

Sands Centre Redevelopment Project

Health and Wellbeing Scrutiny Panel

6th June, 10:00am



Content of the presentation:

- Background to the project
- Development proposals
- Design development (GT3 architects)
- Wates Construction / Scape engagement and tender assessment
- Tender evaluation (Pick Everard)
- Proposed programme of works
- Business case and funding proposals
- Scheme of delegation
- Risk management
- Consultation
- Other final considerations

Background to the project

(Pages 4-7)

- Long term aspiration for Carlisle City Council
- Both James Street and The Sands Centre are aging properties
- 2009/10 a £15M redevelopment project was brought forward but not progressed
- Carlisle Sports Facilities Strategy 2013-23
- 2015 floods raised questions regarding the suitability of the preferred site
- Sport England support for the project
- Renewed contract with GLL (commenced December 2017) offering a business case for development

Background cont.

- The Sands redevelopment project is a key part of health and wellbeing plans in the city
- Transformational opportunity, working with key partners:
 - GLL
 - NHS
 - Sport England
 - Active Cumbria
 - Public Health
 - Sports clubs
 - Community groups

Development proposals

(Pages 7-11)

- Main Pool Hall (25m x 17m, 8 lane) & Learner Pool with a moveable floor (20m x 8m) with Pool Store, Timing Room and a Spectator Seating Gallery
- Four Court Sports Hall with a Spectator Gallery
- 120 station Fitness Suite with an office
- Two Dance Studios
- Spinning Studio
- Wet and Dry Change facilities
- Changing Places Facility
- Dementia friendly design
- Improvements to the existing events hall – new seating, green room and ancillary facilities
- NHS Physiotherapy Suite
- First Aid
- General Meeting Room/Office (10 persons)
- Reception Desk with offices
- Coffee corner, catering, bar and vending facilities
- Staff facilities (including Kitchen & Social)

Environmental measures to support more efficient use of energy and photovoltaic panels and combined heat and power energy generation.

Also important maintenance works to the fabric and systems of the retained events hall

Enabling arrangements

- GLL have an extensive programme of health, wellbeing and entertainment activities throughout this build period
- NHS services will need to continue and grow
- A full entertainment programme is already booked
- Our contract with GLL covers these 'service continuity' issues

Enabling arrangements cont.

Temporary Facilities – October 2019 – August 2021

- Extensive exploration of alternative options – City Council / GLL
- On site events facilities
- Off site health and wellbeing centre

Design development

GT3 Architects slides...

SCAPE Framework



Topic	Benefit and value proposition
Speed to Market	Quicker than traditional procurement method, with no OJEU requirement and a quick start, saving procurement time
Value for money	Market-testing at each stage, 65% feasibility, 85% planning and 100% at delivery agreement independently verified
Legal & credible	Framework has been designed by the public sector for the public sector in compliance with EU/UK Procurement Regulations
Certainty of Outcome	Early contractor engagement, benchmarking at feasibility and planning at preconstruction guarantees delivery success
Supply chain & SMEs	The supply chain engaged early to add value, with a focus on employing SMEs, micro and local businesses
Performance managed	Rigorous performance management regime where over 20 key measures are monitored resulting in high client-satisfaction
Contractor commitment	Single supplier arrangement means we can be completely focused and committed at every stage to create client value
Community engagement	Our commitment to create significant employment opportunities & apprenticeships to disadvantaged groups

“100% committed to leaving a positive legacy in your community”

