



Joint Meeting of the Business and Transformation Scrutiny Panel and the Health and Wellbeing Scrutiny Panel

Monday 29 January 2018 at 10.00am

In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG

****A pre meeting for Members of both Panels to prepare for the Panel
will be held at 9.00am in the Flensburg Room ****

The Press and Public are welcome to attend for the consideration of any items which are public.

Members of the Business and Transformation Scrutiny Panel:

Councillor Mrs Riddle (Chairman), Councillors Allison, Mrs Birks, Mrs Bowman (Vice Chairman), Mrs Glendinning, J Mallinson, Robson, Watson

Substitute Members:

Bainbridge, McDonald, Mrs McKerrell, McNulty, Shepherd, S Sidgwick

Members of the Health and Wellbeing Transformation Scrutiny Panel:

Councillor Paton (Chairman), Councillors Burns (Vice Chairman), Ellis, Layden, E Mallinson, McDonald, McNulty, S Sidgwick.

Substitute Members:

Councillors Bainbridge, Bloxham, Bomford, Coleman, Finalyson, Harid, Riddle.

PART A

To be considered when the Public and Press are present

Appointment of Chairman

To appoint a Chairman for the meeting

Apologies for Absence

To receive apologies for absence and notification of substitutions.

Declarations of Interest (including declarations of “The Party Whip”)

Members are invited to declare any disclosable pecuniary interests, other registrable interests, and any interests, relating to any item on the agenda at this stage.

Public and Press

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

A.1 SANDS CENTRE REDEVELOPMENT

Portfolio: Finance, Governance and Resources and Culture, Heritage and Leisure
Directorate: Community Services, Corporate Support and Resources
Officers: Darren Crossley, Deputy Chief Executive
Gavin Capstick, Contracts and Community Services Manager
Steven Tickner, Deputy Chief Finance Officer
Report: CS.10/18 and Minute Excerpt EX.132/18 attached

The meeting will begin with a presentation from the Contracts and Community Services Manager and a GT3 Representative.

Background:

The report will give an overview on the proposed development options and approach for the Sands Centre Redevelopment (as outlined in the Council's Sports Facilities Strategy), including anticipated capital costs, funding options, a developed programme and risk register.

The report will also set out the initial considerations with regards to alternative procurement options for the Principal Contractor.

GT3 Architects and the Contracts and Community Services Manager will give a presentation on the proposed development options and approach for the Sands Centre Redevelopment. The Deputy Chief Finance Officer will provide information on the financial implications of the proposals.

Why is this item on the agenda?

Agenda item agreed by the two Panels in their Work Programmes. The matter was included in the Notice of Executive Key Decisions (KD.33/17) and was considered by the Executive on 18 December 2017.

What is the Panel being asked to do?

1. Scrutinise the report and its appendices taking into account the presentation
2. Give the Panels views on the redevelopment proposals and the funding and procurement options presented.

PART B**To be considered in Private**

- NIL –

A copy of the agenda and reports is available on the Council's website at www.carlisle.gov.uk or at the Civic Centre, Carlisle.

Enquiries, requests for reports, background papers etc to:

Rachel Plant, Democratic Services Officer, 01228 817039 or Rachel.plant@carlisle.gov.uk or

Jacqui Issatt, Committee Clerk, (01228) 817557 or jacqui.issatt@carlisle.gov.uk

Joint Meeting of the Business & Transformation Scrutiny Panel and the Health & Wellbeing Scrutiny Panel

Agenda
Item:

A.1

Meeting Date: 29th January 2018
Portfolio: Cross Cutting
Key Decision: Yes: Recorded in the Notice Ref: KD.33/17
Within Policy and
Budget Framework NO
Public / Private Public

Title: SANDS CENTRE REDEVELOPMENT
Report of: The Deputy Chief Executive
Report Number: CS10/18

Purpose / Summary:

The redevelopment of the Sands Centre is a key element of Carlisle City Council's Sports Facilities Strategy approved by Executive in January 2014 (KD.029/13).

It has also been identified as a key action to support the Carlisle Plan for several years alongside the associated tender of Carlisle City Council's leisure contract. The new leisure contract was awarded following Executive consideration in November 2017 (KD.025/17).

At the 18th December 2017 Meeting of Carlisle City Council's Executive a report outlining the proposals for the Sands Centre redevelopment (including the facilities mix, programme, capital estimates and revenue implications) was considered. Executive resolved to refer the report to a joint meeting of the Business and Transformation and Health and Wellbeing Scrutiny Panels and to seek their views ahead of Executive making recommendations to full Council.

The Executive report from the 18th December 201 (along with its appendices) is attached to this covering report.

Recommendations

The joint meeting of the Business and Transformation and Health and Wellbeing Panels is asked to:

- Consider the report and its appendices
- Provide feedback to Executive on the on the redevelopment proposals and the funding and procurement options presented

Tracking

| | |
|------------|---|
| Executive: | 18th December 2017; 12th February 2018 |
| Scrutiny: | 29th January 2018 |
| Council: | 6th March 2018 |

Report to Executive

Agenda
Item:

Meeting Date: 18th December 2017
Portfolio: Finance, Governance & Resources & Culture, Heritage and Leisure
Key Decision: Yes: Recorded in the Notice Ref:KD
Within Policy and Budget Framework NO
Public / Private Private * Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Title: SANDS CENTRE REDEVELOPMENT
Report of: The Deputy Chief Executive
Report Number: CS 31/17

Purpose / Summary:

This report provides the Executive with an overview on the proposed development options and approach for the Sands Centre redevelopment (as outlined in the Council's Sports Facilities Strategy). It also includes anticipated capital costs, together with funding options, a developed programme and risk register.

This report will also set out the initial considerations with regards to alternative procurement options for the Principal Contractor.

This report is to be read in conjunction with the following appendices:

- Appendix I – Summary RIBA Stage 2 Report (Concept Design) prepared by GT3 Architects. This report sets out the initial concept design along with a narrative to provide the context of how the proposed design solution was established.
- Appendix II – Programme
- Appendix III – Risk Register
- Appendix IV – Cost Estimate
- Appendix V – Flow diagram of the OJEU Process

Recommendations:

Executive are asked to:

1. Consider the report and its appendices;
2. Refer the item to the Health and Wellbeing and Business and Transformation Scrutiny Panels at their joint meeting 29th January 2018;
3. Seek the scrutiny panels' views on the redevelopment proposals and the funding and procurement options laid out;
4. Take these proposals into account when proposing the Executive Budget to Council;

Tracking

| | |
|-------------------------------|--------------------------------------|
| Executive: | 12th February 2018 |
| Special Joint Scrutiny Panel: | 29th January 2018 |
| Council: | 6th March 2018 |

1. BACKGROUND

- 1.1 The replacement of Carlisle City Council's James Street Pools and the development of the Sands Centre site to improve wet and dry side sporting provision has been a long term aspiration for Carlisle City Council (the Council).
- 1.2 In 2009/10 planning was sought and approved for an estimated £15m redevelopment scheme. The scheme was not progressed as external funding through the North West Regional Development Agency and a capital contribution from the University of Cumbria were withdrawn.
- 1.3 In 2013 the development of the Council's Sports Facilities Strategy confirmed the necessity to replace the James Street Pools as a priority and identified the Sands Centre as the best location for strategic, operational and financial reasons. The strategy also identified a requirement to improve the fitness offering and provide a dedicated sports hall space at the Sands Centre.
- 1.4 The current Medium Term Financial Plan includes a £5m capital allowance in 2018/19 to develop such a scheme. However, this sum pre-dates the approval of the Council's Sports Facilities Strategy and was based on the likely costs of only replacing the pools at that time.
- 1.5 Since December 2015 the Council has had a regular dialogue with Sport England who have expressed their support for this development and have assisted the Council by engaging Abacus Cost Management (Abacus), a framework consultant to Sport England. Abacus have provided support to the Council considering different options across multiple sites.
- 1.6 In February 2017, Abacus with reference to a Business plan prepared by FMG Consulting Ltd produced a highlevel feasibility exercise to consider two main development options. This work was funded by Sport England.

Development Option 1 – Swimming Provision Only

Abacus proposal consisted of:

- 25m x 17m (8 lane) pool with secondary 17m x 8m pool
- Wet side changing
- Associated ancillary accommodation

Development Option 2 – Sands Centre Redevelopment – Wet & Dry Side Provision

Abacus proposal consisted of:

- 25m x 17m (8 lane) pool with secondary 17m x 8m pool
- Wet side changing
- 4 court sports hall, health and fitness provision
- Café
- Ancillary support accommodation
- Total Gross Internal Floor Area (GIFA): 4,620m²

Option 1: would relocate swimming provision only to the Sands Centre at an estimated cost of £7.4M.

Option 2: would deliver the full extent of the Council's Sports Facilities Strategy on the Sands Centre site. Abacus estimated Option 2 at £14.2m (excluding VAT) for a scheme delivering all elements of the Council's Sports Facilities Strategy. Sport England had previously advised that this option provided a greater opportunity of securing their investment as the facility would better meet demand requirements.

1.7 The Abacus report concluded the following:

1.7.1 That Sport England has identified that Carlisle be treated as a special case given the severe flooding and damage incurred in recent years.

1.7.2 A funding bid for Option 1 providing a reduced facility mix is not strategically supported nor would have a significant impact on participation / delivering against local outcomes, would ordinarily not make a strong case in the context of the new strategic fund prospectus and criteria. This would therefore be less of a priority for potential Sport England investment.

1.7.3 Option 2 provides a greater opportunity of securing a Sport England investment with a facility that better meets demand requirements. The Strategic Facilities Fund has a grant range of £500k - £2m. Enhancing the facility mix to best meet the new strategic fund prospectus will improve the opportunity of attaining an investment.

1.8 Following extensive review of the Council's Sports Facilities Strategy in conjunction with the notion that Sport England are unlikely to support Option 1; Carlisle City Council's Executive took the decision (8th May 2017) to discount

Option 1 and to proceed with Option 2 for the progression of an RIBA Stage 2 – Concept Design for the Sands Centre Redevelopment including both the wet and dry provisions.

- 1.9 In March 2017, the Council also commissioned a 5 year Condition Survey of both the building fabric elements and the mechanical & electrical elements at the Sands Centre. This report identified a summary of works totalling £846,306.72 (excluding VAT) required over the next 5 years.
- 1.10 Over the last year, the Council has also been in dialogue with Cumberland NHS Trust regarding potential inclusion of physiotherapy suite provision and potentially other outpatient services. A pilot exercise placing physiotherapy services at the Sands Centre has now begun and all partners are monitoring the new development.

2. PROPOSALS

- 2.1 The Sands Centre is a high profile project, which is generating interest locally and sub-regionally. The facility must achieve the aspirations outlined in the Council's Sports Facilities Strategy from a strategic, operational and financial perspective with the aim to improve the fitness offer to the local and sub-regional community.
- 2.2 In September 2017, the Council appointed a Multi-Disciplinary Design Team (MDDT) and Employer's Agent Team (EA) to progress Option 2 for the redevelopment of the Sands Centre up to and inclusive of RIBA Stage 2 – Concept Design; with the intention of presenting the proposals to Full Council in 2018.

2.3 Procurement of Design Team and Employer's Agent

- 2.3.1 The Council appointed Cameron Consulting to competitively tender and procure the services of a Multi-disciplinary Design Team (MDDT) and Employer's Agent Team (EA) in competition through the Official Journal of the European Union (OJEU) to develop the Option 2 design for the Sands Centre up to RIBA Stage 2 – Concept Design.
- 2.3.2 The successful Multi-disciplinary Design Team (MDDT) has been appointed by the Council to develop the Option 2 design to RIBA Stage 2 – Concept Design for a fee capped at £47,500.00

2.3.3 The MDDT is led by GT3 Architects and consists of the following consultants:

| Multi-disciplinary Design Team (MDDT) | |
|--|---|
| Architect (Lead Consultant) | GT3 Architects |
| Principal Designer | CJ Consilium |
| Civil Engineering | Buro Happold |
| Structural Engineering | Buro Happold |
| Mechanical Engineering | Buro Happold |
| Electrical Engineering | Buro Happold |
| Flood Risk Consultant | Buro Happold, subject to further appointment and fees |
| Landscape Architecture | OUBE |
| Swimming Pool Design | Sheerwater |
| Acoustic Consultant | Pace Consult |

2.3.4 The successful Employer's Agent Team (EA) has been appointed by the Council to monitor the MDDT design development process for Option 2, but also prepare an updated cost estimate, programme and a risk register to accompany the RIBA Stage 2 – Concept Design for a fee capped at £7,500.00.

2.3.5 The EA is Pick Everard who will undertake the following roles:

| Employer's Agent Team | |
|------------------------------|--------------|
| Employer's Agent | Pick Everard |
| Cost Consultant | Pick Everard |
| H&S Advisor | Pick Everard |
| Clerk of Works | Pick Everard |

2.4 RIBA Stage 2 – Concept Design (Option 2) on the Sands Centre

2.4.1 With reference to the proposals set out by Abacus for Option 2, a RIBA Stage 2 – Concept Design has been prepared by the MDDT that is included in Appendix I – Stage II Report.

- 2.4.2 The concept design includes the following proposed Leisure Centre and ancillary accommodation facilities mix:
- 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
 - 4 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
 - First Aid
 - General Meeting Room / Office (10 persons)
 - Reception Desk with offices
 - Vending facilities
 - Staff facilities (including Kitchen & Social)
- 2.4.3 The final leisure centre accommodation and facilities mix is yet to be fixed, but it is proposed through consultation with the Council's operator, Greenwich Leisure Limited that the existing Events Centre will be retained and upgraded. This is because the existing 7-court dual use hall at the Sands Centre is primarily programmed for entertainment events and is often unavailable for regular week-to-week sports use.
- 2.4.4 The concept design includes the following retained Events Centre with upgraded ancillary accommodation facilities mix:
- Retained Events Hall with ancillary accommodation
 - Ground floor Bar/Servery
 - First floor Bar/Servery
 - Beer Cellar
 - Café seating and social areas at Ground Floor using the proposed Street
 - Café seating and social areas at First Floor using the proposed Street
- 2.4.5 The concept design also includes provisional space identified for the NHS Physiotherapy Suite. However, the Council will need the Cumberland NHS Trust to decide whether it is going to proceed and commit the required funding and resources, aligned to the Full Council's decision on 6th March 2018 for the Sands Centre Redevelopment:
- The concept design 265m² Physiotherapy Suite
- 2.4.6 The full area Schedule of Accommodation is contained within Appendix I – Stage II Report.

2.5 Cost Estimate

- 2.5.1 With reference to the cost estimate prepared by Abacus for Option 2 at £14.2m (excluding VAT) in February 2017, Pick Everard have re-appraised the costs associated with the proposed concept design for the Sands Centre to deliver all elements of the Council's Sports Facilities Strategy as outlined above. Please refer to Appendix IV – Cost Estimate.
- 2.5.2 The Cost Estimate prepared by Pick Everard for the current RIBA Stage 2 – Concept Design is now estimated at £19,466,765 (excluding VAT).
- 2.5.3 The capital cost increase in the identified Cost Estimate is primarily as a result of the following:
- Increase from Option 2 Wet and Dry Side Provision from 4,984m² to 5900 m². This is mainly due to provision of the Street (750m²) and the NHS Provision (265m²);
 - Consequential Improvements as the basis for determining the 10% spend on the existing building to comply with Building Regulations due to the proposed connection of the new leisure centre to the retained events centre via the Street;
 - Increase in size of the learner pool from 17m x 8m to 20m x 8m to increase the programme of activities available in the pool;
 - Inclusion of retractable seating to the Retained Events Centre;
 - External Works cost now includes minimum allowance for car parking and landscaping based on GT3 Option 1 “Do Minimum” scheme;
 - Allowance for incoming stats connections/ diversions.

2.6 Programme

- 2.6.1 Pick Everard have developed a RIBA Stage 2 Programme based on progressing to the RIBA Stage 3 – Developed Design following the decision of the Full Council on 6th March 2018. The full Pick Everard programme is contained in Appendix II – Programme.

2.6.2 A summary of the programme contained in Appendix II is as follows:

| Pick Everard – RIBA Stage 2 Programme (Dated: 27 November 2017) | | | | |
|--|---|-----------------|--------------|---------------|
| Activity | Activity Description | Duration | Start | Finish |
| 33 | RIBA Stage 0-2 -Scheme Design & Approvals | 21.2 wks. | 20/09/17 | 06/03/18 |
| 41 | Special Joint Scrutiny Panel | 1 day | 29/01/18 | 29/01/18 |
| 43 | Full Council Meeting | 1 day | 06/03/18 | 06/03/18 |
| 44 | Approvals to Stage 2 Design & Cost Plan | 1 day | 06/03/18 | 06/03/18 |
| 45 | RIBA Stage 3 (1st Stage Tender for Preferred Contractor) | 20.4 wks. | 07/03/18 | 26/07/18 |
| 62 | RIBA Stage 3 (Developed Design, (inc. Planning Application) | 20.2 | 07/03/18 | 25/07/18 |
| 75 | RIBA Stage 4 (Technical Design) | 27 wks. | 27/07/18 | 21/02/19 |
| 81 | Tender Submitted by Preferred Contractor | 0 wks. | 13/12/18 | 13/12/18 |
| 82 | Tender Evaluation and preparation of Gateway 4 Report | 4 wks. | 14/12/18 | 31/01/19 |
| 84 | Approval to Proceed to Stage 5 & Contract Award | 1 wk. | 01/02/19 | 07/02/19 |
| 87 | RIBA Stage 5 (Construction) | 70 wks. | 08/02/19 | 02/07/20 |
| 91 | Practical Completion & Handover | 1 day | 02/07/20 | 02/07/20 |
| 94 | RIBA Stage 6 (Handover & Close Out) | 4 wks. | 02/07/20 | 30/07/20 |
| 96 | Operator Fit Out and Familiarisation Period | 4 wks. | 03/07/20 | 30/07/20 |
| 97 | Stage 7 (Occupation & In use) | 52 wks. | 03/07/20 | 01/07/21 |
| 98 | Defects Period | 52 wks. | 03/07/20 | 01/07/21 |

2.6.3 Subject to the decision of the Full Council on 6th March 2018, Pick Everard will continue to develop and monitor compliance with the programme.

