

REPORT TO EXECUTIVE			
PORTFOLIO AREA: HEALTH & WELLBEING			
Date of Meeting:	19th December 2002		
Public			
Key Decision:	No	Recorded in Forward Plan:	Yes
Inside Policy Framework			

Title: Sheepmount Development Initiative

Report of: Town Clerk & Chief Executive

Report reference: SP02/02

Summary:

This report updates members of action taken to date to enable a bid for Sport England and Football Foundation funding to be submitted.

Recommendations:

The Executive are recommended to delegate the responsibility for making the decision to submit the bid to the Executive Portfolio Holder for Health & Well-Being.

Contact Officer: Alan Wood **Ext:** 7430

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2. BACKGROUND INFORMATION AND OPTIONS
1. The Director of Leisure & Community Development has previously informed the Executive of progress on the preparation of the submission of the bid for Sports England and Football Foundation funding.

2. An original submission was made to what was then Sport England. The separately funded Football Foundation has been established since and all football related elements of the submission are dealt with by them. This has duplicated the bidding process as each body has differing requirements.

3. As the proposed scheme became more defined it became apparent that there were several major factors which would have a significant impact in general terms these are:

1. Changes in specification
2. Tender price inflation
3. Assessment of risks

1. Changes in specification

As design hardened for the various elements of the scheme, so more detailed design work was carried out and revised costings undertaken. For several of the elements particularly the Car Park, the Cycle Track and the temporary bridge these were very significant increases in costs. Drainage to the football pitches which not been included in the previous bid (Sport England and Football Foundation have been informed), also has a significant cost implication.

2. Tender Price Inflation

The original bid had no allowance for increases in tender costs from 4th quarter 2000 to the projected completion of all the elements in 3rd quarter 2004. This is at a time when Tender Price Inflation is running at around 6% p.a.

3. Assessment of Risks

Once a bid is submitted and approval given the Authority would not be in a position to seek any further funding should costs increase, so it was essential to determine the brief and costs prior to submission.

1. Further Action

Following consideration of the position the Council appointed External Project Managers, Capita MPM to review the scheme overall, carry out a value engineering exercise to reduce costs and make recommendations for the submission of the bid and procurement thereafter.

The report to MPM Capita will follow as an appendix.

2. CONSULTATION

Extensive consultation has been carried out with all User Groups, Funding Bodies and other interested parties.

3. STAFFING/RESOURCES COMMENTS

Resource implications are contained in the report.

4. CITY TREASURER'S COMMENTS

The Head of Finance has been informed of the progress to date and will comment formally when the detailed proposals are identified.

5. LEGAL COMMENTS

None

6. CORPORATE COMMENTS

None

7. RISK MANAGEMENT ASSESSMENT

A Risk Assessment has been carried out as part of the External Project Managers commission.

8. EQUALITY ISSUES

N/A

9. ENVIRONMENTAL IMPLICATIONS

An Environment Impact Assessment will be carried out as part of the project.

10. CRIME AND DISORDER IMPLICATIONS

Security measures will be designed into the scheme as appropriate.

11. RECOMMENDATIONS

The Executive are recommended to delegate the responsibility for making the decision to submit the bid to the Executive Portfolio holder for Health & Well-Being.

12. REASONS FOR RECOMMENDATIONS

To ensure a bid can be submitted to Sport England and the Football Foundation by the end of December 2002.

Contact Officer: Alan Wood

Ext: 7430

Section 1

EXECUTIVE SUMMARY

1.1 Project Cost/Funding Status

The anticipated outturn cost of the project post Value Management currently stands at £2,584,000 excluding any cycling element. This substantially exceeds the first stage Sport England (SE) funding application estimated costs primarily due to errors and exclusions in the first stage estimates.

The extent of funding that CCC will be required to contribute to the project based on the current scheme is most likely to be in the region of £900,000 to £950,000. This is dependant on securement of funds from the Football Foundation (FF), and SE's response to requests for additional funding and omission of the cycling element of the original scheme. This level of funding exceeds CCC's currently allocated funding of just under £700,000 by between £200,000 and £250,000, however it should be noted that if SE take a harsh view of recent developments CCC may be faced with funding up to £1,050,000.

We have identified the key funding issues and outlined a strategy to address these, which will provide more certainty of CCC's required capital contributions as quickly as possible.

If CCC consider this level of funding contribution to be above acceptable levels then the long term options to reduce cost further and increase match funding should be explored. However this would delay the funding application being submitted to the FF, therefore not meeting CCC's required programme, and would also have a number of wider ranging implications that may make some ideas unfeasible.

1.2 Project Programme

We have established that CCC should be able to complete the project by September 2004 whilst complying with CCC's risk minimisation policy as the project develops.

1.3 Procurement Strategy

We have developed a strategy which maximises transfer of risk to other parties, however CCC must make sure that other parties are furnished with as much information as possible to avoid excessive cost premiums being applied to transferred risks.

**For and on behalf of
MPM Capita**

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Martin J Jennings

Section 2

INTRODUCTION & SCOPE OF REPORT

2.1 Scope of Appointment

MPM Capita (MPMC) have been appointed by Carlisle City Council (CCC) to establish the current status of the Sheepmount Sports Initiative project and develop a strategy for achieving the project objectives within the time, cost and risk parameters set by CCC. These are to complete the development as quickly as possible, minimise CCC's financial commitments and minimise the extent of risk that CCC are exposed to.