

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

14 APRIL 2014

The Special Sub-Group will meet in the Small Hall, Atherstone Memorial Hall, Long Street, Atherstone, Warwickshire on Monday 14 April 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. It principally focusses on the construction work and the costs associated with the project.

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

- 7 **Reviewing the Opening Hours of the Council's One Stop Shop** – Report of the Assistant Chief Executive (Community Services) – **to follow**

Summary

The purpose of this report is to propose a change in opening hours for the face to face service provided through the Council's One Stop Shop in order to align with the opening hours of the DWP when the services co-locate in June 2014.

The Contact Officer for this report is Bob Trahern (719378)

- 8 **The A5** – Report of the Chief Executive

Summary

The report informs Members of recent developments with regard to the A5 and seeks endorsement of the Chief Executive's use of his urgent business powers.

The Contact Officers for this report are Jerry Hutchinson (719216) and Steve Maxey (719438)

9 **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 item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

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

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

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

14 April 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. It principally focusses on the construction work and the costs associated with the project.

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 17 March 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 in the sum of £4,164,000 (£15,000 over budget). 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 exceeded 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 Subsequent to the three days delayed commencement of construction work, on-site progress has been very encouraging. Demolition work, vibro piling, foundation work, steel frame construction, pre-cast flooring and the construction of stairs are all complete. Drainage works are essentially complete, roof packs have been installed and sub-structure block and brickwork has commenced. In the immediate future, Wates Construction will be concentrating on external ground works to form the car park, further work to both the roof and floors and continuation of the brickwork. Despite the very wet winter, other aspects of the construction are ahead of programme, as a consequence of which the development timetable is now slightly ahead of schedule. The overall completion date, however, remains as the end of October 2014.
- 4.2 As part of its commitment to promoting good standards of health and safety, the Health and Safety Executive undertook an on-site visit in February, in respect of which no issues of concern were identified.
- 4.3 As previously reported to the Sub-Group, 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 is not possible to be precise about which of these potential risks will manifest themselves. A number of the client risks on the Risk Register, however, are potentially expensive if and when they occur.
- 4.4 Members are aware that the significant risk associated with a Severn Trent Water requirement to resolve a potential foul water drainage problem has been removed at no cost to the project. As predicted, however, foul water has “backed up” on neighbouring property and Wates Construction has continued to help alleviate the problem on a short-term basis. Potential solutions to the problem are being investigated, for which a cost estimate will be provided later in the programme. Officers from the Borough Council and The Coleshill School will share this information with representatives from St. Edwards School and the County Council, but project partners are clear that there is no funding to resolve this pre-existing, off-site issue.

- 4.5 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 Leisure Centre. The required upgrade to the 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. Further, and as the Sub-group is aware, 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 a review of the product specification, as a consequence of which the additional cost impact has been reduced to approximately £35,000. 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.
- 4.6 Over the life of the project, further risks will manifest themselves, 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 frequent (weekly) basis, as a consequence of which a verbal report will be presented to the Board on this aspect of the development process.
- 4.7 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 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 and the reconfiguration of a first floor store room.

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 on 17 April 2014.
- 5.2 Attached at Appendix A is the latest Funding Position Statement produced by the Project Manager, on 2 April 2014, after Wates Construction’s submission of its sixth 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 6 (to the end of March 2014). It should be noted that the identified the funding position “overspend” of £23,412 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, just over £1,000,000 had been paid to the contractor, whilst a further invoice of just under £300,000 was being processed for payment. Invoices totalling just over £414,000 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 Subsequent to the successful negotiation of both the required Underlease and the Licence to Underlet and Carry Out Alterations, the focus of legal work is now being directed towards finalising the Joint Use Agreement between the Borough Council and The Coleshill School, through which the facility will be managed and used. The content of the draft Agreement, which is set out in a separate report on this agenda, is currently subject to negotiation with The School.

