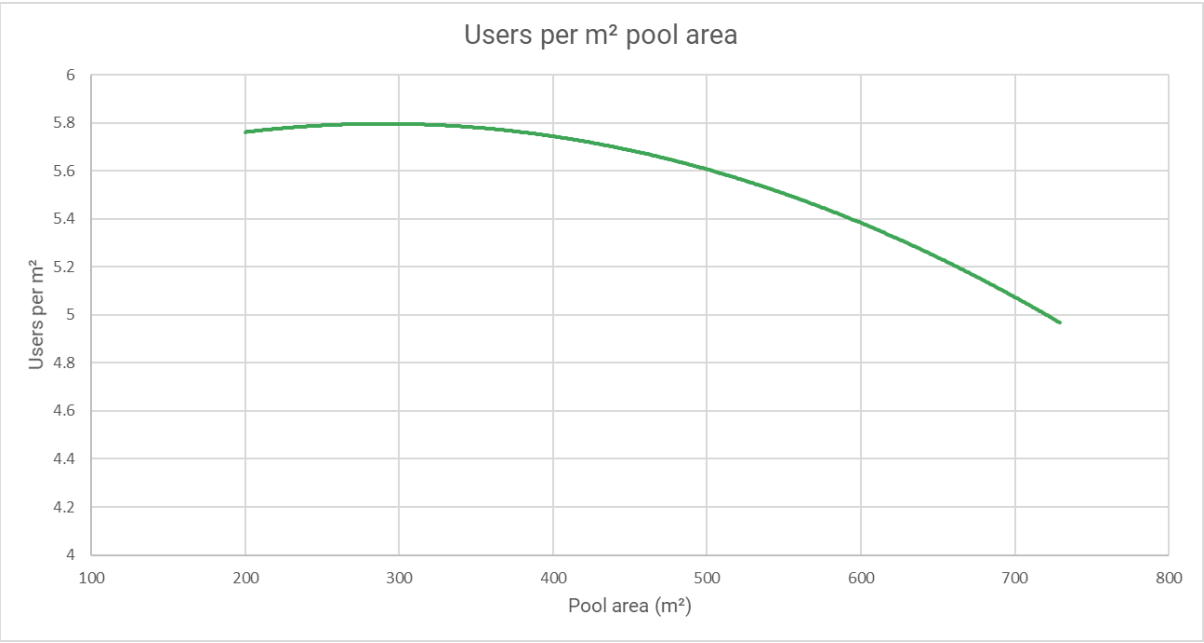
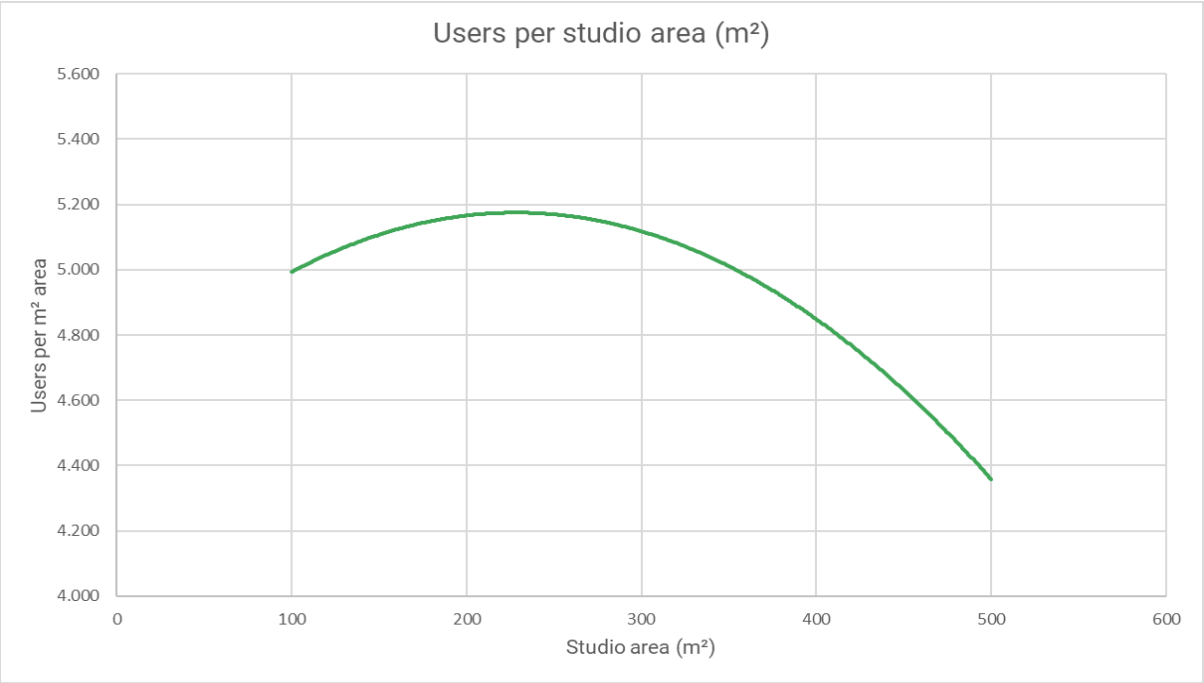
OPTIMAL SWIMMING POOL CAPACITY

Pool area (m^2)	Number of projected active users	User to m^2 ratio
200	1,133	5.663
250	1,452	5.809
300	1,755	5.851
350	2,040	5.828
400	2,305	5.764
450	2,553	5.674
500	2,784	5.569
550	3,000	5.454
600	3,201	5.335



