

To: Members of the Special Sub-Group

Councillors Hayfield, Phillips, Smith, M Stanley and Sweet

For the information of the other Members of the Council

SPECIAL SUB-GROUP

19 MAY 2014

The Special Sub-Group will meet in the Small Hall, Atherstone Memorial Hall, Long Street, Atherstone, Warwickshire on Monday 19 May 2014 at **5.00pm**.

AGENDA

PART I - PUBLIC BUSINESS

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Disclosable Pecuniary and Non-Pecuniary Interests**
- 4 Public Participation**

Up to twenty minutes will be set aside for members of the public to ask questions or to put their views to elected Members. Participants are restricted to five minutes each. If you wish to speak at the meeting please contact David Harris on 01827 719222 or email democraticservices@northwarks.gov.uk.

**PART A – ITEMS FOR DISCUSSION AND DECISION
(WHITE PAPERS)**

- 5 **Accommodation Project** – Report of the Assistant Director (Streetscape) – **to follow**

Summary

To receive a progress report on the Accommodation Project.

The Contact Officer for this report is Richard Dobbs (719440).

- 6 **Development of New Indoor Leisure Facilities in Coleshill** – Report of the Assistant Director (Leisure and Community Development)

Summary

This report updates the Sub-Group on progress in respect of the development of new indoor leisure facilities in Coleshill.

The Contact Officer for this report is Simon Powell (719352).

**PART C – EXEMPT INFORMATION
(GOLD PAPERS)**

- 7 **Exclusion of the Public and Press**

Recommendation:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

- 8 **Staffing Matter – Refuse and Recycling** – Report of the Assistant Director (Streetscape) –

The Contact Officer for this report is Richard Dobbs (719440).

- 9 **Staffing Matter - Streetscape** – Report of the Assistant Director (Streetscape) –

The Contact Officer for this report is Richard Dobbs (719440).

JERRY HUTCHINSON
Chief Executive

For general enquiries please contact David Harris, Democratic Services Manager, on 01827 719222 or via e-mail – davidharris@northwarks.gov.uk. For enquiries about specific reports please contact the officer named in the report.

Agenda Item No 6

Special Sub-Group

19 May 2014

**Report of the
Assistant Director
(Leisure and Community Development)**

**Development of New
Indoor Leisure Facilities
in Coleshill**

1 Summary

- 1.1 This report updates the Sub-Group on progress in respect of the development of new indoor leisure facilities in Coleshill.

Recommendation to the Sub-Group

That the Sub-Group notes and comments upon the progress being made in respect of the development of new indoor leisure facilities at The Coleshill School.

2 Consultation

- 2.1 The Chairman, Vice-Chairman and Opposition Spokesperson for the Special Sub-Group, the Community and Environment and Resources Boards, the Safer Communities Sub-Committee, Members with responsibility for Health, Well-being and Leisure and Young People and Coleshill Ward Members have all had an opportunity to comment on the content of this report. Any comments received will be reported verbally to the Sub-Group.

3 Background

- 3.1 Further to its meeting held on 14 April 2014, the Sub-Group is aware that the construction of replacement indoor leisure facilities commenced on site at The Coleshill School on 07 November 2013. Members are further aware that the capital funding available for the project is £4,301,366, including £2,815,000 from the Borough Council, with the balance being made up of valuable contributions from the Education Funding Agency and England Squash and Racketball.
- 3.2 Account needs to be taken of the need to fund £152,000 of fees attributable to the project, thereby leaving a sum of £4,149,366 available to support project delivery (including all contingencies and provision for fitness equipment and furniture and fittings, etc.).
- 3.3 The Special Sub-Group is additionally aware that the Authority has contracted with Wates Construction Ltd. through Option C (Target Cost) of the EMPA Intermediate Projects Framework Agreement. Within this Option,

the Borough Council pays the Actual Cost of works properly executed. In so doing, it could benefit (“gain”) if the final Actual Cost is less than the agreed Target Cost. The client and contractor would share equally the first 5% of any gain. Conversely, however, if the Actual Cost exceeds the Target Cost by 5% or less then the Borough Council would be responsible for 100% of the cost difference (or “pain”). The contractor would be responsible for 100% of any costs above this 5% threshold. Option C is an entirely “open book” process within which the contractor submits Actual Cost invoices in monthly valuations.