2.7 Risk Register

2.7.1 The full project risk register is located in Appendix III – Risk Register and highlights the main project risks considered by the Project Team.

2.7.2 The highest risks to the project established at RIBA Stage 2 – Concept Design are as follows:

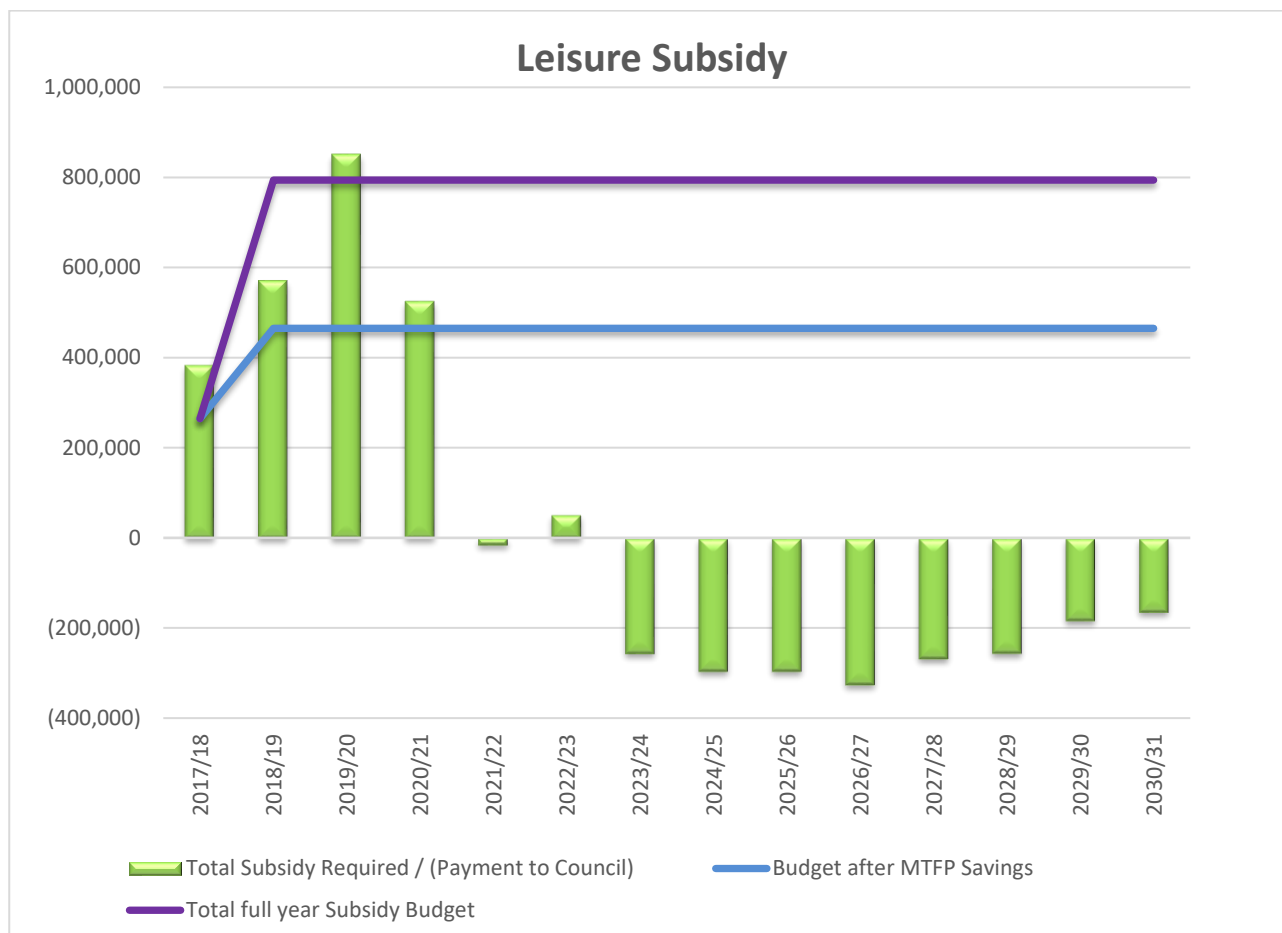
| Activity ID | Risk Description | Risk Rating | Mitigation Action / Comment |
|-----------------|--|-------------|---|
| Cost: C2 | Consequential Improvements (Part L of the Building Regulations) | 25 | Consult with Building Control |
| Flood Zone: FZ1 | Construction of new extension on Flood Zone Level 3 | 25 | <p>Consult with the Environment Agency at the earliest opportunity.</p> <p>Ensure that the flood risk specialist undertakes an assessment of the flood risk designation with consideration to existing / potential Environment Agency improvement / flood defence works.</p> <p>Design and incorporate flood risk prevention measures into the new extension.</p> |
| Programme: P1 | Programme slippage | 23 | <p>At the commencement of a project, it is critical to establish an outline programme that is realistic and achievable but challenging.</p> <p>Pick Everard to track and monitor progress against the programme.</p> |
| Cost: C1 | Project not affordable | 23 | Establish if initial budget is correct. Develop robust cost control aligned to design development and Gateway approval process. |
| Design: D9 | The current parking operates on a pay and display basis. This leaves 48 dedicated leisure spaces outside of this. The extension will potentially impact on these parking numbers | 23 | As part of the traffic management study, an appraisal should be made on the income from the parking and impact of the new building on existing spaces. |

| | | | |
|---------------|--|----|---|
| | | | Consider a barrier control system and the car parking charge strategy for events / leisure centre customers. |
| Utilities: U1 | Extensive utility services encountered below the new extension | 23 | Undertake slot trenches to verify the position of underground services and undertake thorough site investigation works. |

- 2.7.3 Subject to the decision of the Full Council on 6th March 2018, a Project Team risk workshop will be undertaken with key stakeholders prior to the commencement of RIBA Stage 3 – Developed Design when the current risks will be critically evaluated with action owners agreed to manage, mitigate, and / or reduce or manage accepted risks.

2.8 Funding

- 2.8.1 The Medium Term Financial Plan has recognised for many years that there could be a requirement to fund significant capital expenditure (£5m) on new leisure facilities and that any development would be potentially being funded (via borrowing) through savings in the operator contract. The budget reports considered by Executive in November and elsewhere in this agenda have recognised that the scheme may increase in value to the figures presented in the Abacus study at £14.2million.
- 2.8.2 The MTFP also includes for further savings to be made from the current subsidy budget for the Leisure Contract of £329,000. This saving is to be achieved from 1 April 2018. The current overall subsidy payable to the leisure operator is £794,100 (inclusive of Classical Series funding).
- 2.8.3 Therefore, a budget of £465,100 is available to fund any subsidy for the new leisure contract (starting December 2017) and any borrowing costs. The new Leisure contract will eventually save the Council over £1million per year against the original subsidy budget



- 2.8.4 A significant capital scheme of this nature would normally be funded from capital receipts (sale of other assets), revenue reserves, third party funding or borrowing (either external or by using the council's own cash balances). The current capital strategy fully commits all current available capital receipts to fund the current capital programme, therefore, unless further asset sales can be generated, capital receipts are not an option.
- 2.8.5 A further refresh of the Asset Disposal Programme may be an option to be considered to identify whether there are any further potential low yielding assets that could be disposed of to generate capital receipts to fund this scheme. Any disposals would likely take time to brought to market so there may still be a requirement to borrow in the short-term pending any final sales.
- 2.8.6 Revenue contributions may also be possible but will not be able to fully fund or even significantly fund a scheme of this value and may lead to added pressures on the revenue budget.
- 2.8.7 Sport England have ring-fenced funding within their Strategic Facilities Fund for Carlisle (following Storm Desmond). The Council's informal and 'without prejudice' conversations with their team suggest they would be expecting and

receptive to a bid of up to £2m bid from the Council based on an 'Option 2' scheme.

2.8.8 The Council could also look at the earmarked reserves it holds and utilise some of these for this scheme. There is a specific reserve allocated for Leisure (GLL Reserve) that was established for funding costs with the end of the current leisure contract that is not likely to be required and which could be made available for providing funding the capital scheme.

2.8.9 Taking these options for funding into account the scheme is likely to require borrowing of potentially **£17.467million** unless alternative sources of funding e.g. capital receipts or use of reserves are identified.

| | £000 |
|---------------------------------|---------------|
| Potential Capital Cost | 19,467 |
| | |
| Potential Sport England Funding | 2,000 |
| Earmarked Reserves | tbc |
| | |
| Potential Balance to be funded | 17,467 |

It should be noted that for the purposes of this report, the figures include the provision of the NHS suite at £625,000. If the decision is made that the NHS proceed with the occupation it will be the intention to fully recover this cost from the NHS either through a capital contribution, annual rental to the Council or combination of both. This would therefore improve the financial position of the Council highlighted later in this report.

It should also be noted that as well as the cost of the capital investment, there will be a requirement to provide for temporary accommodation for GLL to continue to operate from and for final fixtures and fitting to be provided once the development is complete. These together are anticipated to cost in the region of **£655,000**.

2.8.10 Balance Sheet Analysis

The Council's balance sheet as at 31 March 2017 included total long-term assets (excluding treasury management investments) of approximately £158million. Alongside this the current long-term debt liability on the balance sheet is £15million (stock issue). This represents 9.4% of the asset base.

Any expenditure on assets would generally add value to the asset base and whilst the debt liability may also increase if external borrowing was undertaken, the Council would still be in a healthy position with regard debt to asset ratio.

2.9 Options for Borrowing

2.9.1 Under the provisions outlined in the Prudential Code, the Council can borrow for capital purposes so long as any borrowing is affordable, prudent and sustainable in the revenue budget. The current Treasury Management Strategy Statement (TMSS) includes an allowance for borrowing to be £37.5million as the Authorised Limit for external debt and £32.5million as the Operational Boundary. These two limits can be amended by the Council and included in any revisions to the TMSS.

2.9.2 External Borrowing

Any external borrowing the Council undertakes would most likely be sourced from the Public Works Loan Board (PWLb). There are two different types of loan available to local authorities, interest only (maturity) and principal and interest, which can be either Equal Instalments of Principal (EIP) or Annuity.

Maturity

A maturity loan is an interest only loan with the principal amount borrowed not repayable until the end of the loan term. The amount of interest paid each year remains static until the end of the agreement. Cash to repay the loan at the end of the term is raised through the Minimum Revenue Provision. These loans carry a higher overall cost as the debt balance does not decrease until the debt is paid off.

Equal Instalments of Principal (EIP)

An EIP loan makes both principal and interest payments, however, the amount borrowed is divided by the term to give the amount of principal repaid each year, which then does not vary. Interest is then calculated on the decreasing outstanding balance of the loan, so reduces each year. EIP loans therefore get cheaper each year the loan is held.

Annuity

An Annuity loan is like a mortgage, with both principal and interest payments being made each year, however, in earlier years the interest makes up more of the repayment, with more principal being repaid in later years. Loan repayments are set at the outset of the loan and do not vary throughout the term.

2.9.3 As an EIP loan therefore repays principal each period and the interest is calculated on the outstanding loan balance, they therefore have a lower average repayment profile.

2.9.4 The key advantages of borrowing from the PWLB are:

- Relative cost (interest and fees) compared to other sources of external borrowing
- Ability to fix the rate of interest over the period of the loan and to borrow over a range of maturity periods between 1 and 50 years using a number of different repayment methods
- Flexibility to draw down funds at short notice

2.9.5 The examples below show the overall cost of a **£17.467million** loan repaid over **25 years** at **3.25%** for each loan type.

| | Maturity | EIP |
|--------------|-----------------|---------------|
| | £000 | £000 |
| Loan Amount | 17,467 | 17,467 |
| Interest | 14,192 | 7,380 |
| Total | 31,659 | 24,847 |

2.9.6 Internal Borrowing

As well as borrowing externally from the PWLB, the Council may be able to make use of its internal resources and cash balances. This is known as internal borrowing. This utilises cash and investment balances to meet expenditure. This option would allow the Council to minimise borrowing costs and reduce overall treasury risk by reducing the level of its external investment balances. The cost of internal borrowing would be measured by the loss of investment income returns. With investment returns averaging less than 0.50% currently, this would be the cheapest form of borrowing for the scheme. Any cash balances used in this way would be repaid through Minimum Revenue Provision over time.

2.9.7 Minimum Revenue Provision

Any significant capital scheme will affect the Council's Capital Financing Requirement (CFR). The current projections for the CFR based on this scheme costing £19.467million are as follows:

| | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Opening CFR at 1 April | 15,706 | 13,424 | 30,582 | 29,843 | 30,037 |
| Movement in CFR in year | (2,282) | 17,158 | (739) | 194 | (231) |
| Closing CFR at 31 March | 13,424 | 30,582 | 29,843 | 30,037 | 29,806 |

The CFR reflects the Council's 'Underlying Need to Borrow' and as this scheme gives rise to a borrowing requirement, the CFR will increase accordingly. The CFR can be reduced by setting aside resources to repay debt, through capital receipts, revenue contributions or grants and also by charging Minimum Revenue Provision (MRP). MRP is the minimum amount that must be set aside from the General Fund to meet the capital costs of expenditure funded by borrowing or credit arrangements. – that is capital expenditure not financed from grants, revenue contributions or capital receipts.

The type of borrowing undertaken does not affect the requirement to make an MRP charge. The Council's current MRP policy is to charge 3% on a straight-line basis on the annual increase in the CFR. Using this method would effectively provide for debt repayment over 33.33 years.

It should be noted however, that actual principal repayments will be determined by the terms of any actual loans taken out. These actual principal repayments do not affect the revenue budget as they are cash transactions and would reduce the amount of cash balances held. MRP charges to the revenue account provide a cash resource to effectively repay principal. There could therefore be a difference in the amount of principal repaid each year from cash balances and the amount of MRP charged. This would occur where any loans were taken out for a period less than 33.33 years. These loans may be repaid and cleared as a liability on the balance sheet before the debt charged to the General Fund has reduced the CFR.

Borrowing terms for external debt will need to consider the length of the Leisure provider contract. This contract is for a maximum of 15 years, when at such time it will be required to be re-tendered. Although any re-tender exercise would aim to achieve the same financial benefits to the Council, there may be a risk that any new contract offers a worse position, i.e. lower concession payments to the Council or requirement for a subsidy to the operator). This could then lead to budgetary pressures should any outstanding debt still require to be serviced beyond the timeframe of the current contract.

2.9.8 Minimum Revenue Provision is not chargeable until the asset becomes operational. Debt payments would still be made to the PWLB when they are due from the date the loan is taken out, however, they may not fall as a charge on the General Fund (or Council Tax) until the asset is operational.

2.9.9 The term of any loan taken out would also need careful consideration as a longer-term loan would be cheaper annually, however would cost more overall. As previously highlighted, consideration needs to be given to the length of the contract with the leisure operator and the contractual arrangements for concession payments and subsidies. It will also be necessary to consider the likely lifecycle of the renewed asset as it will have a life more than the contract term, potentially 40-year life. The Council would not want to be in a position where it has debt to service beyond the life of the current contract without having some certainty that the savings being accrued from the current contract would continue into any future agreement.

2.9.10 External Borrowing examples

The table below shows the example annual payments (Principal and Interest) for borrowing **£17.467million** on an EIP loan over 25 years (on assumption that borrowing would be recognised from 2020/21) would be as below. ***The examples of borrowing costs given below are for example only and it should be noted that borrowing this level of funding externally would represent the most expensive option for this scheme and this could be mitigated through identifying other funding opportunities such as capital receipts, use of reserves or internal borrowing.***

| | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Principal | 699 | 699 | 699 | 699 | 699 | 699 | 699 | 699 | 699 | 699 |
| Interest | 568 | 545 | 522 | 500 | 477 | 454 | 431 | 409 | 386 | 363 |
| Total | 1,267 | 1,244 | 1,221 | 1,199 | 1,176 | 1,153 | 1,130 | 1,108 | 1,085 | 1,062 |
| MRP (3%) | 524 | 524 | 524 | 524 | 524 | 524 | 524 | 524 | 524 | 524 |
| Total Charge to General Fund (Interest + MRP) | 1,092 | 1,069 | 1,046 | 1,024 | 1,001 | 978 | 955 | 933 | 910 | 887 |
| | | | | | | | | | | |

If the MRP policy was changed to match asset life then the overall cost to the General Fund would reduce, conversely, if any loan term was limited to the term of the leisure contract, the borrowing costs would increase. The table below indicates the potential differences in borrowing costs for a 15-year, 25-year and 40-year loan term:

| | 15 Year | 25 Year | 40 Year |
|---|--------------|--------------|--------------|
| | £000 | £000 | £000 |
| Equal Instalment of Principal | 1,164 | 699 | 437 |
| 1st year interest payment | 568 | 568 | 568 |
| Total Debt Repayment | 1,732 | 1,267 | 1,005 |
| MRP @ 3% | 524 | 524 | 524 |
| Difference in MRP and Principal Repayment | 640 | 175 | (87) |

The table shows that in order to ensure principal is fully repaid and that the CFR brought back down to current levels (assuming no further un-resourced capital expenditure), the 3% MRP charge would need to be topped up with a voluntary MRP charge when borrowing of 15 or 25 years.

