

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

21 OCTOBER 2013

The Special Sub-Group will meet in the Committee Room, The Council House, South Street, Atherstone, Warwickshire on Monday 21 October 2013 at 2.30pm. **At the conclusion of the meeting a further site visit will be made to inspect the work undertaken so far on the Accommodation Project.**

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)

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

21 October 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

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.

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 Members are aware that, at its meeting held in July 2012, the Community and Environment Board resolved that The Coleshill School be the preferred site for any future replacement of Coleshill Leisure Centre. Subsequently, regular reports have been presented to both the Special Sub-Group and the Community and Environment Board in order to keep Members informed of progress in respect of the proposed development.
- 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 The Sub-Group is aware that the grant application to the Education Funding Agency (EFA), made in the sum of £1,461,366, was approved on appeal in June 2013 and that the bid to Sport England's Inspired Facilities Fund for a financial award of £150,000 was unsuccessful. Subsequently, the National Governing Body of Sport (NGB) for Squash and Racketball has made an "in principle" award of £25,000 to the project. Whilst this does not bridge the gap caused by the unsuccessful bid to Sport England, it does provide a valuable contribution to the project and helps to ensure the provision of squash courts within the overall scheme design.
- 4.2 The loss of up to £150,000 available to support the scheme led to an inevitable "value engineering" process. Upon the instruction of the Borough Council, this process focused on the need to limit the impact on those areas of the facility that will support direct service provision. To date, other than the omission of the proposed moveable wall in the squash courts, there has been no such impact. As the Sub-group is aware, however, there has been a need to reduce the size of the building footprint, most notably by reducing the extent of changing accommodation principally dedicated to use by The School and to introduce an alternative drainage proposal into the scheme.
- 4.3 Both of these changes require planning consent, in respect of which the relevant applications have been made and will be considered by the Planning and Development Board at its meeting to be held on 14 October 2013. The Environment Agency quickly confirmed that it had no objection to the proposed new drainage scheme. Sport England, however, initially indicated that it had concerns about the proposal. Detailed discussions with and within the design team, however, resulted in a design amendment that alleviated Sport England's concern. The design team is now in discussion with building control officers, including in respect of the proposed demolition of buildings on The School site, in order to ensure appropriate support for the design proposals.
- 4.4 As the Sub-Group is aware, the project has entered a "design freeze" stage, which has enabled Wates Construction to prepare and put out to tender the various work packages that will enable the detailed target cost for the scheme to be established. The potential suppliers list and procurement schedule have been discussed and agreed with the Borough Council and The School. It is currently projected that the target cost will be submitted to the Authority on 28 October, with a view to the main contract commencing on 04 November. The contract completion date remains as 24 October 2014, a date that meets a condition of the EFA funding award. In the meantime, the work associated with The School's heating and mechanical plant, which was the subject of the approved enabling works package, has been undertaken successfully. As Members are aware, the cost of the enabling works, including the detailed design and target cost activity, is £148,294. Wates Construction's element of this sum totals £115,294, with the remaining £33,000 being funded at risk by the EFA. As previously reported to, and agreed by, the Sub-Group, any costs incurred prior to securing the required S77 permission from the Secretary of State are being expended "at risk" of the project not proceeding through to completion.

- 4.5 Members will be aware that Warwickshire County Council made the required S77 application on 15 July and also that subsequent to submission of the application it became apparent that this process must include a County Council-led six week period of consultation specifically related to the proposed removal of the three redundant tennis courts, four weeks of which must be undertaken in school term-time. This period of consultation, which concluded on 02 October 2013, yielded no formal responses and this information was duly conveyed to the Department for Education (DfE) in readiness for consideration by its Playing Fields Panel on 08 October. In preparation for the Panel meeting, Officers have had to respond to a number of questions from DfE officials, principally relating to the use to be made of the proposed new facilities by schools in Coleshill. At the time of writing this report, the outcome of the S77 application is not known, although it is hoped that it will be possible to update the Sub-Group verbally at its meeting.
- 4.6 Given that Wates Construction has estimated that the project will take a minimum of 46 weeks to reach the point of practical completion, it is imperative that construction work starts on site on 04 November 2013. This work can only be undertaken subject to receipt of a satisfactory outcome of the S77 process and further to completion of all the necessary legal requirements. In this regard, work is being progressed in respect of the further development of the draft underlease and user agreement. It is hoped to be able to circulate draft copies of both documents at the meeting.
- 4.7 Whilst the underlease and user agreement are close to the point of completion, two fundamental points of principle remain subject to detailed negotiation between the legal representatives of the Borough Council and The School. As currently drafted, the underlease contains a provision requiring the Authority to assume sole responsibility to maintain a fully functioning leisure facility on the site for the duration of the agreement. Given that the expected life of the facility would be less than the term of the underlease this has implications for the future replacement of the building and the associated cost thereof. In view of the fact that significant elements of the development are being provided for either the sole or principal use of The School it is considered that this clause is both unreasonable and unacceptable.
- 4.8 Of equal significance is the currently drafted clause that requires the Borough Council to “yield up” the facility at the end of the underlease term. In effect, this would mean handing ownership of the building over to The School. This, too, is considered to be unacceptable, although The School’s solicitor has responded positively to this concern by suggesting the inclusion of an option to renew the underlease at the end of its proposed 50 year term. Negotiations are continuing, however, in respect of both matters.
- 4.9 Monthly meetings of the Special Sub-Group have been arranged in order to ensure that Members receive regular reports relating to the development of the project.

5 Report Implications

5.1 Finance and Value for Money Implications

5.1.1 Any further delay in the implementation of the project timetable could result in an inability to meet the conditions of the EFA grant and, therefore, the possible loss of more than £1.4 million of financial assistance for the project.

5.1.2 To date, a total of £96,270 has been spent on “at risk” items to move the project through to the stage of seeking Planning Consent (Gateway 3), approval for which was granted by the Executive Board on 24 September 2012. Further to this, there is the potential for additional “at risk” expenditure of £115,294, which relates to Wates Construction’s design fees and target cost work.

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 have 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.

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).