4 Update on Progress – Construction Work

- 4.1 As reported to the Sub-group in April 2014, despite a slightly delayed commencement of on-site construction work and the very wet winter, the building programme is now approximately two weeks ahead of schedule. The overall project completion date, however, remains as the end of October 2014. Recent development progress has been very encouraging. In addition to the work previously detailed to Members, the installation of roof decking and felting has been completed, ground floor concrete slabs have been installed and the sub-structure block and brickwork are also complete. Superstructure block and brickwork has now commenced and are well advanced, roof insulation and membrane work has begun and Wates Construction is also advancing detailed mechanical and electrical design undertakings, including that associated with the previously reported problem in securing an acceptable electrical supply to the building.
- 4.2 In respect of its own commitment to promoting good standards of health and safety, Wates’s Chief Operating Officer and Regional Operations Director visited the site last month and reported no issues of related concern.
- 4.3 As Members are aware, the Borough Council retains responsibility for the additional costs of all client risks identified within the Risk Register and also for any client changes to the agreed project design. It has been reported to the Sub-group that a number of the client risks on the Risk Register are potentially expensive if they occur.
- 4.4 As identified, the risk associated with the need to remove asbestos from the site did materialise at an additional cost of just over £44,500 and, as previously reported, the contractor has been advised that the electricity sub-station does not have sufficient capacity to accommodate the needs of the new Leisure Centre. The required upgrade to the existing sub-station has been estimated to cost in the region of an additional £22,500. This cost is “non-contestable”. The risk is owned by the client and, therefore, will impact on the final Actual Cost for the project. Nevertheless, an alternative solution to this problem, which involves the construction of a new sub-station on the Leisure Centre site, is being investigated. Whilst this undertaking would require planning consent, initial cost projections suggest that it would be approximately £6,000 cheaper than up-grading the existing sub-station. Additionally, the Sub-group is aware that a detailed review of the doors, windows, curtain walling, louvers and flashings identified that the Target Cost allowance of £85,000 would not be sufficient for this element of the project design. The contractor sought further quotations for this work, which suggested a cost increase of approximately £45,000. At the request of

Officers, Wates Construction undertook two reviews of the product specification, as a consequence of which the additional cost impact has been reduced to just below £30,000. The contractor holds a sum of money for “design contingencies”, from which the shortfall will be met. This risk, therefore, will not affect the overall Target Cost for the project. It had, however, been hoped that the contractor’s contingency provision represented a potential area of underspend from which the Borough Council could benefit. Clearly, this is now looking less likely.

- 4.5 Over the life of the project, further risks will become apparent, whilst others will be removed at no cost to either the client or the contractor, dependent upon the “owner” of the risk. Indeed, potential risks are being identified and managed on a weekly basis, as a consequence of which a verbal report will be presented to the Sub-group on this aspect of the development process.
- 4.6 Any further client design changes will also incur additional cost. Whilst every effort is being made to avoid this need, a number of required changes have already been identified. The Sub-group has previously been informed of the need for fibre links to support on-site IT provision, the need for larger than originally proposed viewing gallery windows into the sports hall and the need for mirrors within the fitness suite. A further review of design and operational compatibility has established a need to revise the specification of security gates, internal doors, power points within the fitness suite, lighting within the dance studio and the provision of a water supply to the proposed vending machines. The cost of these changes, however, are largely being offset by the omission of unrequired balustrading on a low level roof, the reconfiguration of a first floor store room and an alternative approach to the provision of CCTV within the Leisure Centre.

5 Update on Progress – Financial Position

- ... 5.1 Wates Construction is required to provide its Target Cost and Actual Cost forecasts on a monthly basis. The Project Manager, who is very carefully scrutinising all costs on behalf of the Borough Council, is required to produce a monthly Funding Position Statement a week thereafter. For the remainder of the contract, these forecasts and statements will be subject to bi-monthly meetings between the Authority, the Project Manager and Wates Construction. The next of these meetings will be held just prior to the meeting of the Sub-Group, on 15 May 2014.
- 5.2 Attached at Appendix A is the latest Funding Position Statement produced by the Project Manager, on 07 May 2014, after Wates Construction’s submission of its seventh project invoice. The statement takes account of the contractor’s “Forecast Final Target Cost” and its “Forecast Final Actual Cost”, as stated in their Payment Application 7 (to the end of April 2014). It should be noted that the identified the funding position “overspend” of £12,447 will be affected by future “Compensation Events”, caused by the need to address risks and client variations. It will not be possible to establish a clear picture of Actual Cost versus Target Cost until later on in the contract, when the financial implications associated with the major works packages are known.
- 5.3 At the time of writing this report, approximately £1.3 million had been paid to the contractor, whilst a further invoice of just over £408,500 was being