Therefore, in order to make the scheme affordable to the revenue budget, MRP at either 3% or charged over the asset life should be considered. This does not stop actual debt repayment occurring within a quicker timescale.

2.9.11 The available budget from the New Leisure Contract subsidy would be as follows:

| | 17/18 £000 | 18/19 £000 | 19/20 £000 | 20/21 £000 | 21/22 £000 | 22/23 £000 | 23/24 £000 | 24/25 £000 | 25/26 £000 | 26/27 £000 | 27/28 £000 | 28/29 £000 | 29/30 £000 |
|--|---------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | build period | | | | | | | | | | | |
| Total Subsidy | 384 | 571 | 850 | 525 | (16) | 52 | (257) | (296) | (296) | (325) | (268) | (256) | (184) |
| Budget after Savings | 265 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 |
| Pressure / Saving | 119 | 106 | 385 | 60 | (481) | (413) | (722) | (761) | (761) | (790) | (733) | (721) | (649) |
| Borrowing Cost to General Fund with MRP @ 3% | 0 | 0 | 0 | 1,092 | 1,069 | 1,046 | 1,024 | 1,001 | 978 | 955 | 933 | 910 | 887 |
| Overall Pressure / Saving | 119 | 106 | 385 | 1,152 | 588 | 633 | 302 | 240 | 217 | 165 | 200 | 189 | 238 |
| | | | | | | | | | | | | | |

By the end of the 15-year Leisure contract the overall pressure on the revenue account will be £4.8million; however if the annual savings accruing from the contract of £702,000 continue into a new contract beyond the 15 years of the current one, then savings accruing equalise against the debt costs in year 19 that year and if the contract was to continue accruing savings the same level of savings (£702,000) beyond this contract period, then over an assumed 25-year borrowing period the overall pressure reduces to £4.7million. This does not however, take into account the voluntary MRP that would require to be charged in order to fully provide for the debt repayment of the debt term.

This overall pressure on the revenue account could be eliminated by reducing the use of external borrowing by £4.8million. The funding difference could then be bridged through either generating capital receipts from asset sales, or utilising internal cash balances though internal borrowing, where the loss of investment interest could be a more cost effective option (as outlined at 2.9.6) whilst investment returns remain lower than borrowing rates.

2.10 Retention of Existing Facilities

2.10.1 If the Council were to decide to do nothing and not develop the Sands as outlined in this report, there would continue to be a subsidy payable to the leisure contractors (the tenders were priced based on a new facility being provided). There would also be consequential costs that would have to be met

from borrowing to undertake capital works to bring the existing pools site at James Street up to standard and also take into account the maintenance required at the Sands Centre. These capital works are estimated to be £4.25million. The table below outlines the impact this would have on the budgetary position.

| | 17/18 £000 | 18/19 £000 | 19/20 £000 | 20/21 £000 | 21/22 £000 | 22/23 £000 | 23/24 £000 | 24/25 £000 | 25/26 £000 | 26/27 £000 | 27/28 £000 | 28/29 £000 | 29/30 £000 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Subsidy | 384 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 |
| Budget after Savings | 265 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 | 465 |
| Pressure / Saving | 119 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 |
| Borrowing Cost to General Fund | 0 | 0 | 225 | 221 | 217 | 213 | 209 | 206 | 202 | 198 | 194 | 190 | 186 |
| Overall Pressure / Saving | 119 | 106 | 331 | 327 | 323 | 319 | 315 | 312 | 308 | 304 | 300 | 296 | 292 |
| | | | | | | | | | | | | | |

By the end of the proposed 15-year Leisure contract the overall pressure on the revenue account will be £4.1million; then over an assumed 25-year borrowing period the overall pressure increases to £7.2million.

A comparison of the overall pressures of the Sands Development Scheme and the Retention of Existing Facilities Option is shown below and shows that the cost of undertaking the scheme over the life of the leisure contract would be £600,000 greater than the refurbishment approach:

| | Overall Pressure / Savings | |
|--|----------------------------|--|
| | Sands Development £000 | Retention of Existing Facilities £000 |
| 2018/19 | 106 | 106 |
| 2019/20 | 385 | 331 |
| 2020/21 | 1,152 | 327 |
| 2021/22 | 588 | 323 |
| 2022/23 | 633 | 319 |
| 2023/24 | 302 | 315 |
| 2024/25 | 240 | 312 |
| 2025/26 | 217 | 308 |
| 2026/27 | 165 | 304 |
| 2027/28 | 200 | 300 |
| 2028/29 | 189 | 296 |
| 2029/30 | 239 | 292 |
| 2030/31 | 235 | 288 |
| 2031/32 | 140 | 284 |
| Sub Total (End of Leisure Contract) | 4,791 | 4,105 |
| 2032/33 | 117 | 280 |
| 2033/34 | 94 | 276 |
| 2034/35 | 72 | 273 |
| 2035/36 | 49 | 269 |
| 2036/37 | 26 | 265 |
| 2037/38 | 4 | 261 |
| 2038/39 | (19) | 257 |
| 2039/40 | (42) | 253 |
| 2040/41 | (64) | 249 |
| 2041/42 | (87) | 245 |
| 2042/43 | (110) | 241 |
| 2043/44 | (133) | 237 |
| Total | 4,698 | 7,211 |

2.11 Summary of Financing Option

2.11.1

Given the current estimates of costs and the revised contract sums, there could be an additional significant pressure on the revenue budget required to fully finance the scheme through external borrowing at the current estimated costs. Any borrowing for the development will have to be balanced against its affordability in the revenue budget. As has been previously highlighted, the Council is able to borrow so long as it has the revenue budget to fund the borrowing costs.

- 2.11.2 All borrowing would be undertaken in accordance with the Council's Treasury Management Strategy with the timing and amount of funds borrowed being made only after having regard to:
- The Council's overall liquidity requirements
 - The management of treasury risks and minimisation of borrowing costs, and
 - The requirements of the Code of Practice on Treasury Management and the Prudential Code of Capital Finance in Local Authorities
- 2.11.2 The Council would have to determine whether the scheme offered value for money with the additional borrowing costs outweighing the subsidy savings being generated from the new contract.
- 2.11.3 Any external borrowing undertaken would not likely be taken as a single tranche up-front. To maintain flexibility and manage risks, it would be likely that borrowing would be spread over different terms and repayment types. However, it is also likely that any external borrowing undertaken will be for a term in excess of the new leisure provider contract in totality, so the Council would again need to have confidence that when the current contract ends, subsidy levels would be maintained or reduced from those now being paid.
- 2.11.4 The proposed capital costs for the redevelopment do not include provision for the remediation/demolition of the James Street Pools site and should any capital works be required to this site this would be an additional cost to the Council. The redevelopment of this site is the subject of a further study designed to establish the viability of this site for future alternative uses.
- 2.11.5 The Council is liaising closely with its treasury management advisors, Link Asset Services, to examine the options around borrowing to try and minimise borrowing costs as much as possible. These options will include:
- Identifying potential options to generate capital receipts from asset sales to reduce any borrowing requirement
 - Use of internal borrowing where possible.
 - Term of borrowings;
 - Phasing and profiling of any external borrowing (i.e. not taking full borrowing requirement of £17.467million in one tranche)
 - Type of loans to take e.g. Interest only, EIP etc
 - Best time to borrow to minimise interest costs.
 - Review MRP policy to match the asset life

2.12 Procurement Options for the Preferred Bidder (Principal Contractor)

2.12.1 As part of their appointment, Pick Everard are undertaking a review of the Principal Contractor procurement process proposed by Cameron Consulting. The current proposal is to undertake a tender process through the Official Journal of the European Union (OJEU). Cameron Consulting have proposed a two-stage tender process utilising the JCT 2016 Design & Build Contract.

2.12.2 Official Journal of the European Union (OJEU) Procurement

The European public contracts directive (2014/24/EU) applies to public authorities including, amongst others, government departments, local authorities and NHS Authorities and Trusts.

The European Union Procurement Directives establish public procurement rules throughout the European Union and apply to any public purchases above the defined thresholds. The current Works Contracts threshold is set at £4,104,394. The purpose of the directives is to open up public procurement within the European Union and to ensure the free movement of supplies, services and works. The directives are enacted in the UK by The Public Contracts Regulations.

Public projects must comply with the regulations if the value of contracts is above specified thresholds. Aggregation rules apply to projects tendered in parts to prevent clients from avoiding the requirements of the regulations by simply dividing projects up into contracts that are below the threshold.

The regulations set out rules requiring that such contracts must be advertised (contract notices published) in the OJEU. This is of particular importance because, unless OJEU rules are considered in the very early stages of a project, the time taken to advertise contracts can cause significant delays (at least up to 52 days). A process map detailing the process is located in Appendix V – OJEU Process.

Pick Everard have raised concern with regard to the protracted process and associated timeframe associated with OJEU and the implication that this has on programme.

This is of importance when considered in conjunction with the terms of Schedule 3 of the Preferred Bidders Operator Contract. It would be beneficial for all parties

for Practical Completion of the Sands Centre to be brought forward as far as reasonably practicable.

Furthermore, procurement of a Principal Contractor through OJEU also creates the potential for legal challenge if a disgruntled Reserve Preferred Bidder believes that there may have been some kind of inconsistency with the award decision who can then raise a legal challenge within 6 weeks of notification of the Council's award decision.

Furthermore, there is a risk that the Principal Contractor Market will discount the project on the basis of being procured through OJEU as most of the leading contractors have successfully integrated themselves onto OJEU compliant frameworks that limit tendering costs based on a more regular flow of opportunities.

Early comments from Pick Everard have suggested a number of other options are available to the Council that would reduce the above risks and challenges. Pick Everard will produce a Procurement Strategy ahead of the Special Joint Scrutiny Panel on 29.01.18.

However, as a pre-cursor, the potential options open to the Council are to utilise a number of OJEU compliant national construction frameworks.

2.12.3 Framework Options

Early comments by Pick Everard have advised the Council that the North West Construction Hub and the Scape National Construction Framework are open and available for the Council to utilise.

2.12.4 North West Construction Hub

The North West Construction Hub (NWCH) was established in 2009 in response to Central Government's drive to improve efficiencies within the public sector.

It is led by a Board comprising of representatives from public sector organisations across the North West. The legal entity behind NWCH is Manchester City Council.

The NWCH Frameworks are designed to be successful by endeavouring to replace the lowest price tendering with long-term relationships between clients,

professionals and contractors, formed around shared objectives and common values.

Collaborative working is designed to be at the heart of the framework with a result of less waste, less duplication, local engagement and greater efficiency & with the goal of generating better value for money.

The initial cost estimate for the Sands Centre would sit the project under the NWCH's 'High Value' Framework (£9m+). The constructor partners listed below have been approved by the NWCH to handle projects valued at £9m+ or more.

- BAM Construct UK
- Galliford Try PLC
- Kier Group*
- Laing O'Rourke
- Morgan Sindall
- Wates Construction

**The NWCH is split in to two lots; Lot 1: Construction and Lot 2: Design and Build (D&B), Kier are not on the D&B lot but the other Contractors are on both Lots.*

The NWCH is a restricted, OJEU compliant framework, which will drive a mini competitive tender, however, this route will still incur a structured procurement period but the process and timeframes are governed by the Council and Project Team, thus this is considerably less than a full OJEU process.

2.12.5 Scape National Construction Framework

The Scape National Construction framework has been designed to offer unrivalled capacity, capability and certainty to any public body across the United Kingdom.

Five distinct frameworks have been developed to ensure that any type of project or programme can be delivered efficiently and with social value embedded.

Regardless of project scale, scope, complexity or location, Scape state that the single source delivery partners have demonstrated competitively through an OJEU tender process that they can provide the optimum mix of local knowledge and technical expertise to deliver superior outcomes for the public sector.

For many projects, including the Sands Centre, a choice of Principal Contractor is available. Scape endeavours to ensure that 85% of contract spend is placed

directly with the local supply chain. The Council have an opportunity to nominate any preferred local suppliers and can expect three quotes across all works packages as standard.

Each project is subject to a rigorous performance management regime, which requires the highest standards of customer satisfaction, local labour and local spend. Projects also operate with strict minimum standards of fair payment, waste diversion, community engagement, training and apprenticeships.

The value of this project places it within two of the framework boundaries, Major Works England and Northern Ireland and Major Works UK giving the Council the opportunity to utilise either of the two Scape frameworks.

- 2.12.6 Major Works – UK: The Major Works UK framework is designed to deliver construction projects between £10m and £50m.

Led by Wates Construction, one of the largest privately-owned construction, development and property services companies in the UK, this framework has been designed to deliver construction projects across the entirety of the United Kingdom, supported by an extensive local supply chain.

Scape state that “In addition to producing visually impressive, efficient to run and highly functional buildings, this framework has been configured to deliver significant levels of local economic engagement, ongoing apprenticeship schemes and extensive community initiatives”.

- 2.12.7 Major Works England and Northern Ireland: The Major Works England and Northern Ireland framework is designed to deliver construction projects between £2m and £20m.

This framework is led by Willmott Dixon, one of the UK’s largest privately-owned contracting, residential development and property support companies, supported by an extensive local supply chain.

- 2.12.8 One of the key benefits of the Scape Framework is the OJEU compliant competitive tender process has already been completed and thus there is no further tender period. Whilst there is a period for the Contractor to review the design and provide a construction cost, the Contractor can be rapidly engaged and working with the Client to develop the design.

2.12.9 Procurement Report for the Preferred Bidder (Principal Contractor)

Pick Everard will provide a critical evaluation of the procurement options available to the Council for the effective and efficient appointment of a Principal Contractor. The report will analyse the tender, procurement and form of contract proposed to understand and recommend what the most appropriate solution for the Council.

3. CONSULTATION

- 3.1 Formal consultation will be required for any scheme as part of the planning application process as highlighted in the Master Programme.
- 3.2 In addition the design team will conduct informal but detailed consultation with key internal and external stakeholders during RIBA stages 3 Developed Design.
 - 3.2.1 GT3 Architects have already undertaken some initial consultation with both the Aquatics club and Sport England with specific regard to the wet side provision which has resulted in the decision to retain 250 seat spectator seating.
 - 3.2.2 Consultation with the Operator, Greenwich Leisure Limited has resulted in an increase in size of the learner pool from 17m x 8m to 20m x 8m to improve the programme of activities within the learner pool.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1 The redevelopment of the Sands Centre complex would deliver the key aspirations of Carlisle City Council's Sports Facilities Strategy, deliver the reductions in leisure contract subsidy enshrined in the new Leisure Contract, and replace / renovate existing facilities as, or more efficiently than fulfilling the anticipated repair liabilities at the Pools and Sands Centre sites.
- 4.2 It is recommended that Executive consider the proposals within this report and seek the views of Overview and Scrutiny Panels before making formal recommendations to Full Council.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 5.1 This project makes a significant contribution to the priority to *"further develop sports, arts and cultural facilities to support the health and wellbeing of our residents"*.

Contact Officer: Darren Crossley

Ext: 7004

**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – None

Deputy Chief Executive – None

Economic Development – None

Governance – In determining how to proceed in this matter the Council must be cognisant of its fiduciary duty to ratepayers. It deciding to spend money it must take into account the interests of the council taxpayers who have contributed to the Council's income and balance those interests against those who benefit from the expenditure. The Council must take into account all considerations which are relevant and disregard those which are irrelevant. The process to be followed, should the scheme be progressed, is clearly set out in the Report and it is imperative that the appropriate procurement route is followed and all contracts properly documented as necessary.

Resources – Contained within the body of this report.