- 6.2 Wates Construction’s programme for engaging local schools and the community within the construction process is on-going. Recent activity has included the involvement of pupils from St. Edward’s School in a “Bolt Tightening Ceremony” held on 28 March 2014. This event was also attended by the Mayor and the Chairman of the Community and Environment Board. Wates Construction is also undertaking a poster competition in conjunction with St. Edward’s School and it has held a “Safety Assembly” at the Woodlands School.

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 equitably 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 easier 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

**NORTH WARWICKSHIRE BOROUGH COUNCIL
NEW LEISURE CENTRE AT THE COLESHILL SCHOOL**

02 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)	46,775.98		
Wates Final Total Target Cost Forecast (TC)	<u>3,950,933.25</u>		
Wates Final Total Actual Cost Forecast (AC)	<u>3,973,903.99</u>		
Difference to Share (TC) - (AC)	-22,970.74		
Contractors Share @ 0% (100% to 105% of TC)	0.00		
FINAL COST FORECAST (AC) + (Cntrs Share)	3,973,903.99		3,973,903.99

CURRENT FUNDING POSITION - overspend

-21,147.99

Other potential costs (not incl with AC)

Change requests - as schedule	3,400.00		
Early Warnings - as schedule	-1,135.04		
			<u>2,264.96</u>

CURRENT FORECAST FUNDING POSITION - overspend

-23,412.95

Exclusions

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

Agenda Item No 8

Special Sub Group

14 April 2014

Report of the Chief Executive

The A5

1 Summary

- 1.1 The report informs Members of recent developments with regard to the A5 and seeks endorsement of the Chief Executive's use of his urgent business powers.

Recommendation to the Group

- a That the recent developments with regard to the A5 be noted; and**
- b That the Chief Executive's use of his urgent business powers be endorsed.**

2 Consultation

- 2.1 The report has implications for the whole Borough and no specific consultation has therefore taken place.

3 Report

- 3.1 The performance of the A5 as a major road in the Borough has been of concern to Members for some time. The Core Strategy allocates significant additional housing at Polesworth/Dordon which together with other development along the A5 means this situation may continue.
- 3.2 Officers have been working with other Councils and agencies to highlight the issues regarding the A5 and to get agreement that it is of regional and national importance.
- 3.3 After several years work, two developments have taken place recently to progress the Council's aspirations for this road. Firstly, the Strategic Economic Plan for Coventry and Warwickshire has identified the A5 as a transport corridor of regional importance and has acknowledged that it is one of the priorities for future funding.

- 3.4 Secondly, the Government has appointed Paul Spooner, who has previously worked in this area with the Homes and Communities Agency, to review Enterprise Zones nationally to ensure they have the infrastructure they need. Members will recall that MIRA is an Enterprise Zone and it has been rated nationally as one of the best prospects due to the number of high skilled jobs likely to be created. In his review, the poor performance of the A5 was identified and as a result work will be commissioned to evaluate the case for improving the A5, including having a dual carriage way from Junction 10 of the M42 to the M69.
- 3.5 A short notice request was received to provide a small amount of funding towards this study and, following consultation with the Leader of the Council, the Chief Executive agreed to commit £5,000. Nuneaton and Bedworth and Hinckley and Bosworth Councils have committed the same amount as well as contributions of £25,000 each from Leicestershire County Council and Warwickshire County Council. Members are asked to endorse the action of the Chief Executive.
- 3.6 Whilst there is still a lot of work to do and Members will need to consider the implications for the Borough of the study, these development clearly represent good news and a good reward for the work that Officers and Members have put into this project over a number of years.

4 Report Implications

4.1 Finance and Value for Money Implications

The contribution can be met from existing budgets and represents good value for money if the study results in considerable funding coming into the Borough.

The Contact Officers for this report are Jerry Hutchinson (01827 719216) and Steve Maxey (01827 719438).

Agenda Item No 9

Special Sub-Group

14 April 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 item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 10

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

Paragraph 3 – by reason of the report containing legal and financial implications.

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