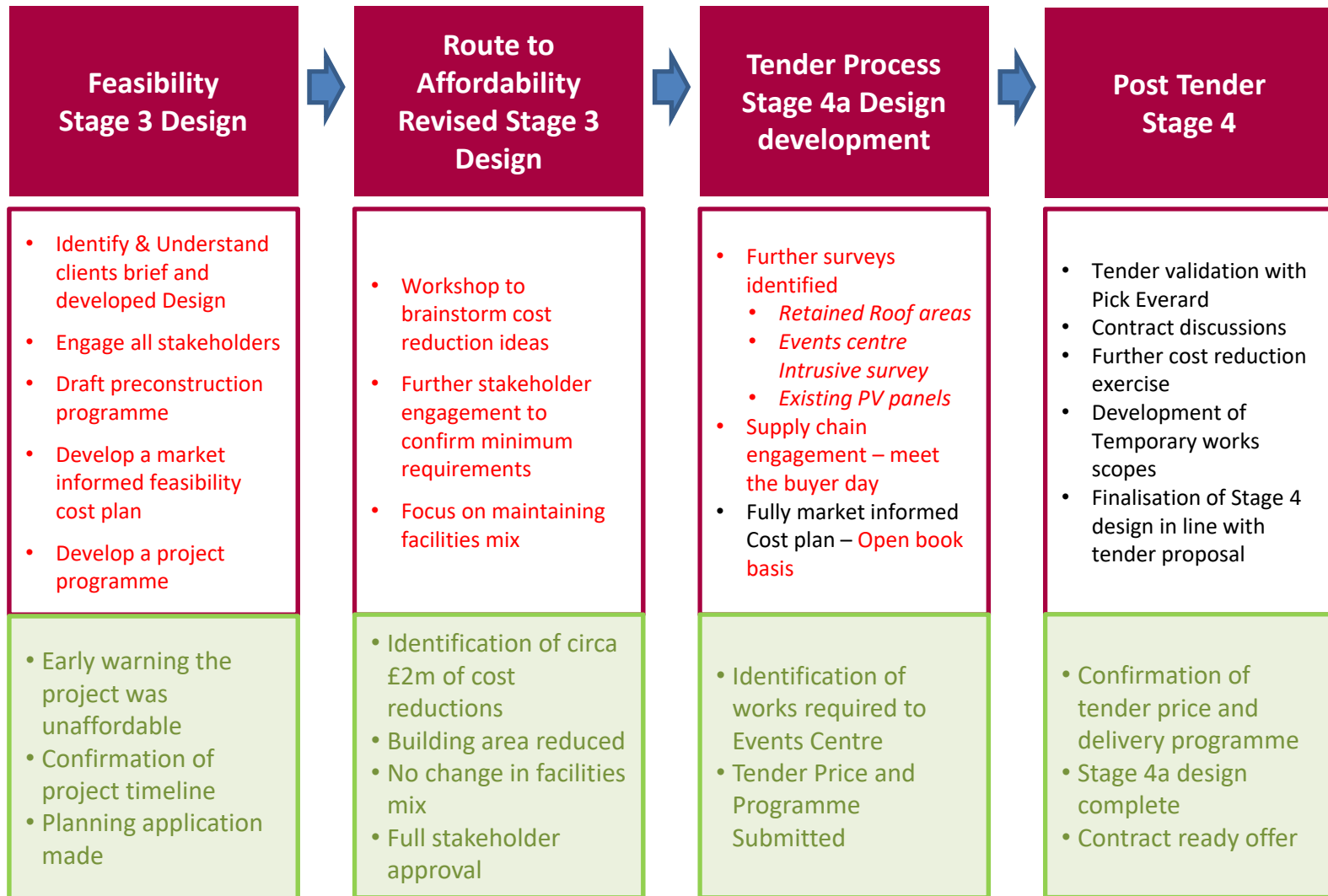
On your project, we will provide a range of Employment and Skills opportunities. Having completed the community insights analysis, our offering includes a **minimum**:

- 10 work experience placements for local students and young people
- 5 visits/workshops/lectures to local schools
- 1 visit/workshop/lecture to a local university
- 1 graduate recruited
- 3 new adult job opportunities created
- 7 new apprentice opportunities created
- 6 new NVQ opportunities created

Performance Measures To Drive Social Value

Ref	Performance Indicator	Why?	Pass rate	To be measured?		Notes
				Yes	No	
S2	Local spend	To determine the level of local spend on a project	20% to be within 10 miles 40% to be within 20 miles 75% to be within 40 miles	✓		Ammended to 100m
S4	SME Spend	To determine the level of spend with SME's	85% of subcontractor's value to be with SMEs	✓		
S5	Micro Business Engagement	To determine the level of engagement with Micro Businesses <i>*Micro Business as defined in EU law, i.e. less than 10 employees and less or equal to £1m turnover</i>	10% of supply chain subcontractors to be micro businesses	✓		

Engagement Process



Project programme (Wates)

- Full project programme is contained within Appendix D and a summary at Appendix E

ID	Name	Start	Finish
1	Contract Award	03.07.19	03.07.19
2	Temporary leisure facilities (Newman School)	23.07.19	01.11.19
3	Temporary events facilities (on site)	23.07.19	28.10.19
4	Construction commencement	04.11.19	14.07.21
5	Centre Completion	15.07.21	15.07.21
6	Public opening	29.07.21	29.07.21
7	Handover	15.07.21	25.08.21

Gateway 4 report & summary capital costs

(Page 11 and Appendix A)

- Wates submitted their tender offer by 06.03.19
 - The construction work;
 - Consequential Improvements;
 - Essential works to the Events Centre; and
 - Provision of NHS Physiotherapy Suite.
- Pick Everard - commercial evaluation
 - Arithmetical check;
 - Compliance check with the Scape framework;
 - Commercial evaluation 56no. trade packages; and
 - Benchmarking costs against similar projects.