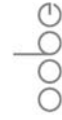
The Sands Leisure Centre

Stage 2 Report

03/11/17 - First Issue



BURO HAPPOLD
ENGINEERING



Checked by: PMR
Issued by: PMR
Project Number: 17024

1 / Site Analysis

Site Analysis

Location



Key



Site location



Carlisle Town Centre



Carlisle Castle



Carlisle Cathedral



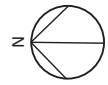
Carlisle station



Area of investigation



Hadrian Way Path



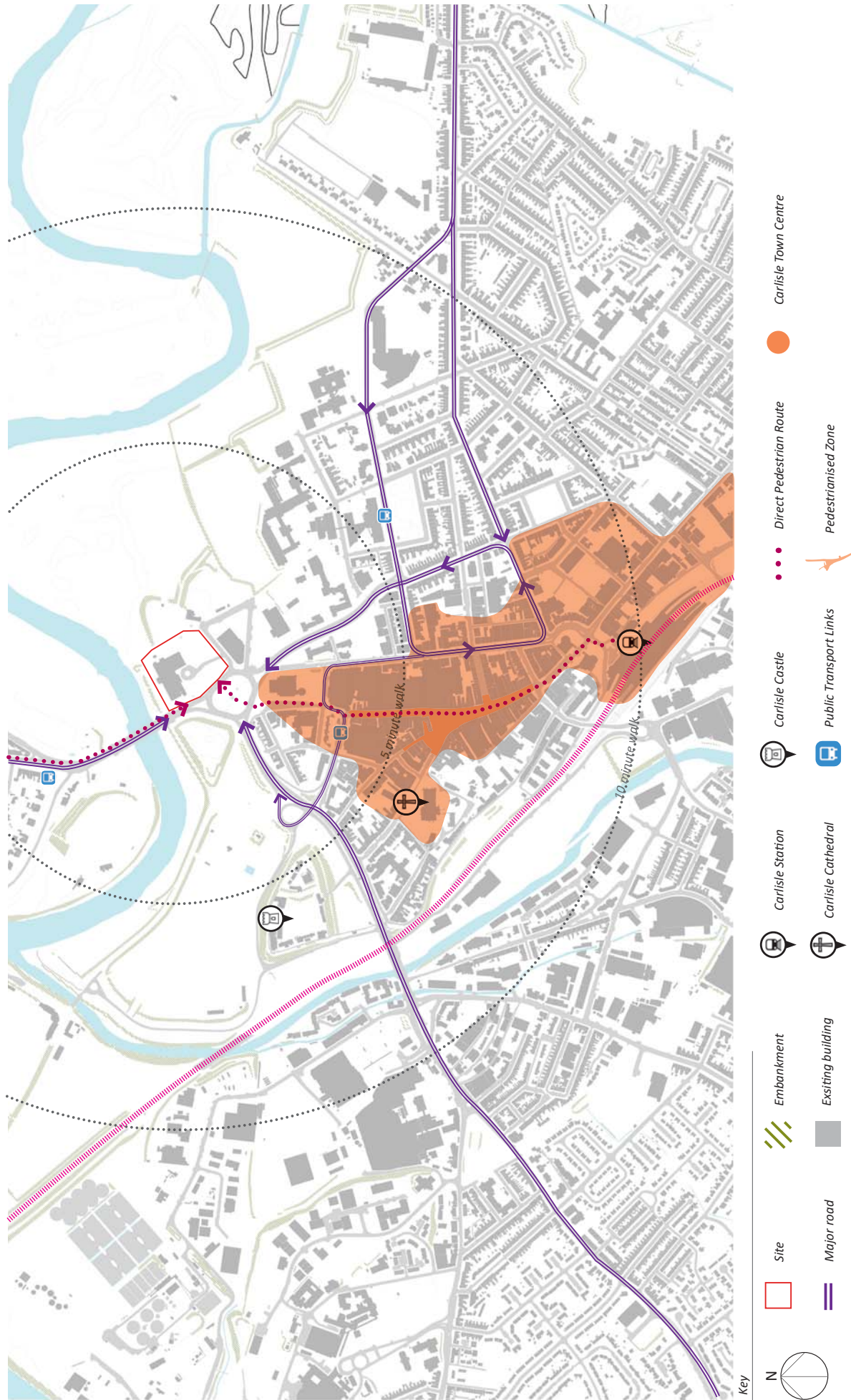
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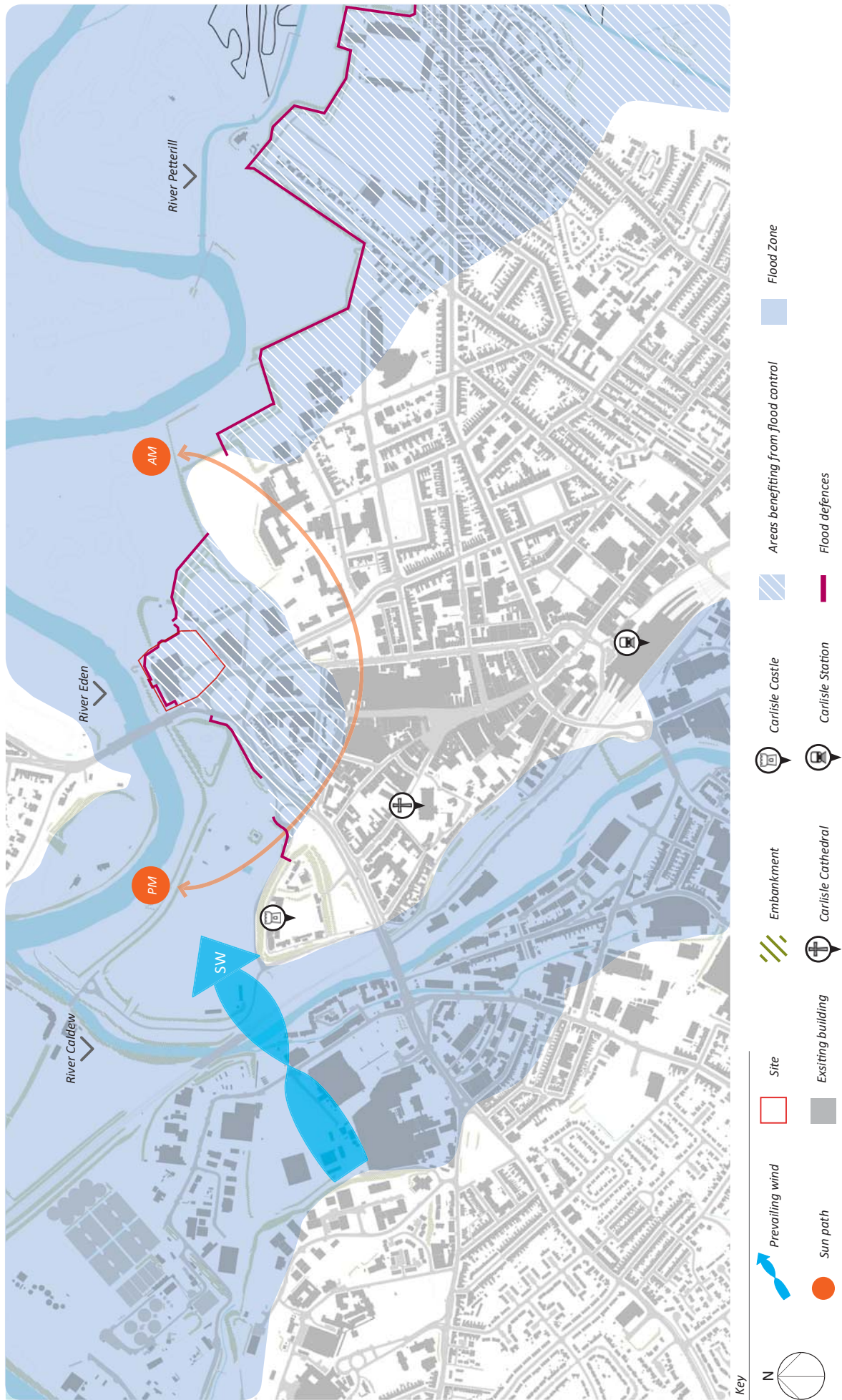


Major road

Site Analysis

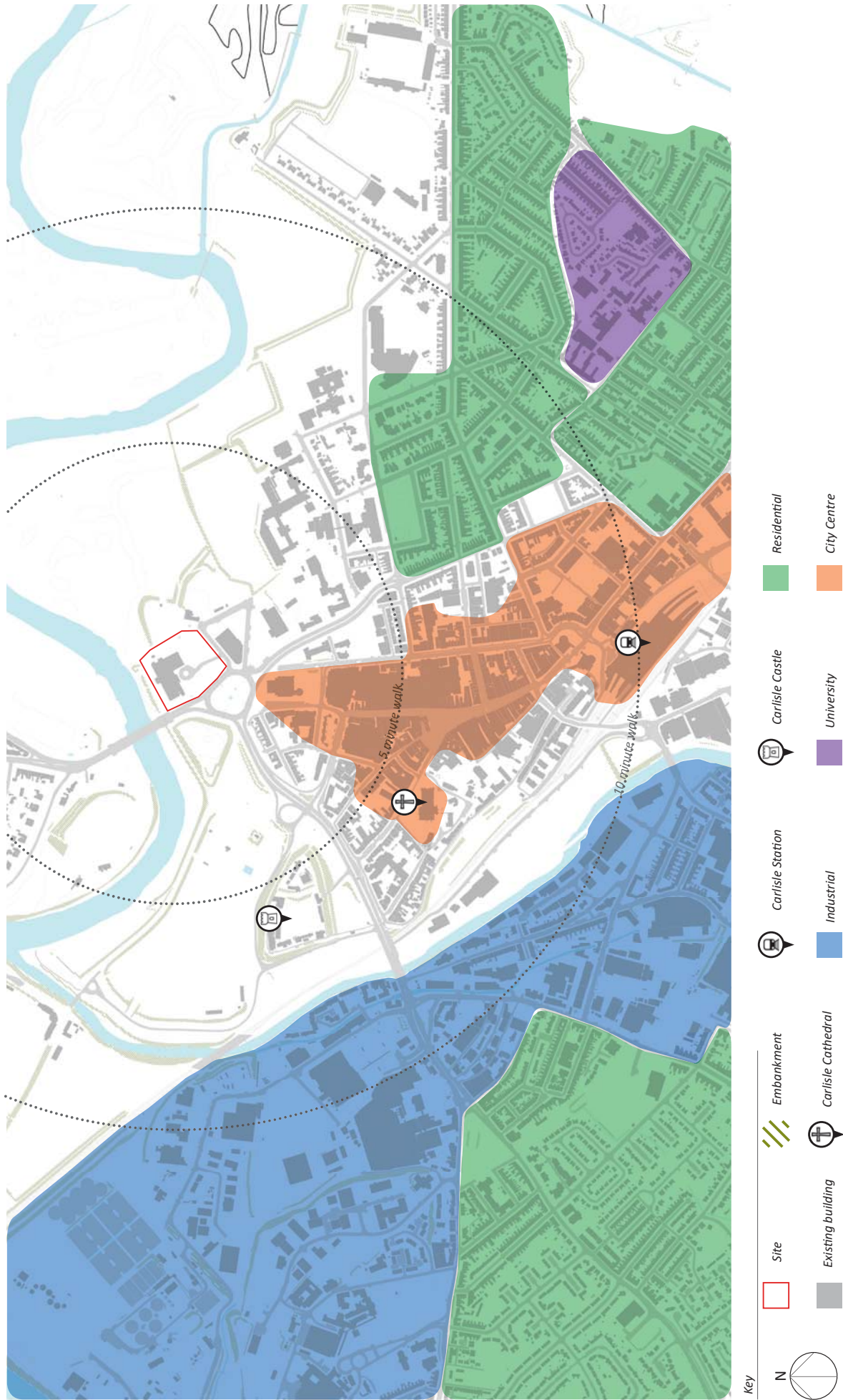
Movement Framework





Site Analysis

Area Character



Site Analysis

Green Space + Public Realm



Site Photos

Existing Sands Leisure Centre



South Elevation



North Elevation

Site Analysis

Conservation & Listed Structures

The existing leisure centre site sits adjacent to two conservation areas: The Stanwix conservation Area to the North, including the Eden bridge structure, and the City Centre Conservation Area to the West. However the site itself is not within a conservation area.

Located in the immediate surrounding site are various listed structures. The diagram opposite marks their location and classification.

① Eden Bridge - Grade I

② Walls, Railings and Piers to the west of the Sands Centre - Grade II

③ Creighton Memorial - Grade II

④ Walls, Railings and Piers to the south of the Sands Centre - Grade II

⑤ The Turf Inn - Grade II



| | | | |
|--|----------------|--|-------------------------------|
| | Leisure Centre | | River Eden |
| | Site Boundary | | Embankment |
| | Trees | | City Centre Conservation Area |
| | Heritage Asset | | Stanwix Conservation Area |

*Site Boundary taken from 2010 planning application. TBC.



Site Analysis

Zoning + Routes



Key

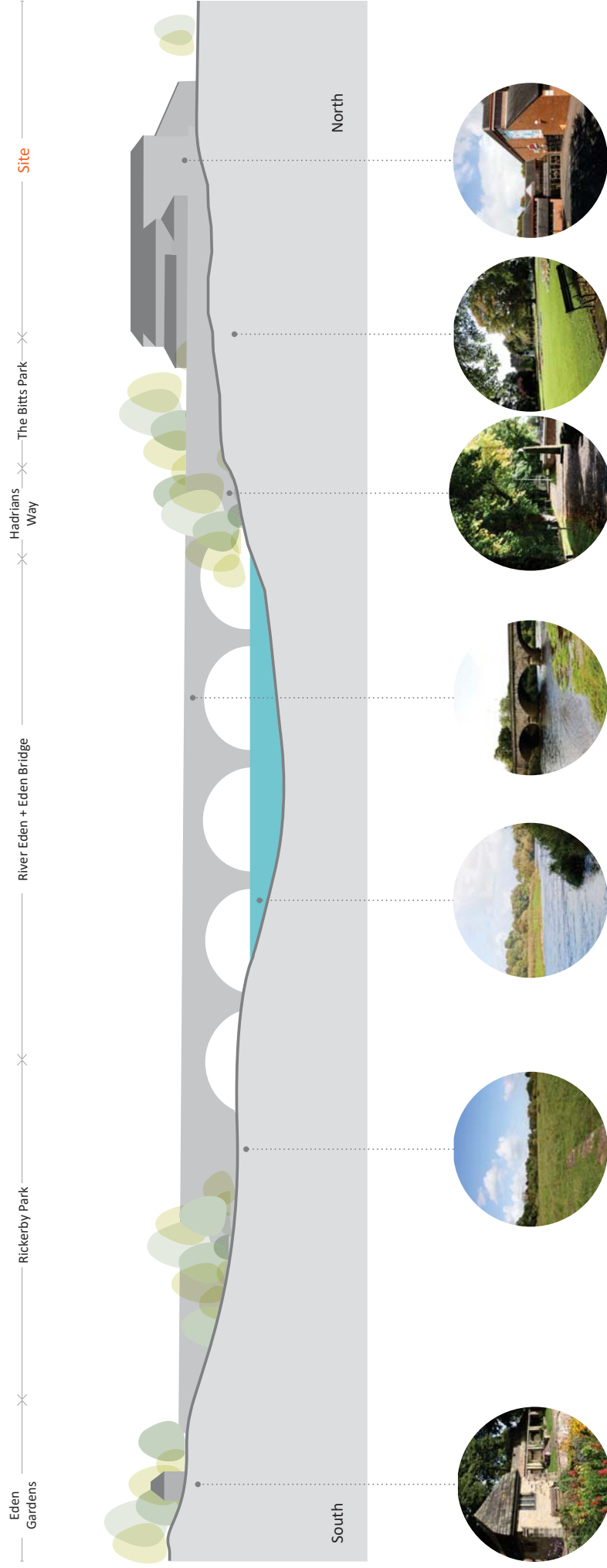
| | | | |
|--|----------------|--|-------------------------|
| | Leisure Centre | | Embankment |
| | Site Boundary | | Hadrian Way Footpath |
| | Trees | | Pedestrian Access |
| | River Eden | | Primary Vehicular Route |
| | Heritage Asset | | |

- The Sands Carpark: General Spaces 261
Disabled Spaces 13
- Swifts Bank Carpark: General Spaces 188
Motorcycle Spaces 1
- DFS Carpark: General Spaces 55
Disabled Spaces 9

*Site Boundary taken from 2010 planning application. TBC.