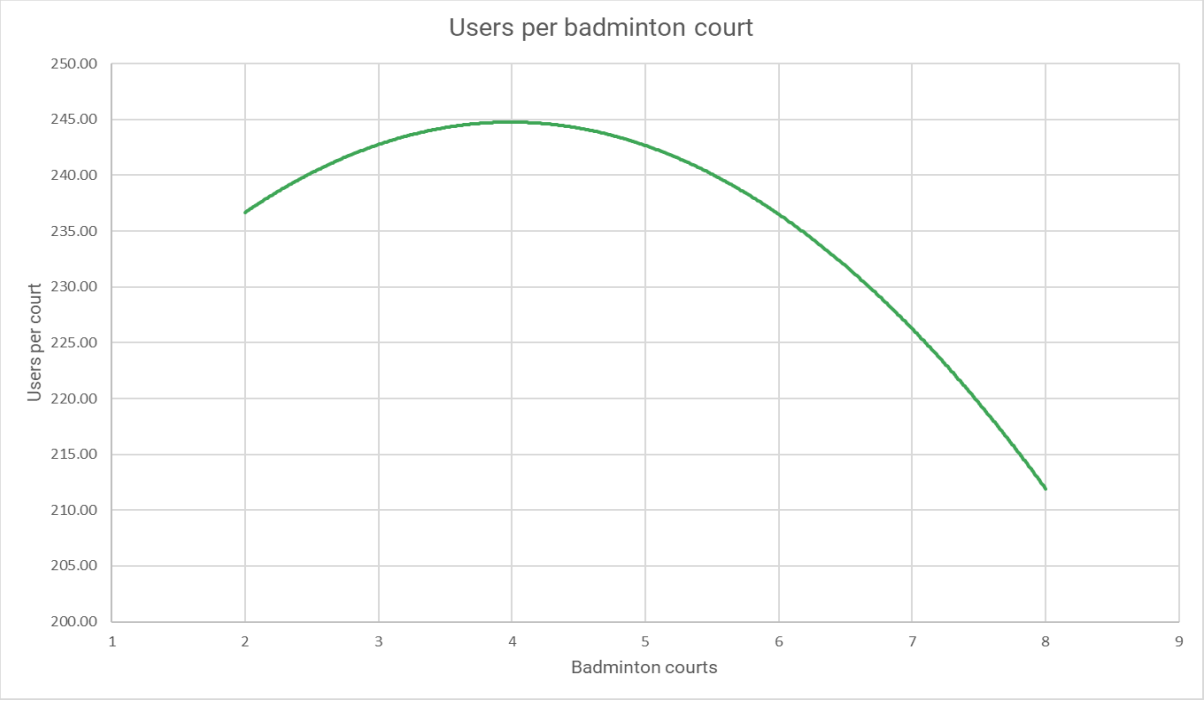
OPTIMAL STUDIO CAPACITY

Studio space (m^2)	Number of projected active users	User to m^2 ratio
100	486	4.862
150	776	5.175
200	1,046	5.231
250	1,292	5.167
300	1,514	5.045
400	1,896	4.741
500	2,213	4.426



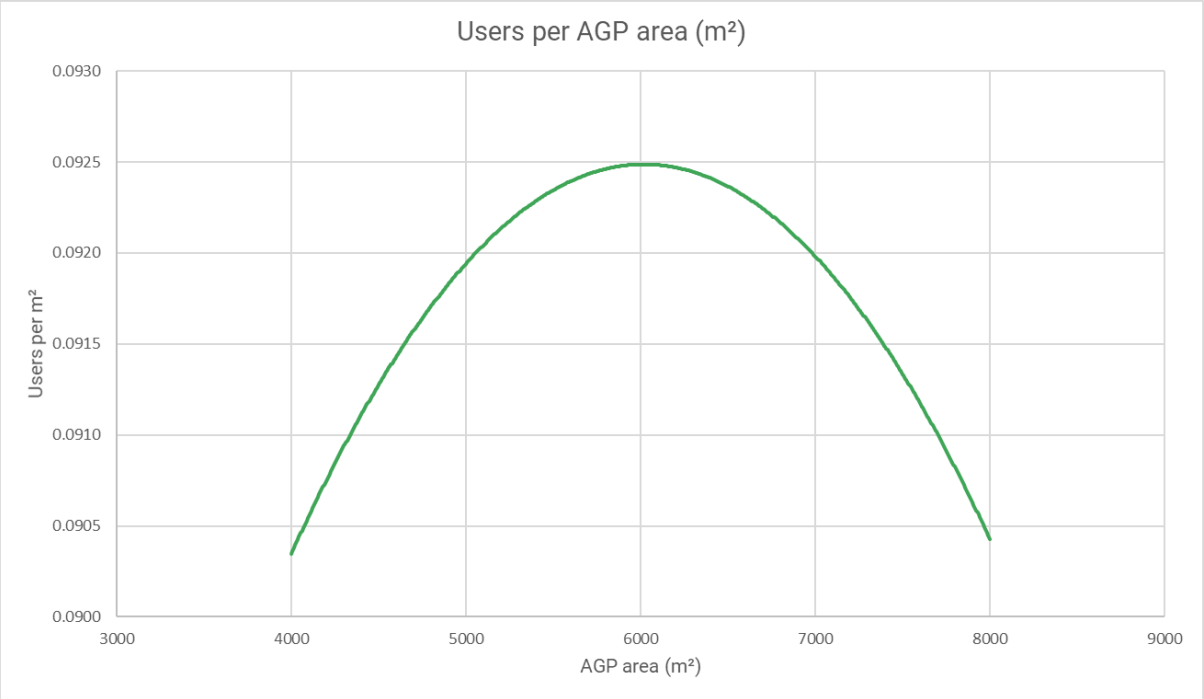
OPTIMAL SPORT HALL CAPACITY

Badminton courts	Number of projected active users	User to court ratio
2	466	233.17
3	741	246.97
4	990	247.46
5	1,209	241.83
6	1,401	233.48
7	1,569	224.11
8	1,717	214.57