Gateway 4 report & summary capital costs

(Page 11 and Appendix A)

- Commercial findings:
 - Building costs, preliminaries comparable to 'Affordable Sports Centre' model;
 - RTA process assisted in driving value;
 - Reviewed and closed out clarifications; and
 - Reported on the Council's Total Outturn Cost pre and post tender.
- Pick Everard – technical evaluation
 - Wates – construction risk register;
 - Reviewed and closed out clarifications; and
 - Design – achieved Facilities mix, Sport England compliance / GLL requirements.

Gateway 4 report & summary capital costs

(Page 11 and Appendix A)

- Produced Gateway 4 Report
 - Included a recommendation to the Council to proceed to contract award based on:

Cost Summary 07.05.19	
Adjusted Tender Sum Total	£20,242,736
Total Budget to Gateway 4	£25,015,740
Recommended Optional Ancillary Works(Events Centre)	£458,307
Total cost (excluding VAT)	£25,474,046

Gateway 4 report & summary capital costs cont.

(Page 11 and Appendix A)

Reference	Pick Everard Post RIBA Stage 2 ¹	Wates Feasibility Stage 3 ²	Wates RTA Stage 3 ³	Wates Tender and Additional Events Space survey costs Stage 4 ⁴
Construction costs including the NHS facility	£17,541,339	£21,501,256	£17,598,008	£18,307,472
Project / Design team costs	£1,799,734	£848,404	£1,488,647	£2,520,135
Temporary Accommodation	£573,980	£675,000	£1,465,579	£1,628,396
Consequential improvements – Part L (Excl. OH&P)	£0	£643,524	£643,524	£643,524
Consequential Improvements – Immediate repairs to the Events Centre (Excl. O H & P)	£360,000	0	0	£1,451,744
Council contingency	0	0	£750,000	£750,000
Total	£20,275,053	£23,668,184	£21,945,758	£25,301,271

Business case & funding proposals (Pages 13-20)

- Overall capital cost to be funded as follows:

	£
External Borrowing	20,500,000
Sport England Grant	2,000,000
GLL Reserve	273,000
Asset Disposal Receipts	2,726,754
	25,499,754

- External borrowing assumed to be on 25-year term with principal being repaid each year
 - £15million in 2019/20 @ 2.25%
 - £5.5million in 2020/21 @ 2.63%

Business case & funding proposals (Pages 13-20)

- Borrowing costs can be funded from reduction in subsidy achieved as part of re-tendering of Leisure Contract in 2017
 - Pre 2017 Subsidy (13yrs 8 months remaining) = £10.878million
 - Post 2017 Subsidy (13yrs 8 months remaining) = (£ 0.202million)
 - **Available to fund borrowing costs** = **£11.080million**

 - **Cost of Borrowing £20.5million over remaining Contract term** = **£10.929million**

- Overall impact of scheme over GLL Contract = £0.151million saving
- Overall impact of scheme over 25 year period = £1.150million saving

Do nothing option (Pages 13-20)

- Do Nothing would require increased subsidy to GLL through contract renegotiation
- Would also require at least £12.6million capital investment
 - Pre 2017 Subsidy (13yrs 8 months remaining) = £10.878million
 - Post 2017 Subsidy (13yrs 8 months remaining) = £15.287million
 - **Increased subsidy payments** = **£ 4.409million**

 - **Cost of Borrowing £10million over remaining Contract term** = **£ 6.036million**
- Overall impact of scheme over GLL Contract = £10.445million cost
- Overall impact of scheme over 25 year period = £7.896million cost

Scheme of delegation

(Page 20 & Appendix E)

- Successful and timely delivery within an agreed set of delegations
- Ability to proceed within financial and governance limits
- Still an important requirement to keep Council informed and refer decisions to Members as appropriate

Project Risk Management

(Appendix F)

- City Council risk register. First developed alongside Zurich Municipal and revised in May 2019
- Project / Employers Agent Risk Register

Consultation (Page 21)

- Primarily with GLL as the operator
- Sport England and sport governing bodies
- NHS
- Specific stakeholders – sports clubs, clubs, user groups, occupational health, access groups
- Consultation event as a key part of the planning process

Other considerations

(Page 21)

- Sport England grant
- Borderlands Inclusive Growth Deal – Station Gateway proposals

Next steps and questions

- Scrutiny panel recommendations arising from this meeting
- Special Executive, 10th June 2019
- Special Council, 25th June 2019