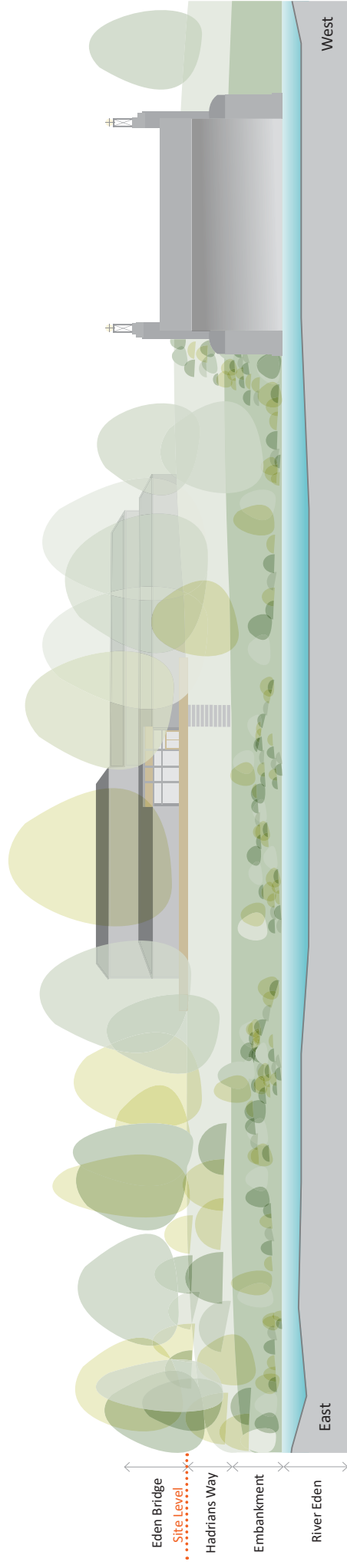
Site Section

Existing Site Section



Site Section

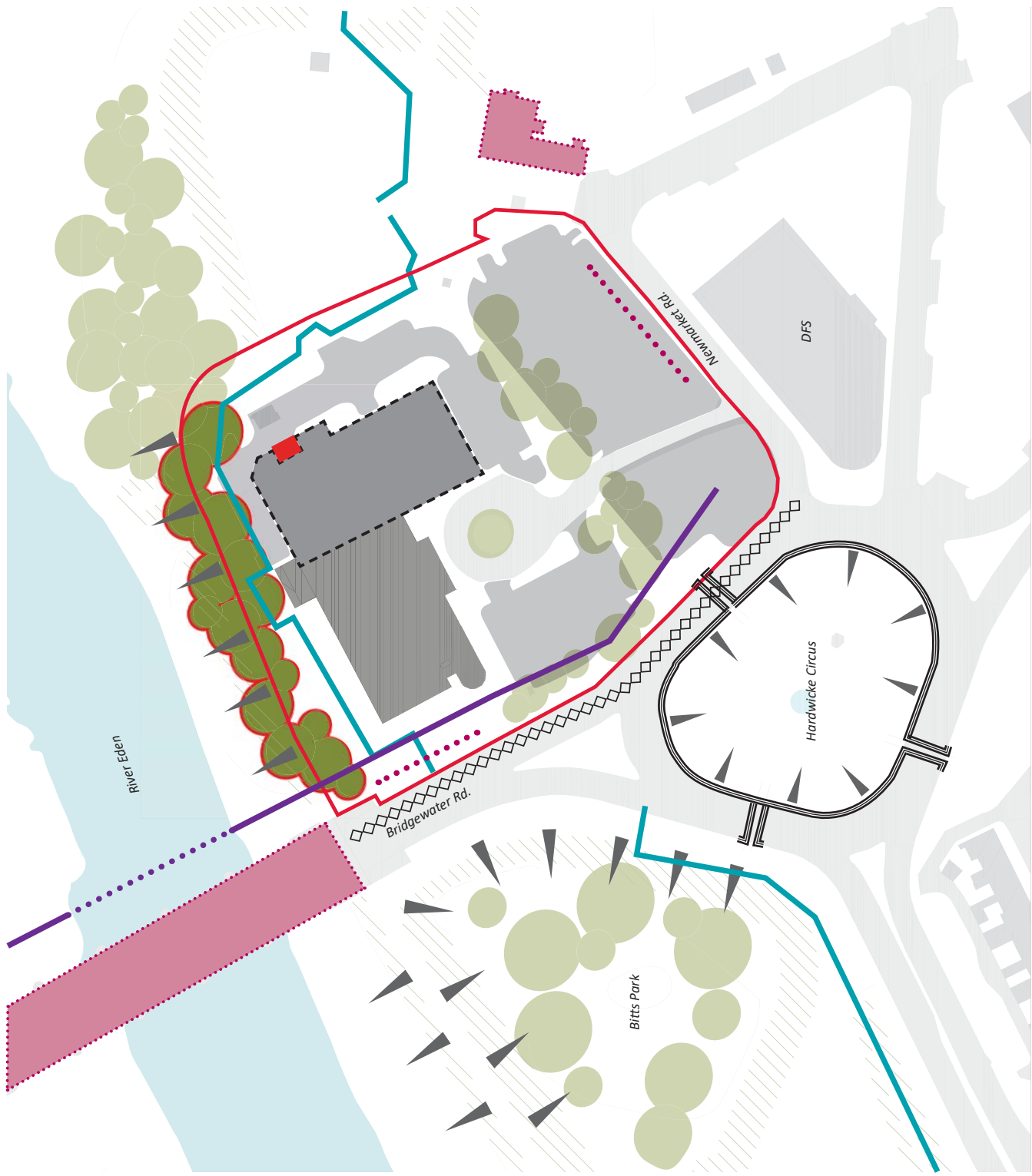
Existing Site Section



*Site Section for illustrative purposes only, a detailed topographical survey required for an accurate site levels

Site Analysis

Constraints



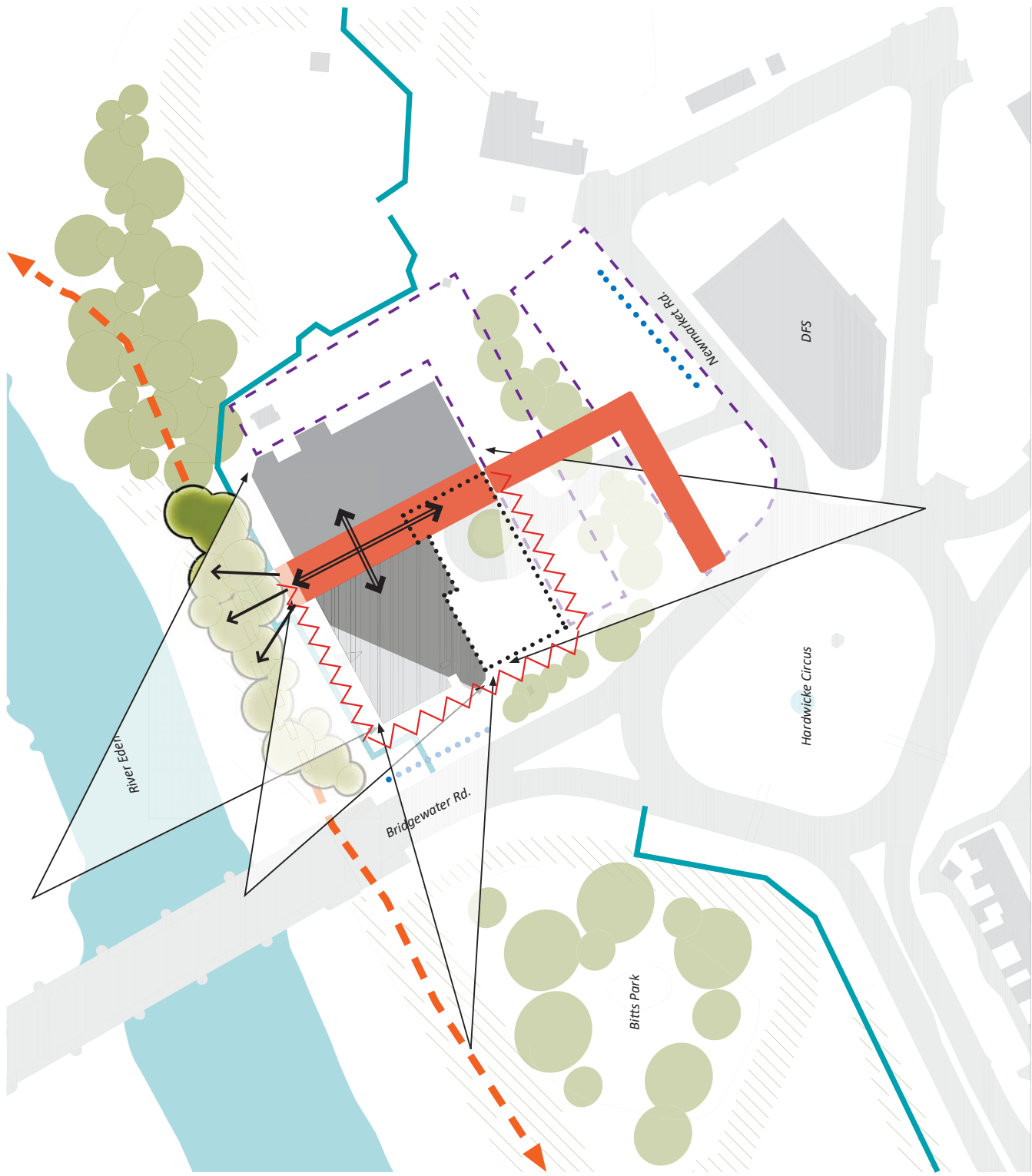
| | |
|-----------------------|----------------------------|
| Leisure Centre | River Eden |
| Site Boundary | Embankment |
| Trees | Existing Water Mains |
| Existing Concert Hall | Listed Structure |
| Flood Defence Wall | Pollution and noise source |
| Existing Substation | Current Carpark |
| Slope Direction | |

*Site Boundary taken from 2010 planning application. TBC.

Site Analysis

Opportunities

Existing trees along Hadrian was path to the north of the site provide a natural veil to the site when viewing from Rickerby Park

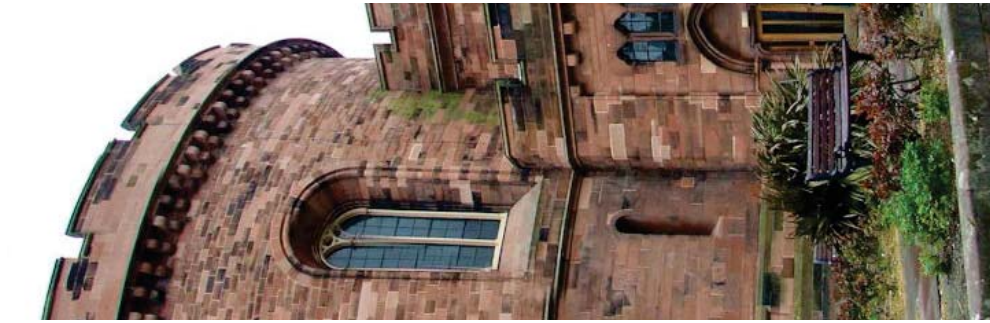


Key

- Leisure Centre
- Connecting "Street"
- Trees
- Embankment
- Hadrian's Way Footpath
- Potential Landscaping opportunities
- Development Area
- Key Views
- Flood Defences
- Enhanced building connections
- L01 Views

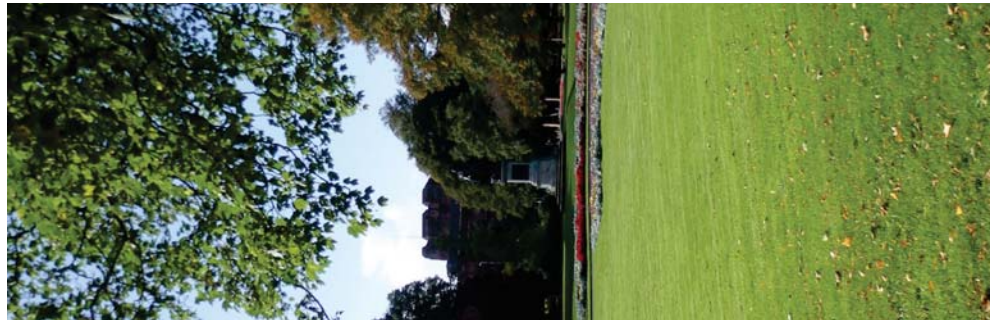
Local Colour Palette

Urban Landmarks



Local Colour Palette

Rural Landmarks



2 / History

Conservation & Heritage

Site History

The adjacent maps track the site uses from the year 1870 through to the current day.

1870 – The site forms part of the Cattle Fairground/Auction Mart. As a key location directly south of the Eden bridge the site offered a site of easy access from both rural and city zones. The Turf Hotel can be seen to the East.

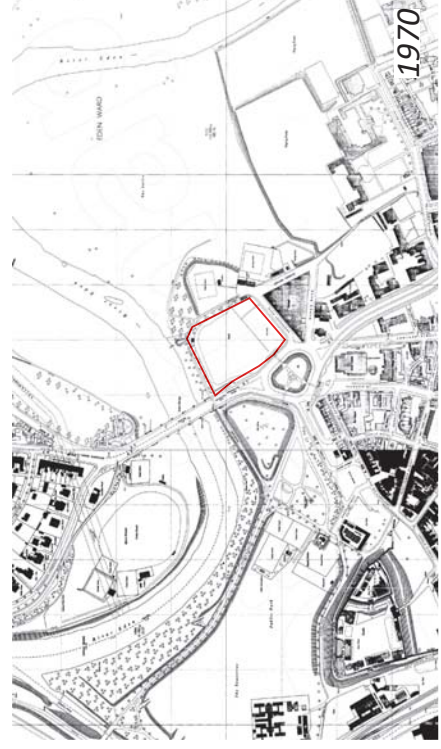
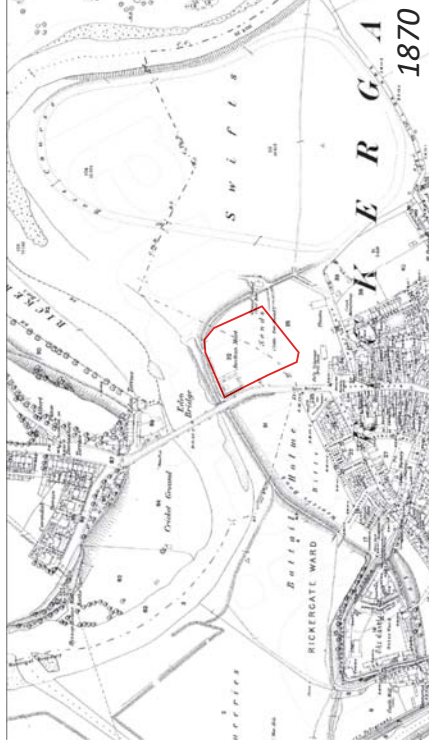
1900 – Retained as a Cattle Market the adjacent and bounding roads have been formalised with the site taking the shape it currently occupies.

1920 – Formalised parking for carts has been added to the south of the site

1940 – Largely unchanged since 1920

1970 – Site largely unchanged since 1920, additional outdoor sporting facilities of tennis courts and bowling green added to the East. Hardwick Circus has been formalised into a sunken garden with underpass connections.

Current – Existing Leisure centre built in 1985, site boundary largely retained since 1900.



3 / Brief

Sands Area Breakdown

Proposed GT3 Scheme - Graphic Brief

| SPORT ZONE | Notes | Area | Notes | Area |
|---|---|---|---|---|
| Pool Area | | | Fitness Suite | |
|  | 25m x 8 lane MAIN POOL (COMMUNITY STANDARD?) 20 x 8m LEARNER POOL | 670 m ² 320m ² 990 m ² |  | 120 station gym @ 4.5m ² per station Inc. Strength and conditioning zone 540 m ² |
|  | Store @ 10% of water area Timing Room | 60 m ² 10 m ² | Studios | |
|  | 250 spectator seats. Sports England Guidance for 25m x 8 lane pool. (Could review requirement to reduce seat numbers to 200min as pool is community not competition) GLL PREFER TO RETAIN 200 | 170 m ² |  | 2 X 125m ² Studios 1 x 80m ² Spinning Studio/ Flexi-space Flexible space with Sliding Folding Partition between 330 m ² |
| 4 Court Sports Hall | | |  | Store 30 m ² |
|  | Sports England 4 court sports hall Badminton 4 x courts Basketball 1 x Court 5-a-side 1 x Court Netball 1 x Court Volleyball 1 x Court Boccia 4 x Court Trampolining (harness points required) Gymnastics (harness points required) Optional Sports - Futsal/Handball/Korfball | 690 m ² | SUB-TOTAL | 2950m ² |
|  | Store @ 12.5% of hall area | 90 m ² | | |
|  | Spectator Area | 40 m ² | | |

Sands Area Breakdown

Proposed GT3 Scheme - Graphic Brief

| SPORT SUPPORT ZONE | | Notes | Area |
|---|---|---|--------------------|
| Wet Change Area | | | |
|  | 58 PERSON @ 5m ² INC. 6 FAMILY CHANGE CUBICLES (Based on Sport England Steady State conditions calculation) | | |
| | Arrangement of changing to assist change over of school groups. | | |
| | Accessible change facilities as per Sport England Guidance | | |
| | 2 X ACC CHANGE | | 430m ² |
| | 2 X ACC WC | | |
| | CHANGING PLACES | | |
| | 2 X 20 PERSON GROUP CHANGES (Check Requirement - GLL to remove) | | |
| | WC facilities as per Sport England Guidance on 50/50 split | | |
| | MALE WC 2 WC 5 UR 3 WHB | | |
| | FEMALE WC 6 WC 4 WHB | | |
| First Aid | |  | 10 m ² |
| SUB-TOTAL | | | 865 m ² |

Sands Area Breakdown

Proposed GT3 Scheme - Graphic Brief

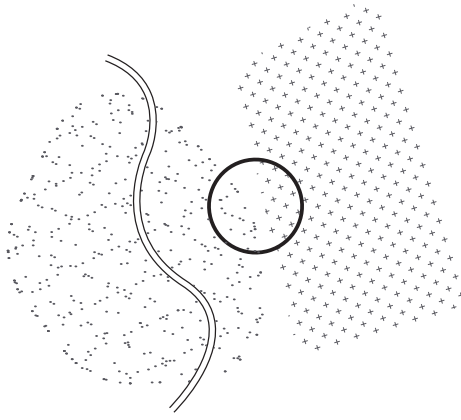
| GENERAL SUPPORT ZONE | | Notes | Area | Cafe/ Street Zone/ Event Hospitality | Notes | Area |
|----------------------|--|---|--------|--------------------------------------|-------|--------|
| Office | | | | | | |
| | | GENERAL OFFICE (10 persons @ 6m²) 2 x Managers 1 x Admin 5 x Arts/Ents 2 x Tech | 60 m² | | L00 | 500 m² |
| | | STAFF FACILITIES - Inc. Social and Kitchen, dedicated Staff WC | 30 m² | | | |
| | | FITNESS OFFICE INC. Consultation room | 25 m² | | | |
| | | RECEPTION OFFICE | 25 m² | | L01 | 250 m² |
| | | RECEPTION DESK | 20 m² | | | |
| Bar/Servery | | | | | | |
| | | L00 - 4/5 SERVING POINTS - TO INCLUDE GRAB & GO COFFEE ZONE FOR SWIM PARENTS OVERLOOKING POOL | 60 m² | | | |
| | | L01 - 4/5 SERVING POINTS | 60 m² | | | |
| | | BEER CELLAR | 30 m² | | | |
| NHS Suite | | | | | | |
| | | Area based on existing | 265 m² | | | |
| | | | | SUB-TOTAL | | |
| | | | | 1325 m² | | |
| | | | | SPORTS SUBTOTAL 2950m² | | |
| | | | | SPORTS SUPPORT SUBTOTAL 865m² | | |
| | | | | GENERAL SUPPORT SUBTOTAL 1325m² | | |
| | | | | TOTAL SUM 5130m² | | |
| | | | | CIRCULATION @7.5% 385m² | | |
| | | | | * PLANT @7.5% 385m² | | |
| | | | | INT WALLS @5% 255m² | | |
| | | | | 6165m² | | |
| | | | | *ADDITIONAL | | |
| | | | | ROOFTOP PLANT @4.0% 200m² | | |
| | | | | ABACUS FIGURE AT TENDER 4984m² | | |

4 / Concept Design

Key Themes

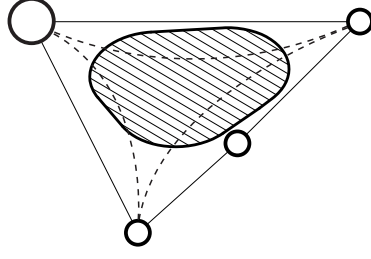
Parti Diagrams

It is important that there is a bridge between the overarching vision for a project and the more detailed design concept. This is achieved through the development of a series of key themes which characterise the vision and capture the essence of the project. The themes (which are not necessarily physical or spatial in nature) are general principles that will guide and inform the development of the design as it progresses through the conceptual and technical stages of the project.