processed for payment. Invoices totalling just over £414,500 have been issued to The Coleshill School in order to draw down the appropriate proportion of Education Funding Agency grant for the project.

6 Update on Progress – Other Matters

- 6.1 The Sub-group will recall that, at its meeting held in April 2014, it approved the content of the draft Joint Use Agreement between the Borough Council and The Coleshill School, through which the facility will be managed and used. Members will be aware, however, that in recent weeks there has been increasing disquiet amongst users of the existing Leisure Centre about the extent of community access to the new sports hall. The question of daytime access to the new Leisure Centre has always been an acknowledged matter of significance within the local community and it remains so for the Borough Council. By way of clarification, within the terms of the draft Agreement, priority for use of the sports hall will be given to The Coleshill School and the neighbouring primary schools between 8:30am and 5:00pm, Monday to Friday, during school term-times. The community will have priority access to the squash courts, multi-purpose dance studio and fitness suite during these times, as well as access to the sports hall during evenings, weekends and school holidays. Whilst the majority of activity that takes place in the current sports hall can be relocated into the multi-purpose studio, it is acknowledged that there will be a consequence for daytime (school term-time) badminton players and 5-a-side footballers. The draft Joint Use Agreement affords an opportunity for community access when the schools are not using the sports hall. The Leisure Centre Manager will only know about the availability of space two months before the start of each term, however, for it is at this time that The School is required to furnish the Borough Council with sight of its timetable requirements. The School has stated its commitment to wanting to encourage community access, not just to the Leisure Centre, but to The School in general, and it is incentivised to do so, for the more sports hall time that The School releases for community use, the lower will be its charge for its own use of the facility. Whilst every effort will be made to negotiate additional daytime access into the sports hall, school use of this space at the times identified above was essential to securing both permission to build and capital support for the Leisure Centre, without which it would not have been possible to secure the long-term provision of an indoor leisure facility in Coleshill.
- 6.2 Wates Construction's programme for engaging local schools and the community within the building process is on-going. Activity proposed to be undertaken in May includes "sustainable technology" lessons at The Coleshill School and "tower building" exercises with local primary schools. It is also pleasing to be able to report that Wates Construction has been awarded the "Considerate Contractor" award for the manner in which it has evidenced its work with and within local communities during its construction processes.

7 Report Implications

7.1 Finance and Value for Money Implications

7.1.1 In addition to those previously reported to the Sub-Group, the headline financial implications associated with the construction of the new Coleshill Leisure Centre are detailed in section 5 above.

7.2 Safer Communities Implications

7.2.1 The provision of good quality leisure facilities and services has profound and positive implications for the development of safer communities and a reduction in the likelihood of criminal and / or anti-social behaviour.

7.3 Legal and Human Rights Implications

7.3.1 The future replacement of Coleshill Leisure Centre will have direct and positive implications for the Authority's ability to meet the requirements of Equalities and other legislation and on its determination to enhance access to good quality services for the local community.

7.4 Environment and Sustainability Implications

7.4.1 The proposed investment of resources is required if the Council is to maintain and enhance the quality, consistency and sustainability of its indoor leisure provision in Coleshill. The services provided through the new leisure facility will make a positive and lasting impact on individual and collective quality of life within North Warwickshire.

7.5 Health, Well-being and Leisure Implications

7.5.1 Leisure facilities have a positive impact on the health and well-being of individuals and communities through the provision of opportunities for formal and informal recreation and by contributing to an enhanced quality of life in the Borough. The project is also compliant with, and helps to deliver against, the priorities identified in the Warwickshire Health and Well-being Strategy and the supporting Joint Strategic Needs Assessment.