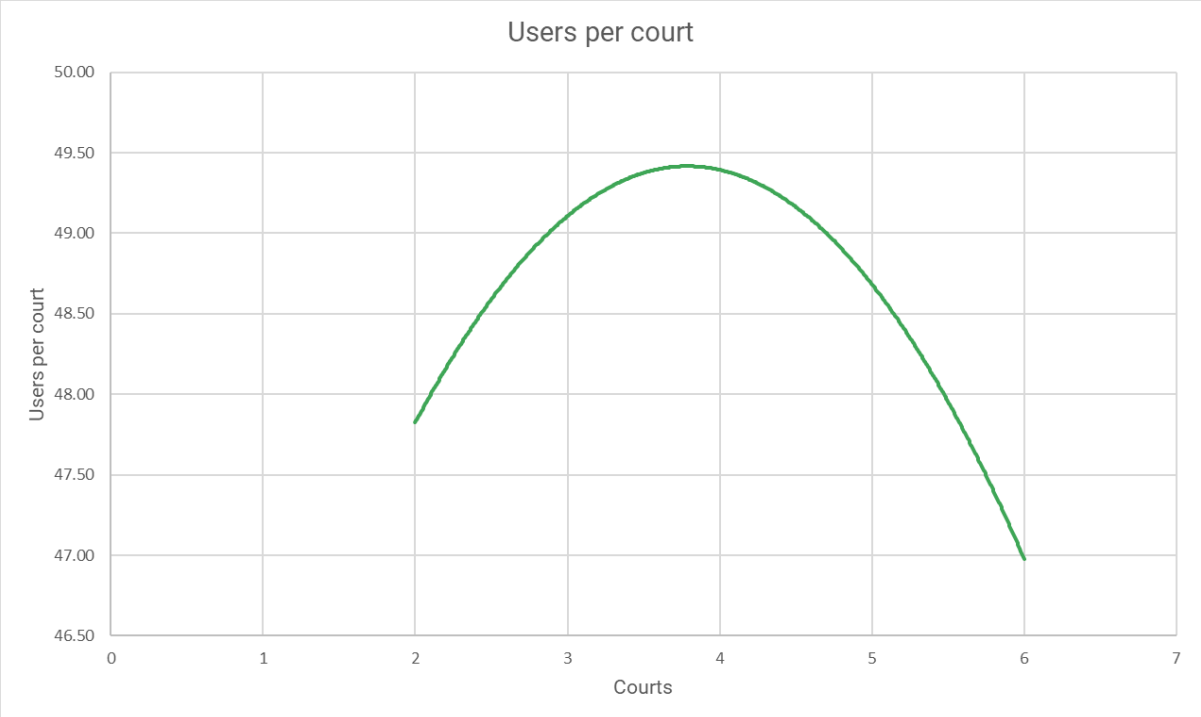
OPTIMAL ARTIFICAL GRASS PITCH CAPACITY

AGP area (m^2)	Number of projected active users	User to m^2 ratio
4,000	361	0.0902
5,000	461	0.0922
6,000	555	0.0925
7,000	643	0.0918
8,000	724	0.0905