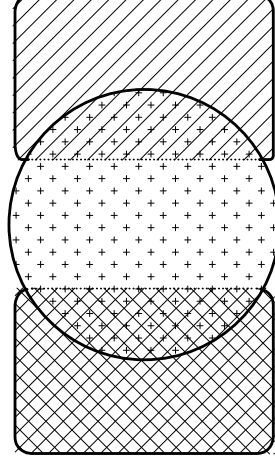
1) Where the City Meets the Country

- A development that mediates between the urban and the rural
- A development that physically connects to the river and its embankment
- A place that brings together people for a variety of purposes



2) A Culture/Leisure Landmark

- Working with the fabric of the City
- A gateway into and out of the City
- A new cultural & leisure landmark to complement the existing features



3) Where Sport Meets the Arts

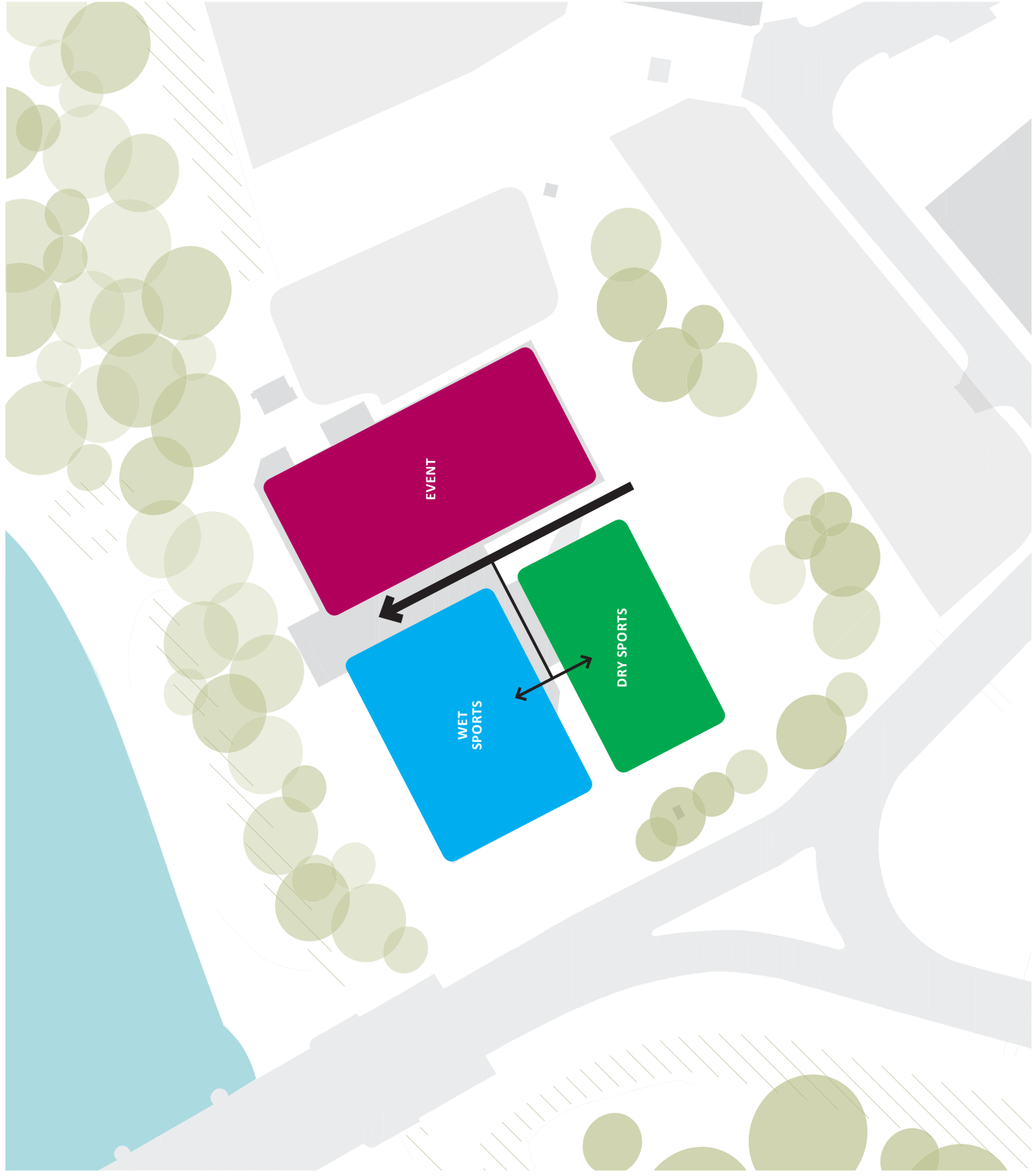
- An innovative combination of uses and activities
- A series of flexible, shared spaces to meet a wide variety of needs
- A unique development with a unique character

Concept Design

Sport + Event Relationship



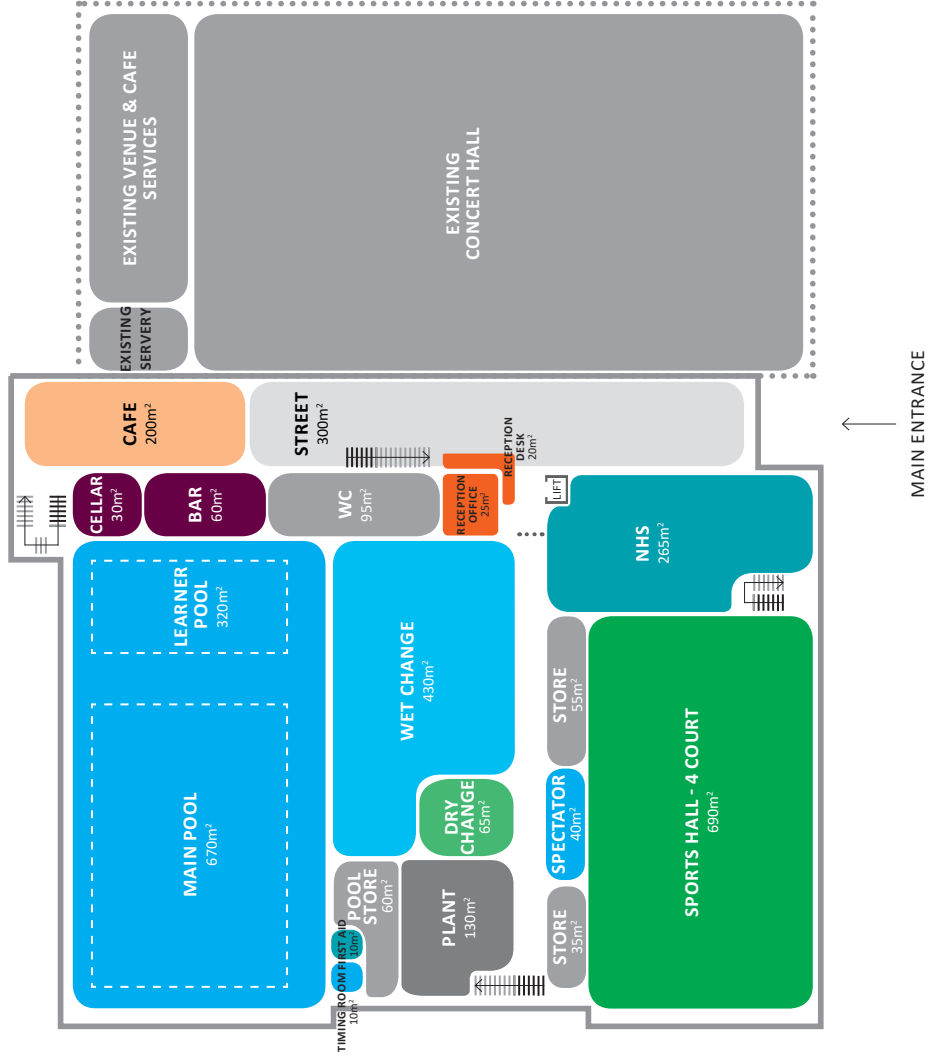
Key



Key

Concept Design

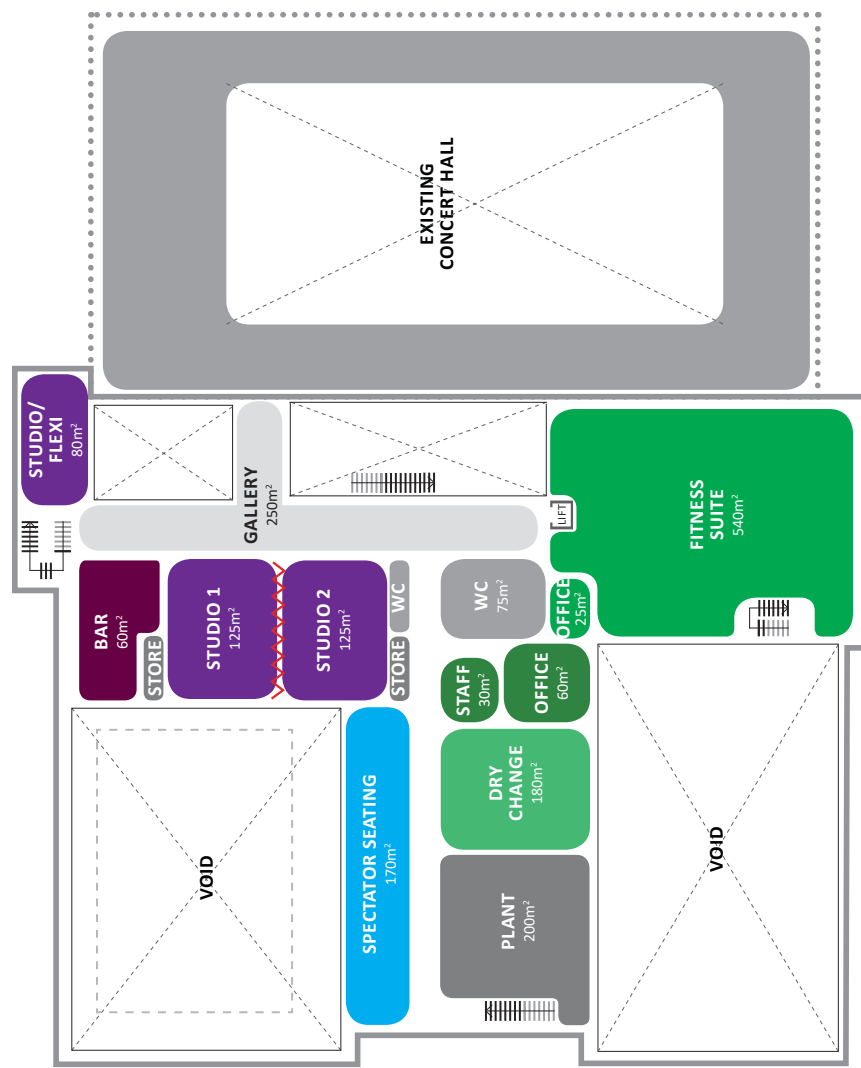
L00 Plan



Key

Concept Design

L01 Plan

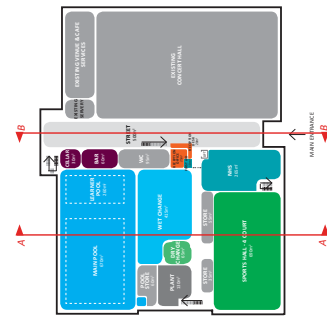
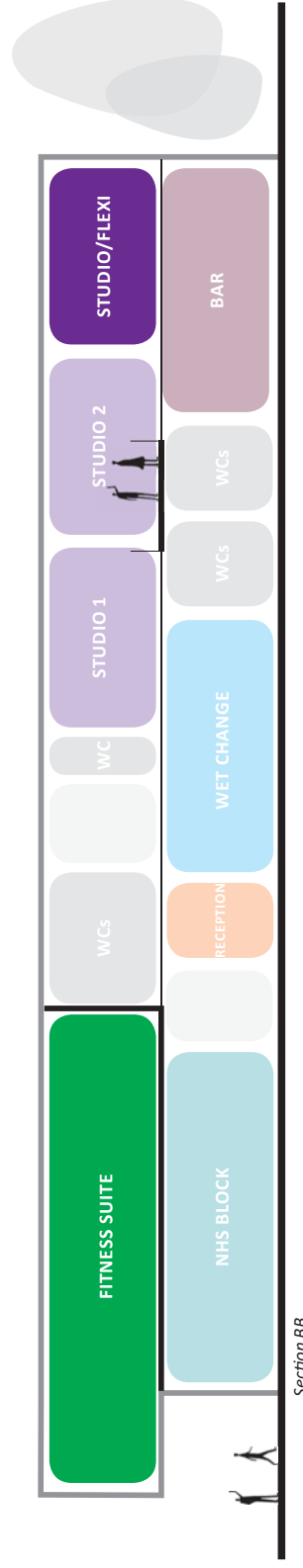
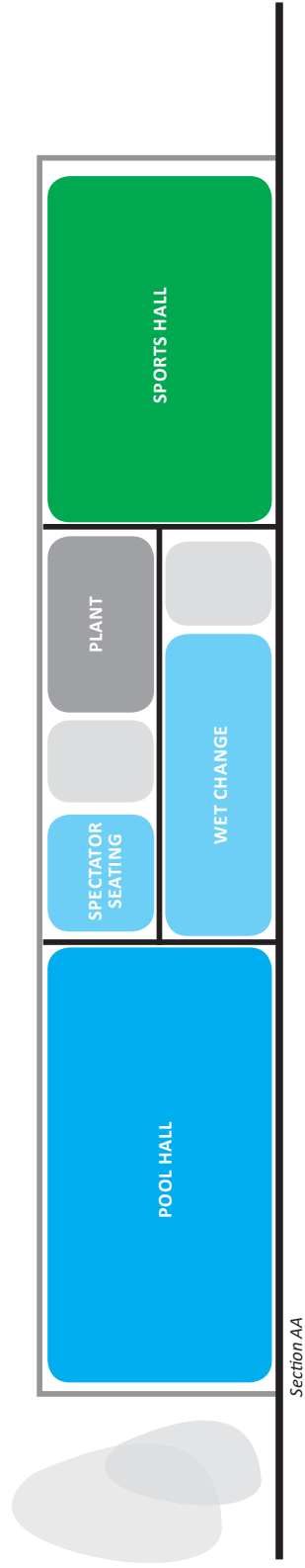


Key



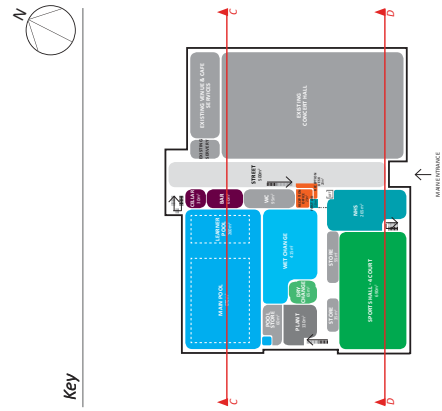
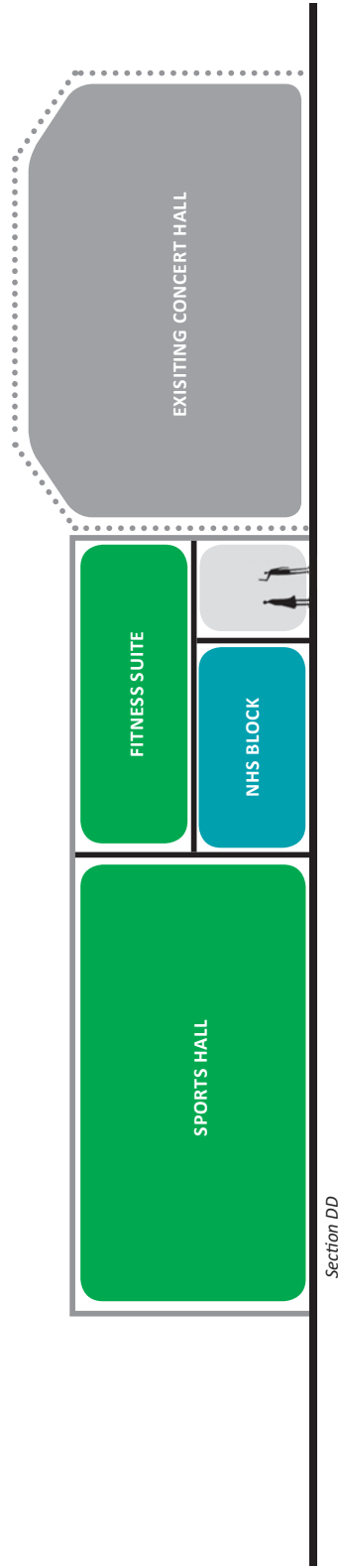
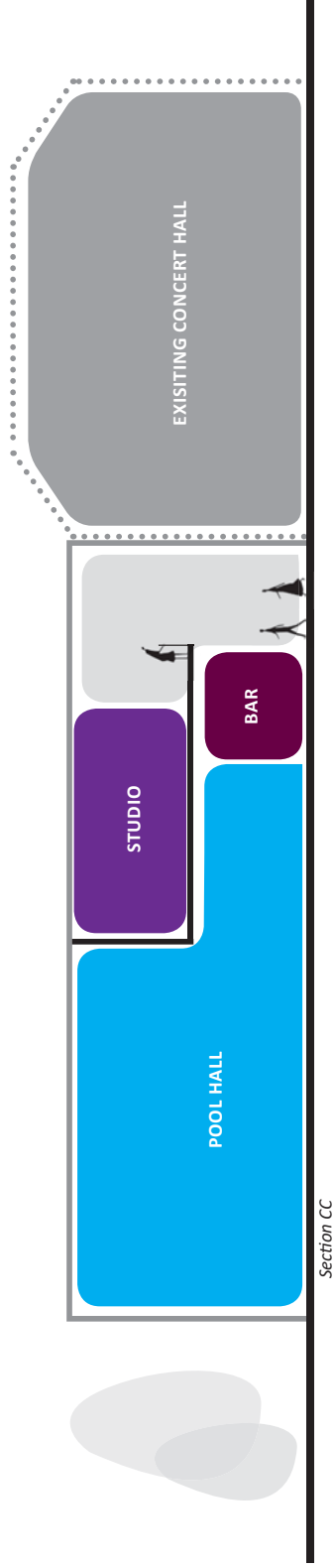
Concept Design