7.6 Human Resources Implications

7.6.1 There is no immediate human resource implication arising directly from this report.

7.7 Risk Management Implications

7.7.1 The condition and future replacement of Coleshill Leisure Centre have been the subject of a detailed risk assessment, a copy of which was presented to the Community and Environment Board in July 2012.

7.8 Equalities Implications

7.8.1 The scheme to replace Coleshill Leisure Centre has been designed to positively impact on the corporate priority to protect and provide access to Council services. An Equality and Impact Needs Assessment (EINA) has

been carried out and was presented to the Community and Environment Board at its meeting held in July 2012.

7.9 Links to Council's Priorities

7.9.1 The undertaking to replace Coleshill Leisure Centre has positive and direct links to the following corporate priorities:

- Public service
- Crime and disorder
- Access to services
- Consultation and communication
- Health and well-being

7.9.2 The future replacement of Coleshill Leisure Centre with a new development at The Coleshill School has positive implications for the Sustainable Community Strategy priorities to:

- Raise aspirations, educational attainment and skills
- Develop healthier communities
- Improve access to services

The Contact Officer for this report is Simon Powell (719352).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
1	Wates Construction	Client Meeting Report 2	January 2014
2	Coventry City Council	Clerk of Works Report 2	January 2014
3	Coventry City Council	Client Meeting Notes (16 January 2014)	January 2014
4	Coventry City Council	Client Meeting Notes (26 February 2014)	Feb 2014
5	Wates Construction	Client Meeting Report 4	March 2014
6	Wates Construction	Client Meeting Report 5	April 2014

OVERALL FUNDING POSITION

<u>Available Funding</u>	£	£	£
NWBC Capital Receipts	1,850,000.00		
NWBC Approved Prudential Borrowing	965,000.00		
Sport England	nil		
England Squash & Racketball	25,000.00		
EFA	<u>1,461,366.00</u>		4,301,366.00

LESS

NWBC- other costs	£		
Planning Fees (unchanged)	11,550.00		
Planning discharge fees / amendments	2,000.00	est	
Building Regulation Fees (unchanged)	1,810.00		
CDM-C Fee (as Osbornes quote)	5,250.00		
Clerk of Works Fee @ 1% of £3.5m	35,000.00		
PM Fees @ 2% of £3.5m	<u>70,000.00</u>	125,610.00	
The Coleshill School - other costs	£		
Legal fees	23,000.00		
Auditor fee	<u>funded separately</u>	23,000.00	
Reserve for client FF&E			
Fitness Equipment	160,000.00		
Loose FF&E	<u>40,000.00</u>	<u>200,000.00</u>	348,610.00

FUNDING BALANCE

3,952,756.00

Cost of Sports Centre

Wates Target Cost Option C	3,904,157.27		
Design Fees & Surveys	included		
Compensation Events (risks/variations)	73,023.48		
Wates Final Total Target Cost Forecast (TC)	<u>3,977,180.75</u>		
Wates Final Total Actual Cost Forecast (AC)	<u>3,972,172.78</u>		
Difference to Share (TC) - (AC)	5,007.98		
Contractors Share @ 50% (95% to 100% of TC)	2,503.99		
FINAL COST FORECAST (AC) + (Cntrs Share)	3,974,676.77		3,974,676.77

WATES CURRENT FUNDING POSITION - overspend

-21,920.77

Other costs (not incl with Wates AC or TC)

Compensation Events (adjustment)	-13,874.04		
Change requests - as schedule	3,400.00		
Early Warnings - as schedule	1,000.00		
			<u>-9,474.04</u>

CURRENT FORECAST FUNDING POSITION - overspend

-12,446.72

Exclusions

- 1) VAT
- 2) ICT and voice/data connection
- 3) Variations in abeyance and/or awaiting estimates
- 4) Other as listed within Wates TC Submission and Risk Register

Agenda Item No 7

Special Sub-Group

19 May 2014

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 8

Staffing Matter – Refuse and Recycling - Report of the Assistant Director (Streetscape)

Paragraph 1 – by reason of the need to consider staffing matters

Agenda Item No 9

Staffing Matter – Streetscape - Report of the Assistant Director (Streetscape)

Paragraph 1 – by reason of the need to consider staffing matters

The Contact Officer for this report is David Harris (719222).