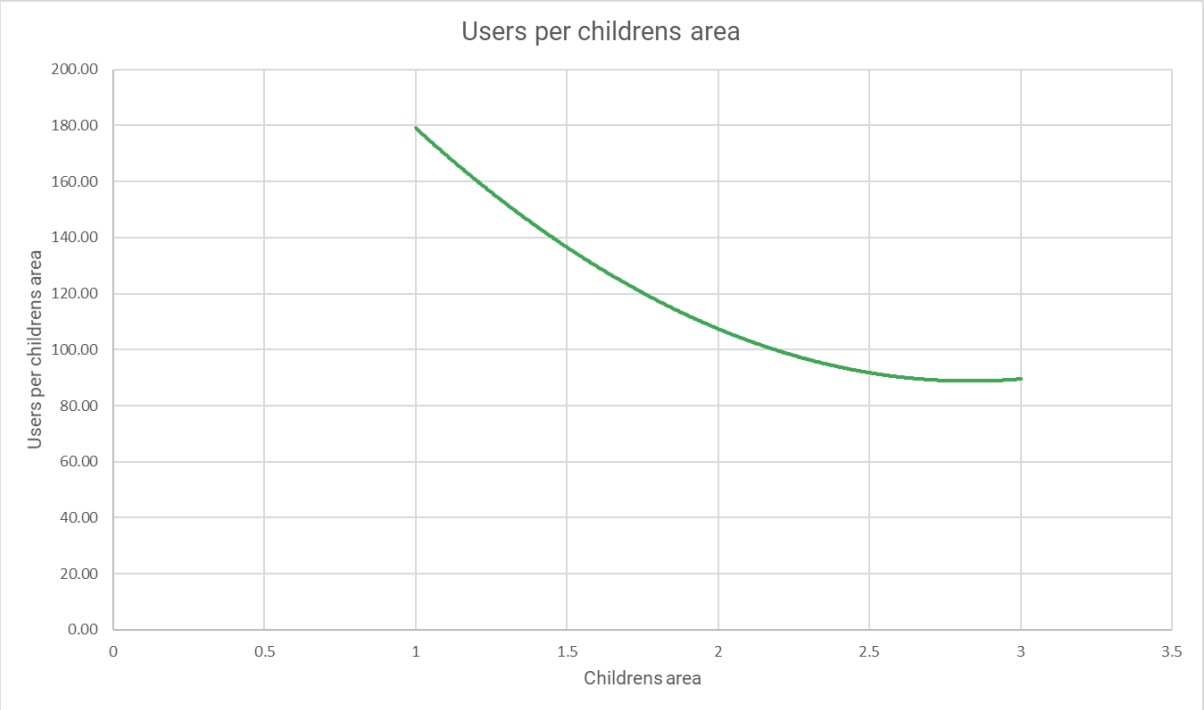
OPTIMAL TENNIS CAPACITY

Courts	Number of projected active users	User to court ratio
2	95	47.69
3	148	49.39
4	197	49.36
5	242	48.45
6	283	47.10



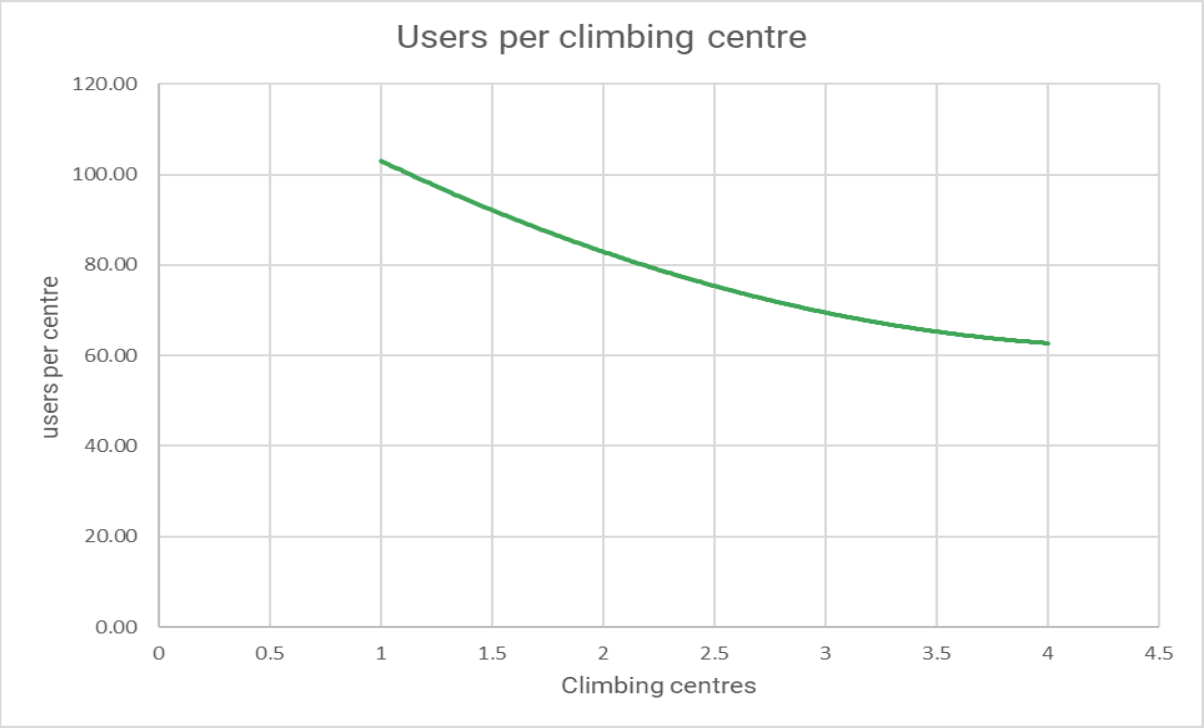
OPTIMAL CRECHE CAPACITY

Children's area	Number of projected active users	User to children area ratio
1	179	179.08
2	215	107.45
3	269	89.54