Sections $AA + BB$



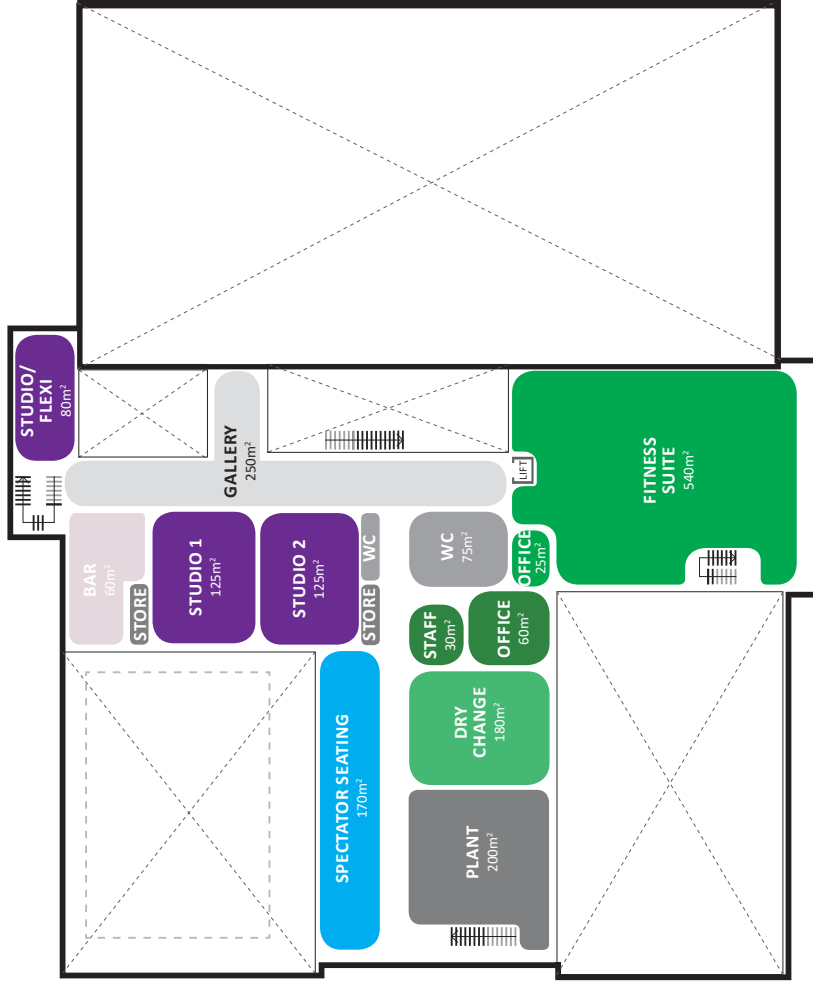
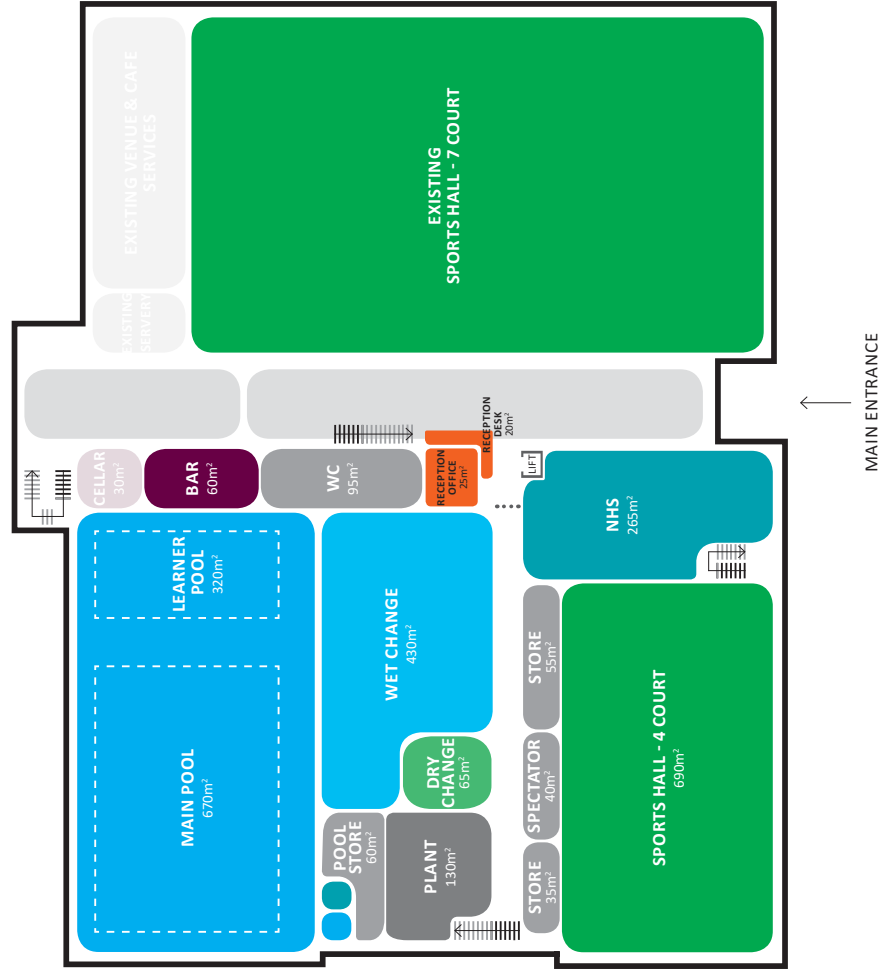
Concept Design

Sections CC + DD



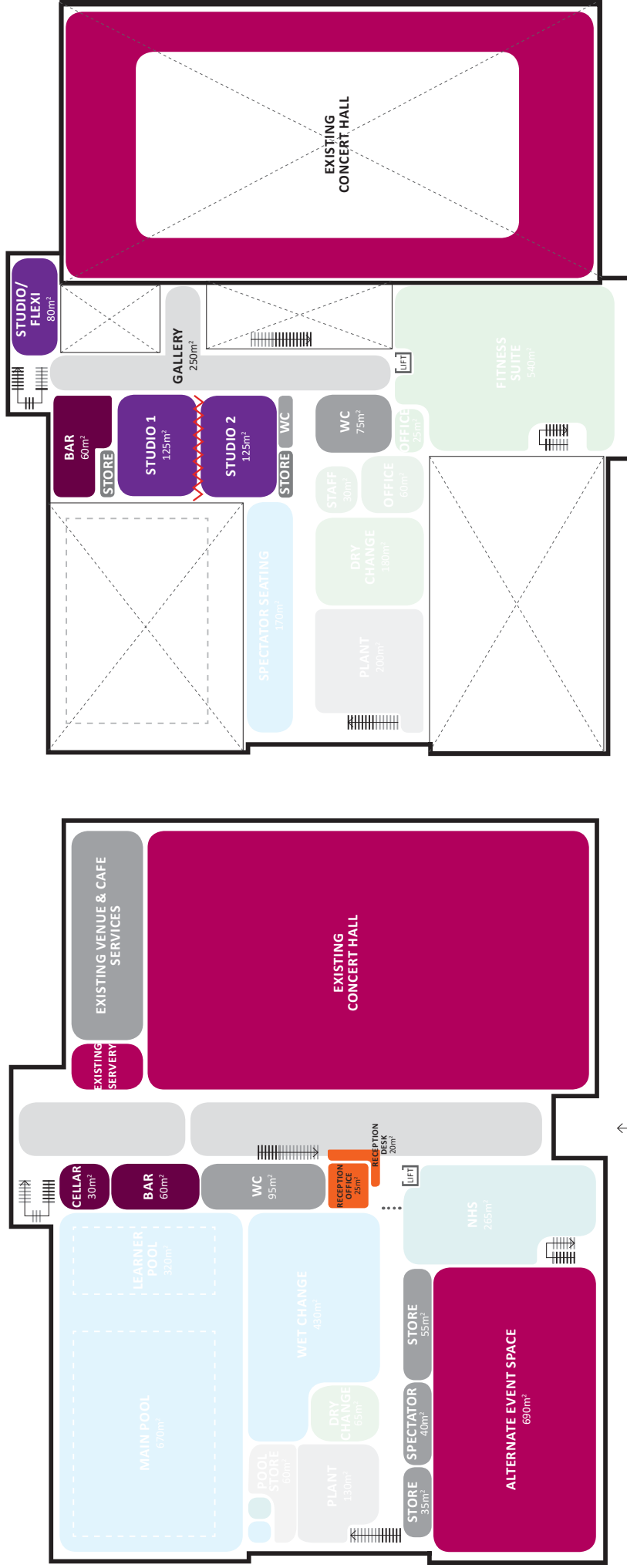
Concept Design

Sport Mode Layout



Concept Design

Event Mode Layout



Concept Design

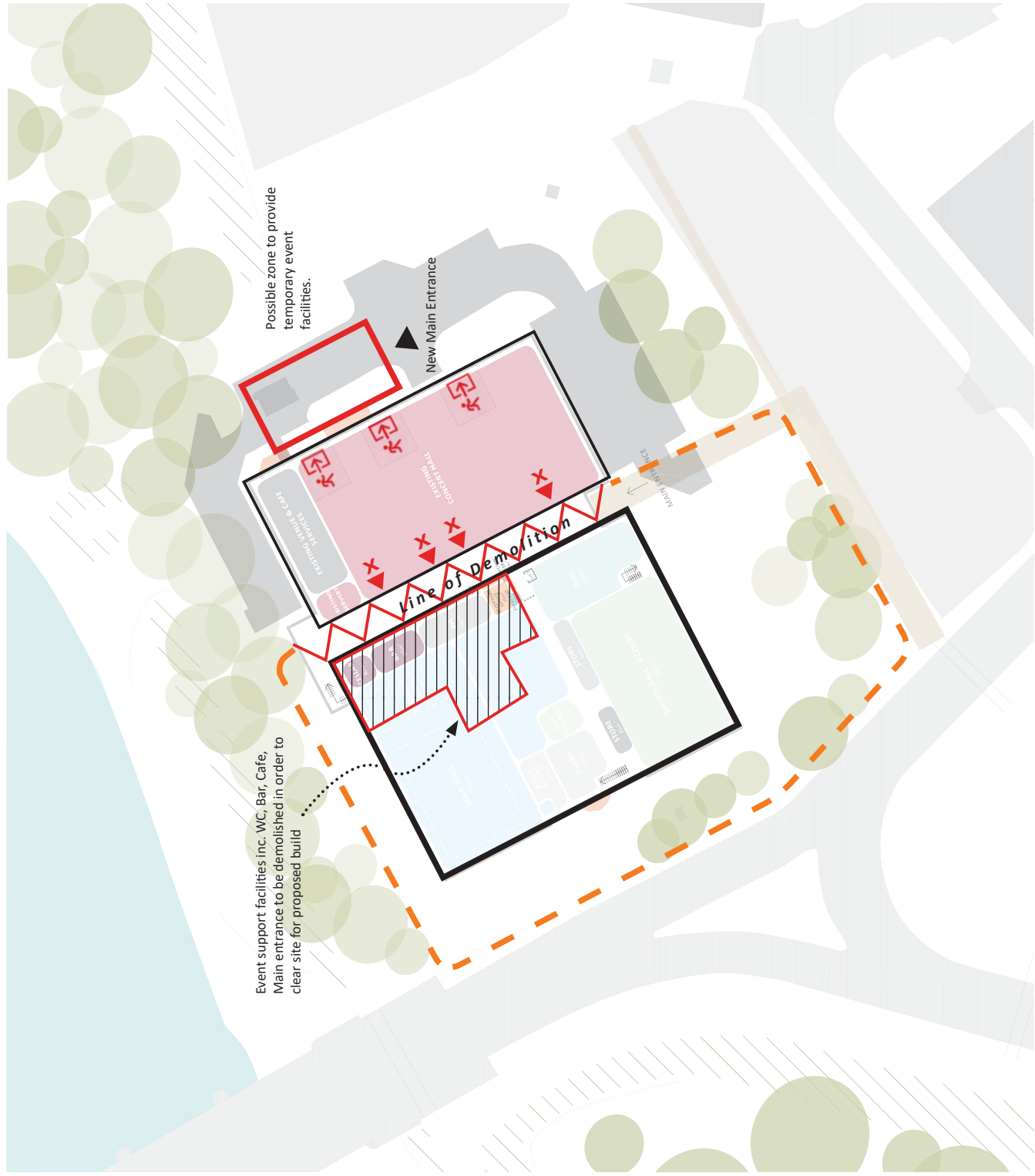
Event Overlay Strategy during Construction

It is the intention of the Client and Operator to maintain the Event Hall element of the scheme in a 'Business as usual' manner.

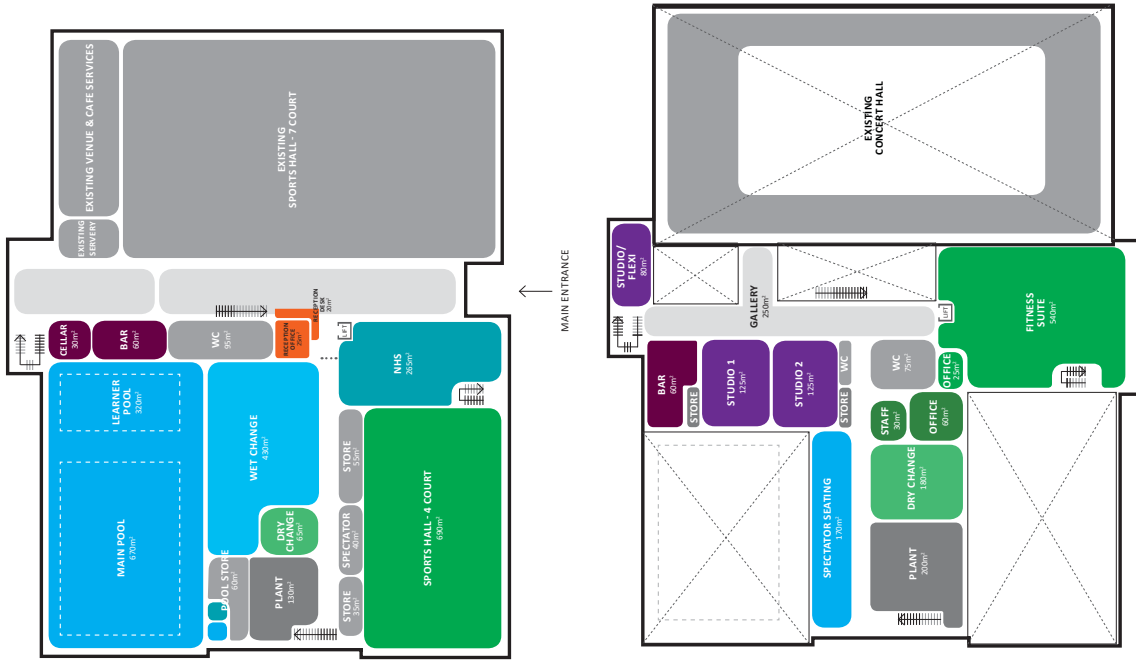
In order for this to occur there are a number of key considerations that would require review. Some of these considerations are highlighted on the adjacent diagram, including:

- Fire Escape
- Temporary facilities
- Temporary Entrance
- Site Compound lines and Safety

*Please note this diagram does not propose solutions but looks to highlight the potential issues to resolve.



