

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

18 NOVEMBER 2013

The Special Sub-Group will meet in the Committee Room, The Council House, South Street, Atherstone, Warwickshire on Monday 18 November 2013 at 2.30pm.

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 **Proposed Replacement of 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 proposed development of new indoor leisure facilities in Coleshill.

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

18 November 2013

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

**Proposed Replacement of
Indoor Leisure Facilities
in Coleshill**

1 **Summary**

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

Recommendation to the Sub-Group

- a That the Sub-Group notes and comments upon the progress being made in respect of the proposed development of new indoor leisure facilities at The Coleshill School; and**
- b That Coleshill Leisure Centre be adopted as the name of the proposed new indoor leisure facility in Coleshill.**

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 Both the Special Sub-group and the Community and Environment Board have been in receipt of regular reports in order to keep Members informed of progress in respect of the proposed development of new indoor leisure facilities at the agreed preferred site of The Coleshill School.
- 3.2 This progress has included the signing of a Memorandum of Understanding with The School, the preparation of a draft underlease, user agreement and two licences through which the facility will be developed and subsequently managed, the adoption of a shared design option, the appointment of project managers, a design and build construction company and a CDM Co-ordinator through to the end of the project, progression into the pre-construction phase of the EMPA Intermediate Projects Framework and inclusion of the project within the approved capital programme in the sum of £4.426 million.

4 Update on Progress

- 4.1 At its last meeting, held on 21 October, the Sub-group was informed that the project had entered the “design freeze” stage, which had enabled Wates Construction the opportunity to prepare and put out to tender the 53 detailed work packages, which, when taken together, form the required components of the future development of the new leisure centre. At that time, it was reported that the Target Cost for the project was expected on 28 October, with a view to the main contract commencing on 04 November 2013.
- 4.2 The Target Cost was presented on time to project partners at a meeting held on 28 October. The information was presented in five large volumes, which include a full breakdown of costs, bills of quantities and a sub-contract analysis of contractor quotations. The details of the Target Cost are still subject to close scrutiny by the Borough Council and The School, as well as by the Project Managers. In summary, however, Wates Construction presented a proposed Target Cost sum of £3.915 million, to which “below the line contingencies” of £260,000 have to be added, resulting in a project cost of £4.175 million. Account also needs to be taken of a further £152,000 of fees attributable to the project, leading to an overall cost of £4.327 million. The capital sum available to support the project is £4.301 million, thereby resulting in a currently projected Target Cost that is £26,000 over budget.
- 4.3 As identified, the Target Cost is currently subject to close scrutiny by Officers and project partners, and it is feasible to suggest that this figure can be reduced to at or below the capital sum available for the project without the need for further impact on the scheme design. Nevertheless, through the EMPA Framework Agreement, the Borough Council has contracted to pay the Actual Cost of works properly executed, together with the “pain / gain” difference to the eventually agreed Target Cost, the levels of which are fixed within the Agreement. If Actual Cost exceeds the Target Cost by 5% or less then the Borough Council is responsible for 100% of the cost difference (the “pain”). The contractor is responsible for 100% of the costs above this 5% threshold. For a contract the size of that indicated above, this could amount to a cost risk to the Authority of just above £200,000. If Actual Cost is less than the Target Cost by up to 5% then the Borough Council and the contractor would take an equal share of the cost difference (the “gain”). The Authority’s share is 85% for the next 5% of any savings and 100% of any savings greater than 10%. An underspend of £200,000 against the Target Cost, therefore, would lead to a £100,000 gain for both the Borough Council and the contractor.
- 4.4 In the meantime, Wates Construction has been asked to produce a design and build lump sum price option, which would have less cost risk for the Borough Council. This option would still not provide a guaranteed maximum contract price; however, as the Borough Council would still be responsible for caveated and excluded items, such as unforeseen ground conditions and the need for service diversions. At the time of writing this report, the lump sum price option was not available, although it is hoped that it will be possible to update the Sub-group verbally at its meeting.

- 4.5 Whilst Wates Construction has been engaged through to the end of the project, in respect of which both parties have entered into a Memorandum of Agreement, formal contracts will not be exchanged until the Target Cost has been agreed. The Borough Council continues to remain liable only for the Actual Cost of works properly undertaken.
- 4.6 As identified, it was intended for work to commence on site on 04 November. Subsequent to the last meeting of the Sub-group, however, it became apparent that, in addition to S77 approval, the project also required Schedule 1 consent from the Department for Education (DfE), to build on education land other than that occupied by “playing fields”. It was initially feared that this very late requirement could delay the proposed start date by a number of weeks. A concerted effort by both The School and the Borough Council, however, resulted in consent being secured at the end of October. Regrettably, this delayed the start of the project by one week, but at the time of writing this report it was anticipated that work would commence on site on 11 November.
- 4.7 In order to enable the commencement of work, it was necessary to ensure the completion of all the relevant legal requirements. In this regard, the Solicitor to the Council has been tirelessly engaged in the negotiation of both the required Underlease and the Licence to Underlet and Carry Out Alterations. It is proposed to table copies of both documents at the meeting. The two fundamental points of principle previously identified to the Sub-group, relating to the future maintenance / replacement of the leisure facility and its “yielding up” at the end of the Underlease term, have both been resolved to the satisfaction of the Authority. Whilst substantially complete, the focus of legal work will now be directed towards finalising the building contract and the Joint Use Agreement between the Borough Council and The School, through which the facility will be managed and used.
- 4.8 The Sub-group will be aware that the name of the leisure centre has been a subject of interest to Members during the development of the project. In the not too distant future, it will be necessary to submit a further planning application relating to external signage. In this respect, it is necessary to agree upon the name of the facility. From a marketing and future operational perspective, it is proposed that there is little merit in moving away from using Coleshill Leisure Centre as the name of the building. As evidenced by attendance figures and profiles, this name is recognised and received positively, both within and beyond the local community, in the same way as are the names of the facilities in Arley, Atherstone and Polesworth. The Sub-group is invited to comment on, and determine the future name of, the building in order that work can be advanced on related matters.

5 Report Implications

5.1 Finance and Value for Money Implications

- 5.1.1 In additional to those previously reported to the Sub-group, the headline financial implications associated with the proposed Target Cost contract are identified in paragraphs 4.2 and 4.3 above. The Target Cost submitted by Wates Construction is still subject to detailed scrutiny by Officers, The School

and by the Project Managers, in respect of which further information will be provided to Members at the meeting.

5.2 Safer Communities Implications

5.2.1 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.

5.3 Legal and Human Rights Implications

5.3.1 Any 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.

5.4 Environment and Sustainability Implications

5.4.1 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 proposed new leisure facility will make a positive and lasting impact on individual and collective quality of life within North Warwickshire.

5.5 Health, Well-being and Leisure Implications

5.5.1 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 proposed 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.

5.6 Human Resources Implications

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

5.7 Risk Management Implications

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

5.7.2 The risks associated with incurring expenditure in advance of receipt of notification of the outcome of the S77 application were presented to, and considered by, the Sub-Group at its meeting held in August 2013. Further, paragraph 4.3 above, details the additional financial risks to the Authority associated with the Target Cost contract.

5.8 Equalities Implications

5.8.1 Any scheme undertaken to replace Coleshill Leisure Centre would be 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.

5.9 Links to Council's Priorities

5.9.1 An undertaking to replace Coleshill Leisure Centre would have positive and direct links to the following corporate priorities:

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

5.9.2 The future replacement of Coleshill Leisure Centre with a new development at The Coleshill School would also have 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 | Coleshill Leisure Centre – Target Cost Submission | October 2013 |