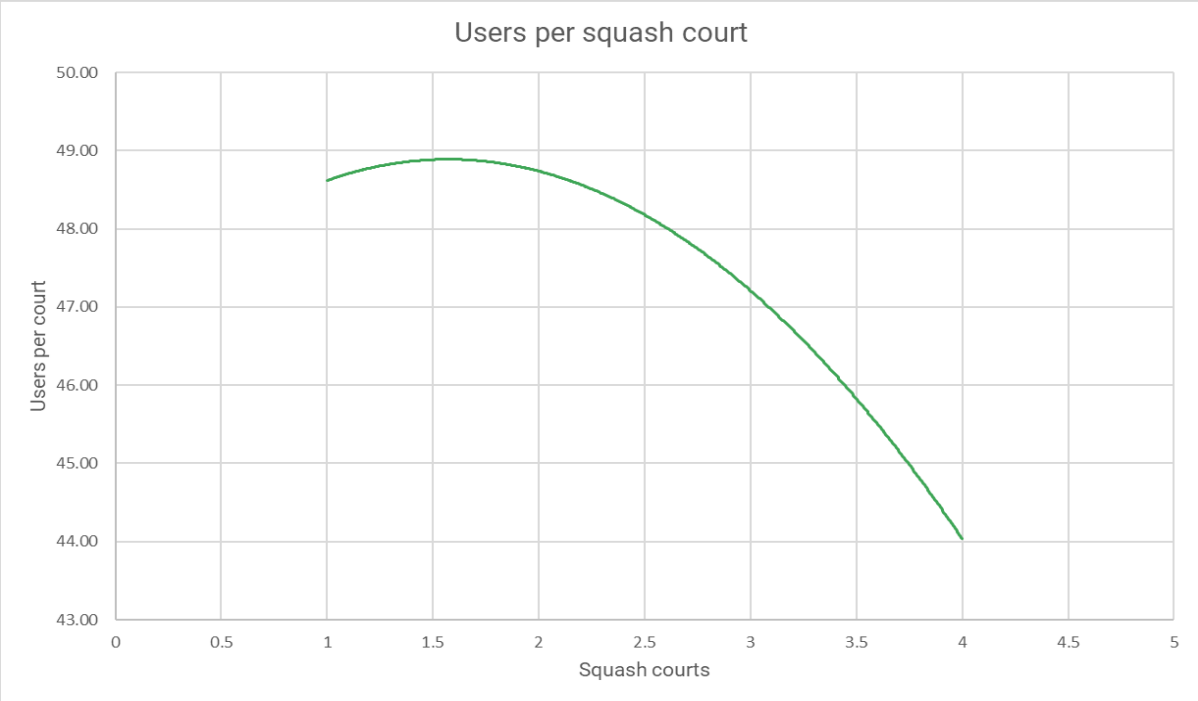
OPTIMAL CLIMBING CAPACITY

Centre	Number of projected active users	User to Centre ratio
1	104	104.00
2	160	80.00
3	217	72.39
4	247	61.75



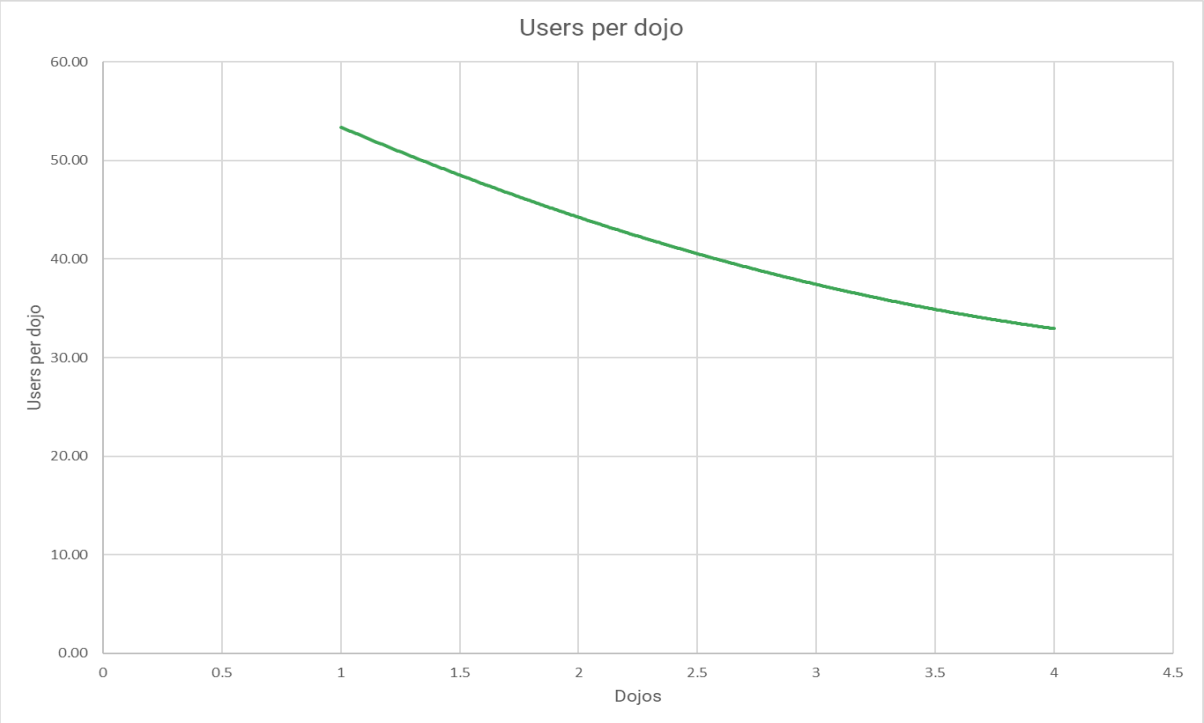
OPTIMAL SQUASH COURT CAPACITY

Squash courts	Number of projected active users	User to court ratio
1	49	48.50
2	98	49.09
3	141	46.86
4	177	44.15



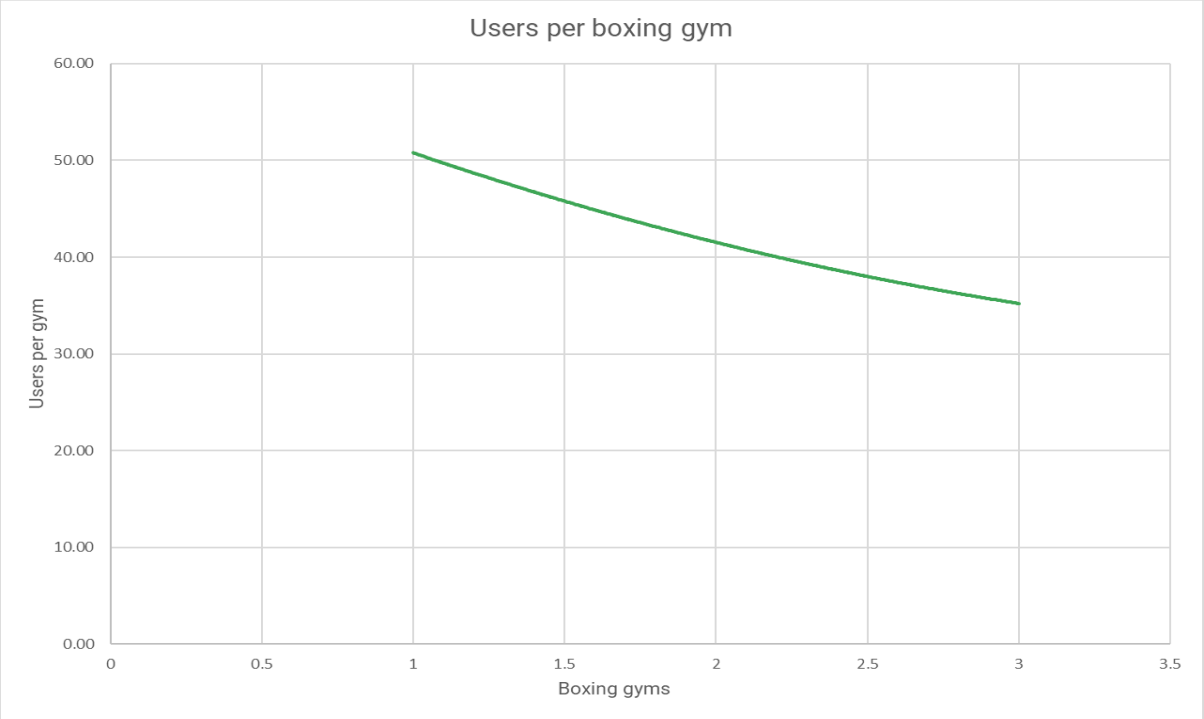
OPTIMAL DOJO CAPACITY

Dojos	Number of projected active users	User to dojo ratio
1	53	53.43
2	88	44.07
3	113	37.58



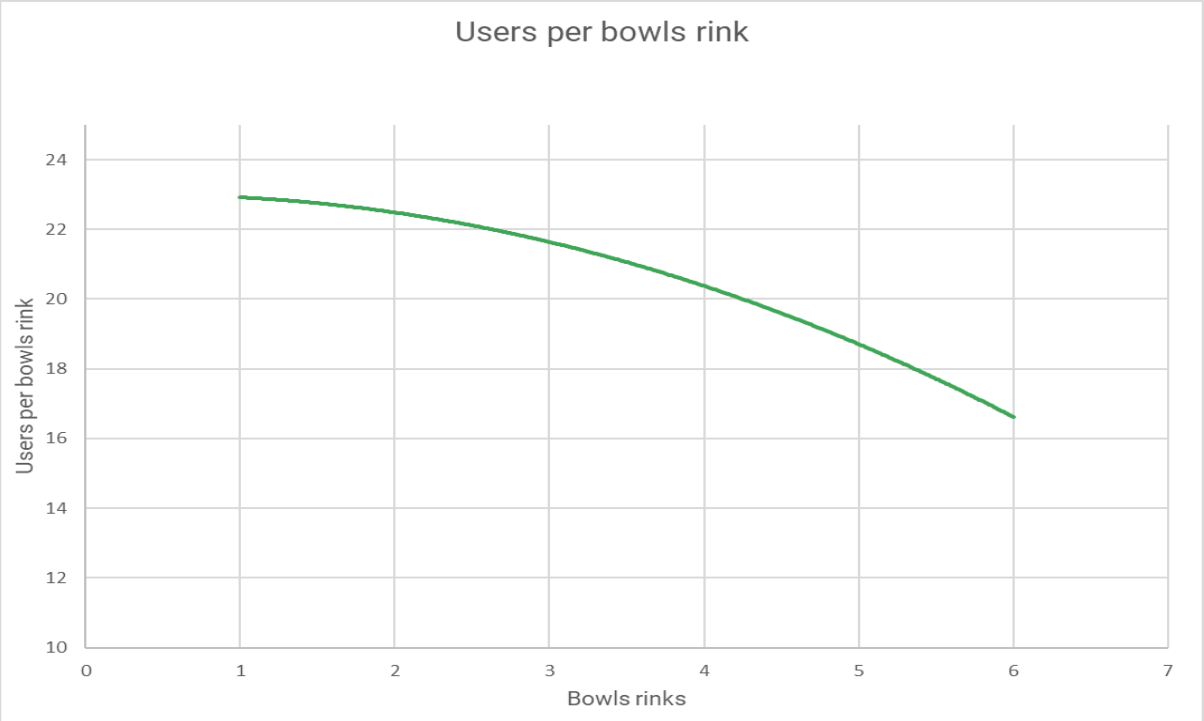
OPTIMAL BOXING GYM CAPACITY

Boxing gyms	Number of projected active users	User to gym ratio
1	51	50.79
2	83	41.53
3	106	35.21



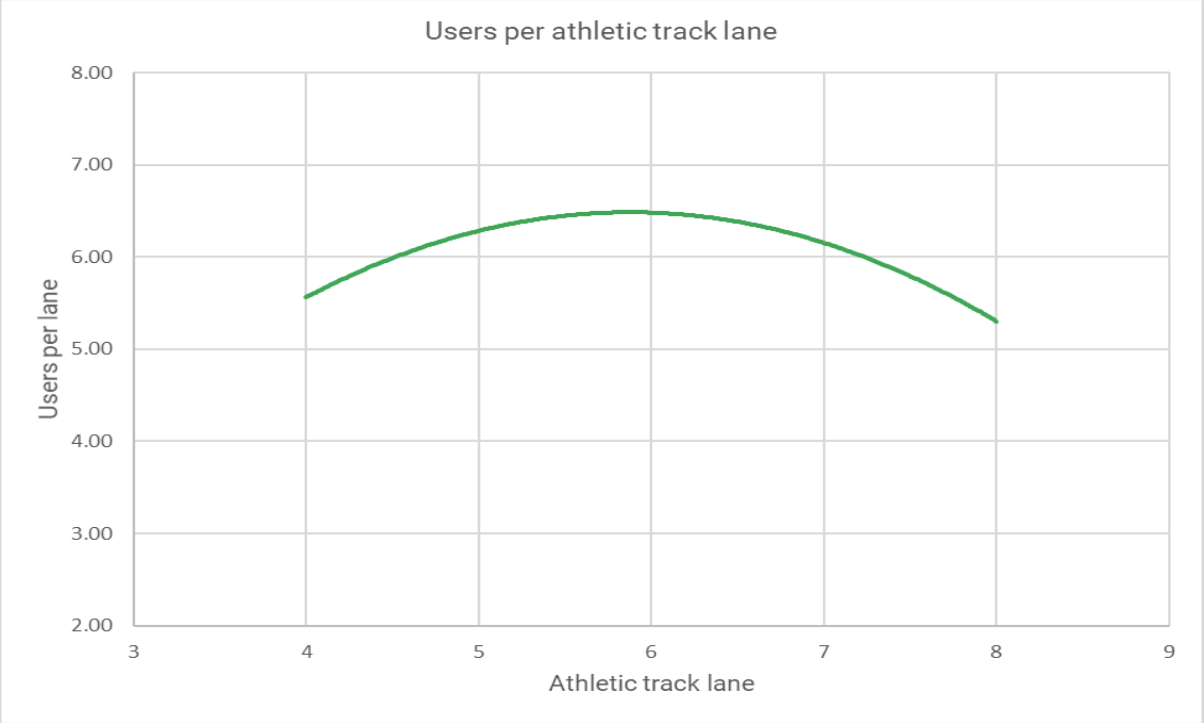
OPTIMAL BOWLS RINK CAPACITY

Bowls rinks	Number of projected active users	User to rink ratio
1	23	22.56
2	46	23.07
3	65	21.76
4	80	20.07
5	92	18.40
6	101	16.89



OPTIMAL ATHLETIC TRACK CAPACITY

Lanes	Number of projected active users	User to lane ratio
4	22	5.50
5	32	6.40
6	39	6.51
7	42	6.00
8	43	5.38



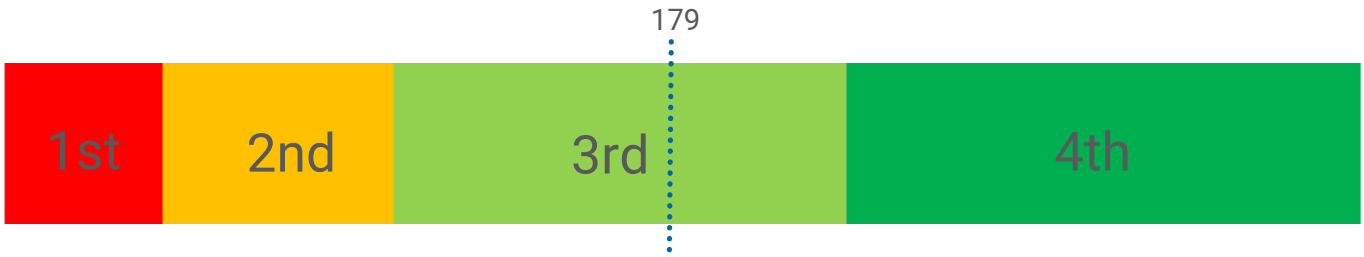
SECTOR BENCHMARKS

TENNIS COURT – USERS PER COURT

Optimal = 3 courts

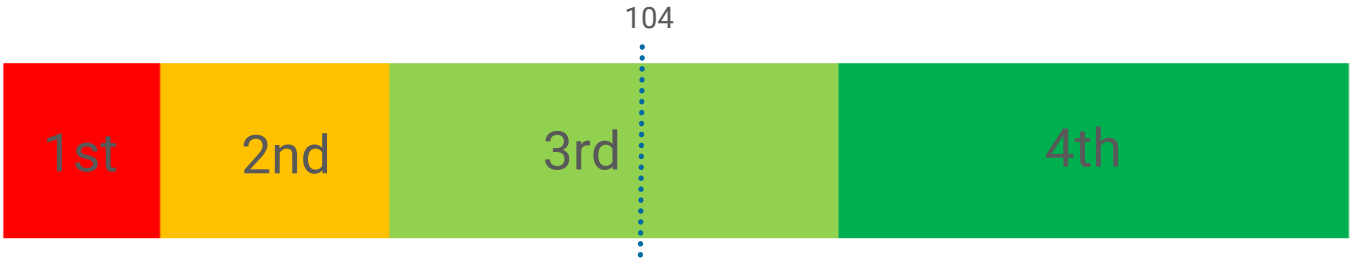
CRECHE - USERS PER CHILDREN AREA

Optimal = 1 children's area



CLIMBING WALL – USERS PER CENTRE

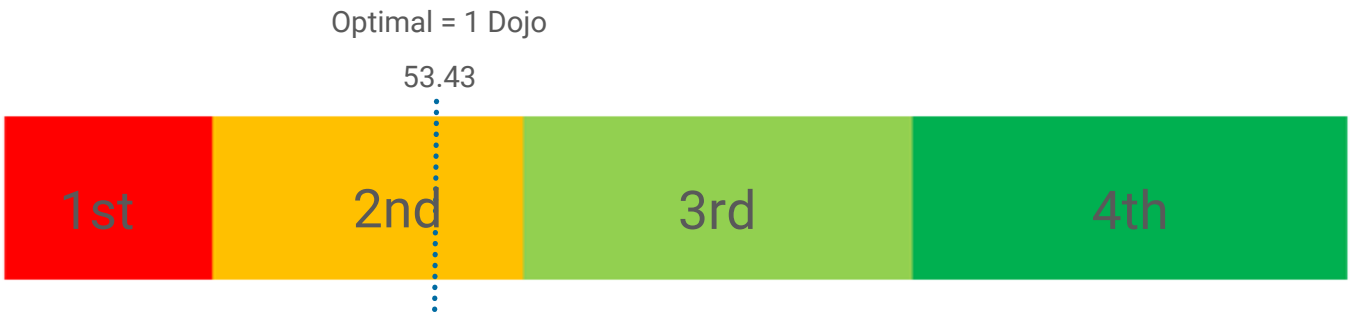
Optimal = 1 centre



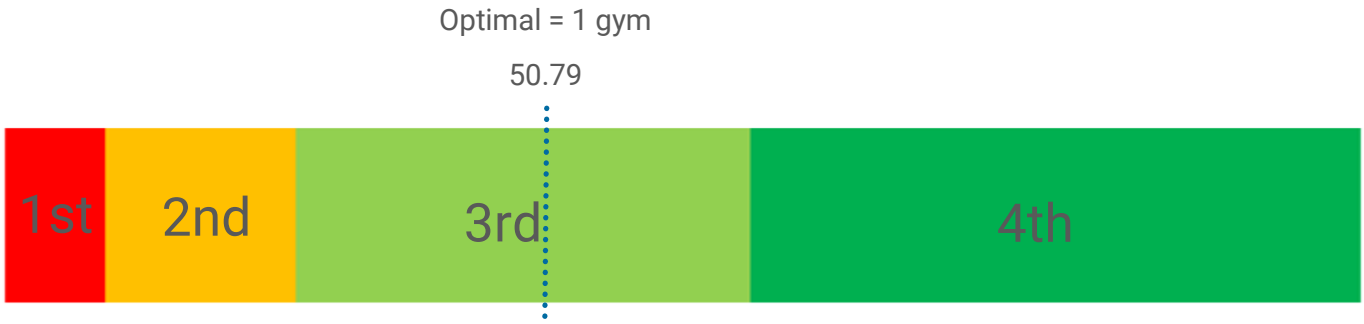
SQUASH COURTS – USERS PER COURT

Optimal = 2 court

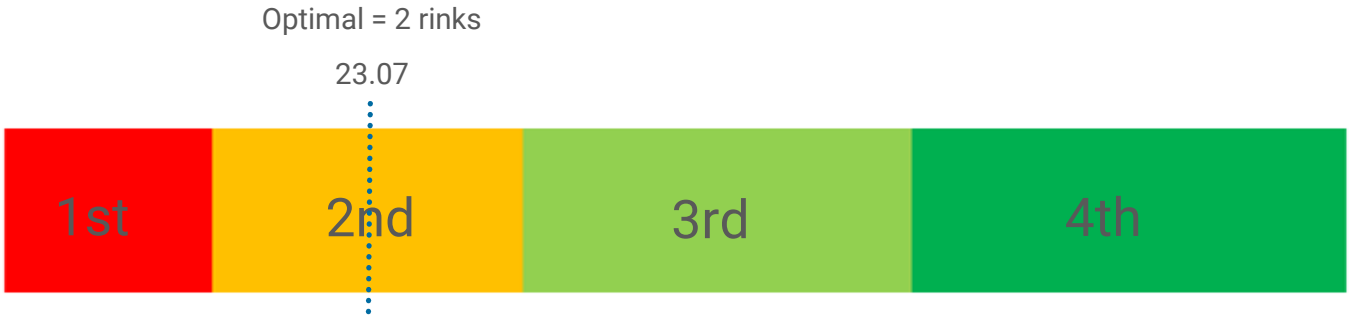
DOJO (MARTIAL ARTS AREA) – USERS PER DOJO



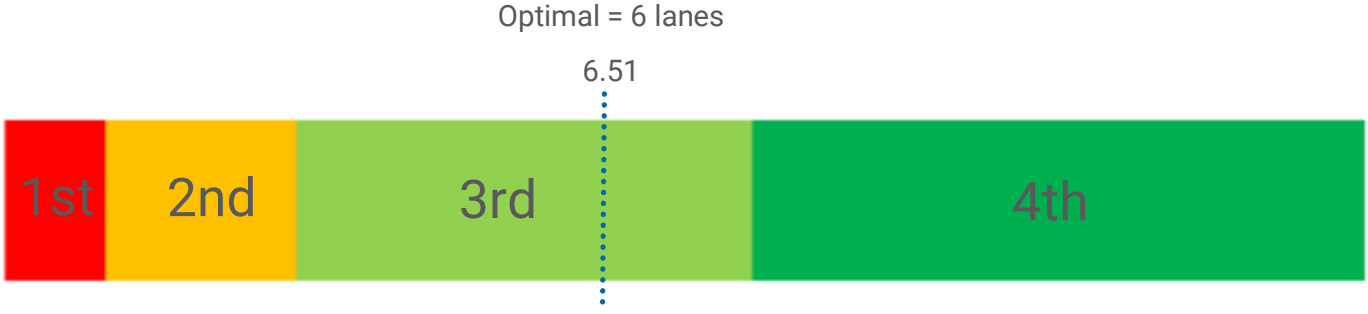
BOXING GYM – USERS PER GYM



BOWLS RINK – USERS PER RINK



ATHLETIC TRACK – USERS PER LANE



END