Sands Area Breakdown
Proposed GT3 Scheme



Existing Ground Floor Area

2163m²

Existing First Floor Area

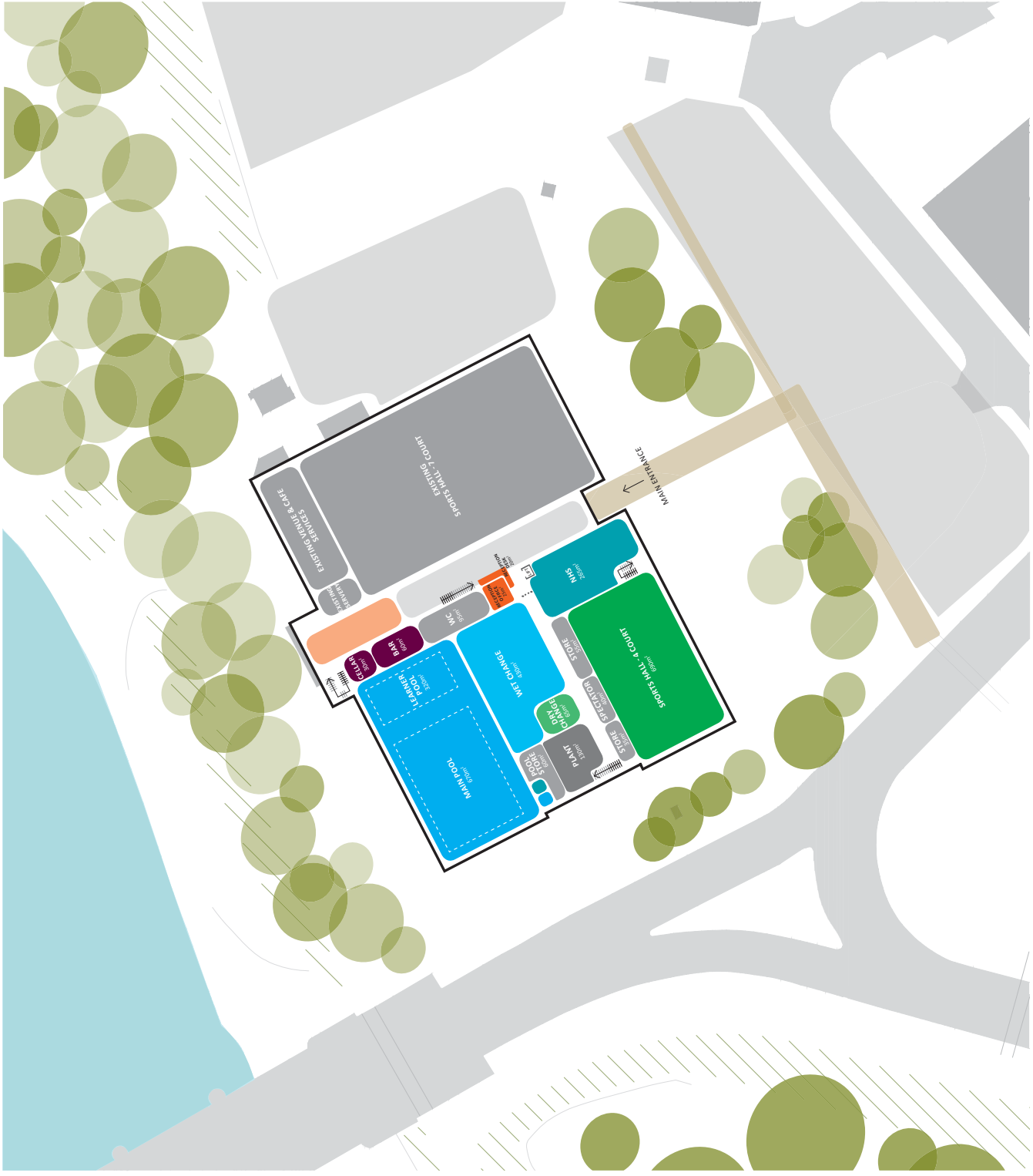
815m²

Total Existing Gross Floor Area

2978m²

| GT3 Proposed Area Schedule | | |
|------------------------------|------------------------|--|
| Zone | Area (m ²) | Notes |
| Sport Zones | | |
| Main Pool Hall | 990 | 25m x 8 lane & 20m x 8m learner pools |
| Pool Store | 60 | 10% of Water Area |
| Timing Room | 10 | GLL request_31-10-2017 |
| Spectator Gallery | 170 | 250 seats per Sport England Guidance |
| 4 Court Sports Hall | 690 | Sport England Guidance |
| Hall Store | 90 | 12.5% of Hall Area |
| Spectator Gallery | 40 | GLL request_31-10-2017 |
| Fitness Gym | 540 | 100 stations @5m ² per station |
| Studio 1 | 125 | Flexible space/25 person @5m ² per person |
| Studio 2 | 125 | 25 person @5m ² per person |
| Studio 3 (spinning) | 80 | 30 spin bikes GLL request_31-10-2017 |
| Studio Stores | 30 | 3 x 10m ² |
| Sub-total | 2950 | |
| Sport Support Zones | | |
| Wet change | 430 | Inc. Change, Acc. Change, Group Change, Wet WC |
| Sports Hall Change | 65 | 32 positions Inc. WC.Sh.Change |
| Fitness Change | 125 | 78 position Inc Sh & Change |
| Studio Change | 55 | 33 position Inc Sh & Change |
| Public WC | 180 | Based on 1000 person w/interval (BS6465 table 7) |
| First Aid | 10 | |
| Sub-total | 865 | |
| General Support Zones | | |
| General Office | 60 | 10 persons @ 5m ² per person |
| Staff Facilities | 30 | Inc. Kitchen & Social |
| Fitness Office | 25 | |
| Reception Office | 25 | |
| Reception Desk | 20 | 3-4 positions |
| L00 Bar/Servery | 60 | 4-5 serving positions |
| L01 Bar/Servery | 60 | 4-5 serving positions |
| Beer Cellar | 30 | |
| L00 Street | 500 | Inc. Café seating, Social areas |
| L01 Street | 250 | Inc. Café seating, Social areas |
| NHS Suite | 265 | Area to match existing |
| Sub-total | 1325 | |
| Total Net Sum | 5140 | |
| Circulation @7.5% | 385 | |
| Plant @7.5% | 385 | |
| Internal Walls @5% | 255 | |
| Total Gross Sum | 6165 | |
| Rooftop Plant @4.0% | 200 | |

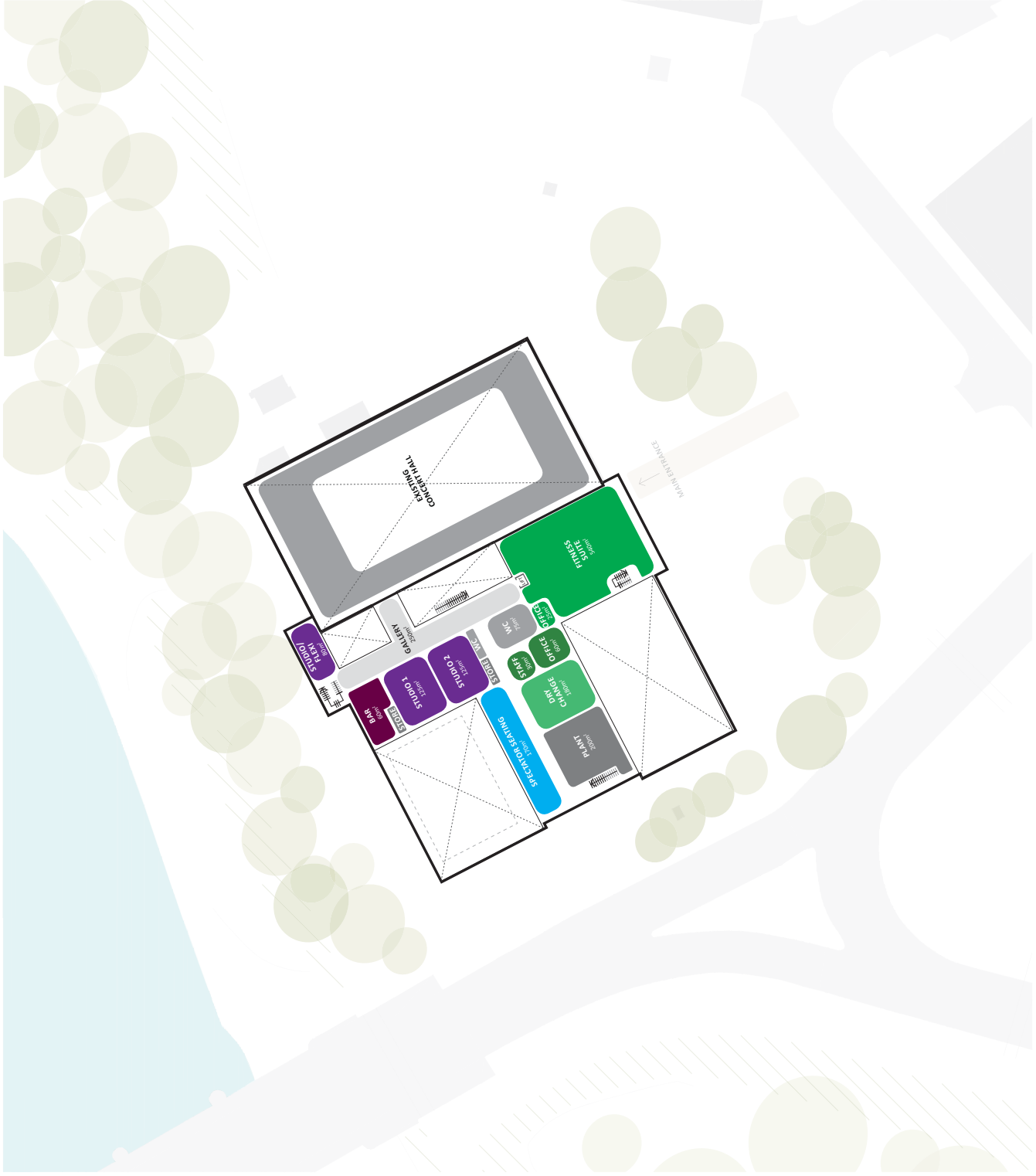
Concept Design 100 Plan in Context



Key

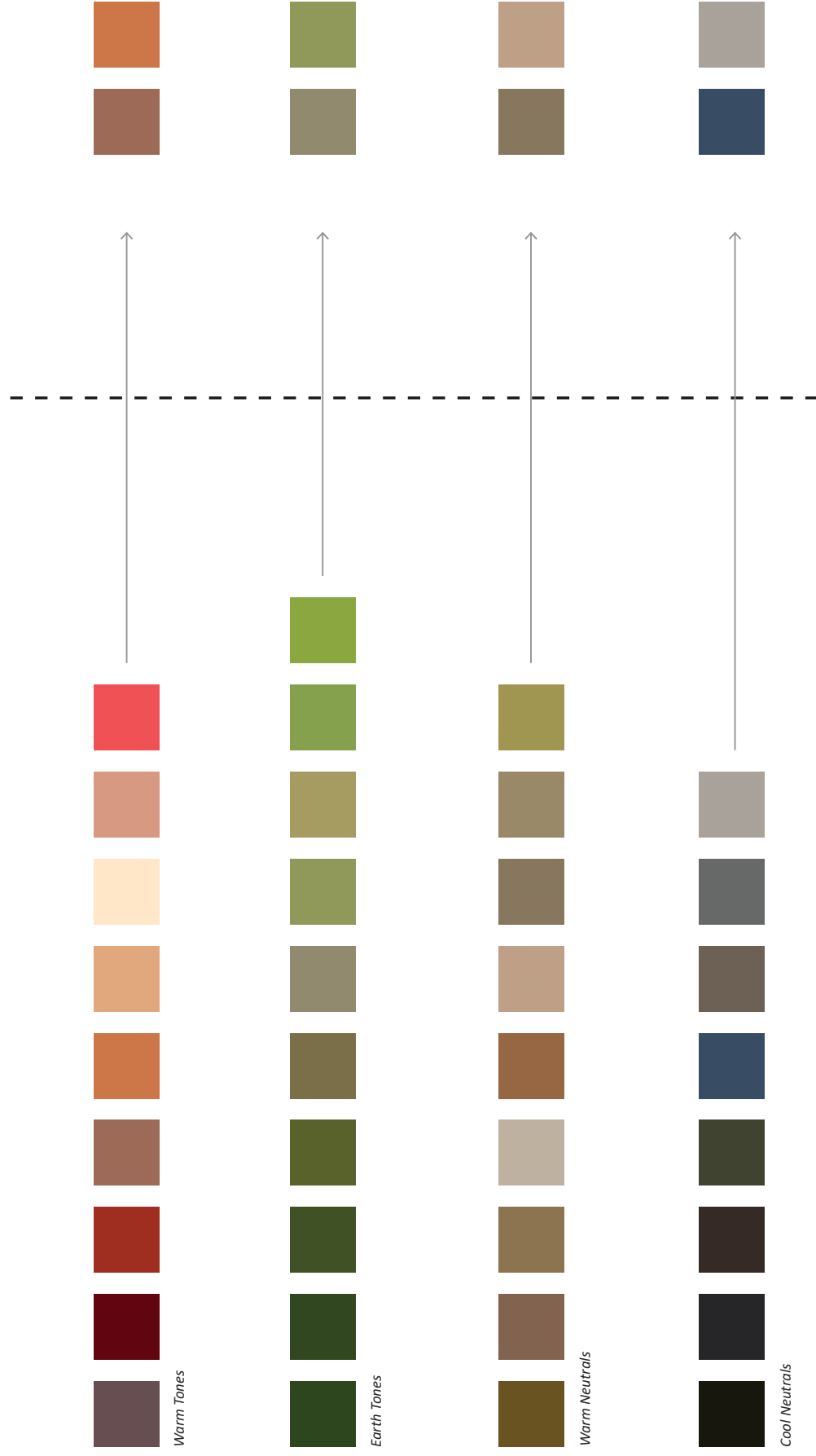
Concept Design

L01 Plan in Context



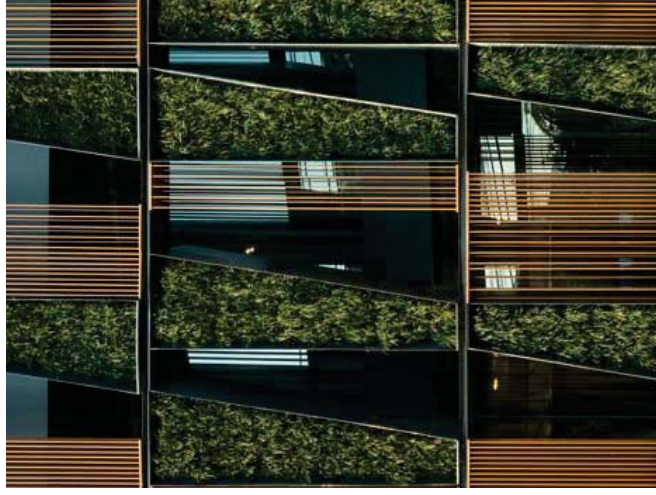
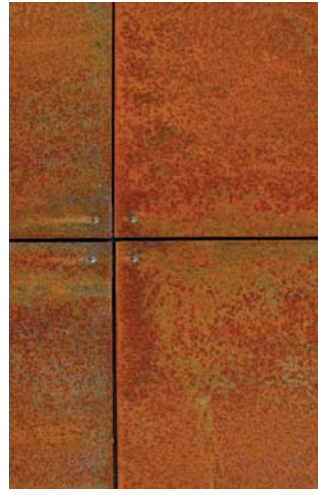
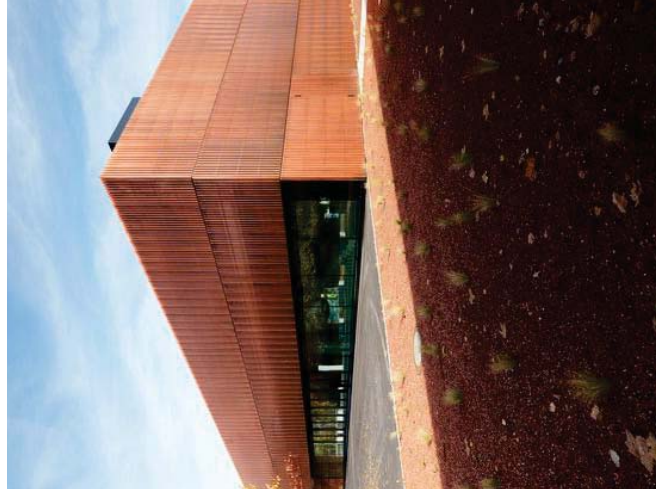
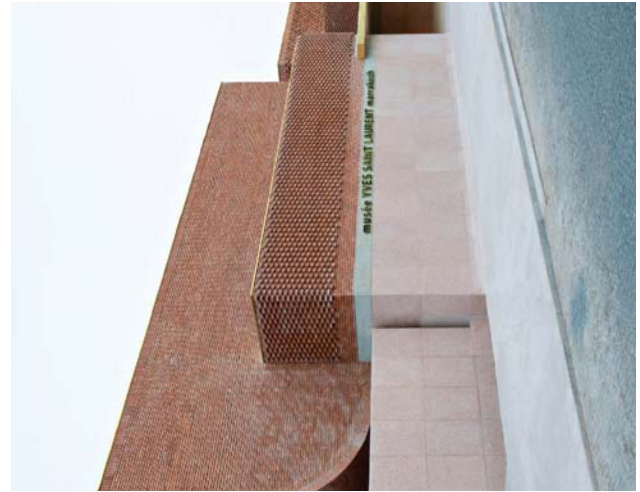
Key

5 / Material Strategy



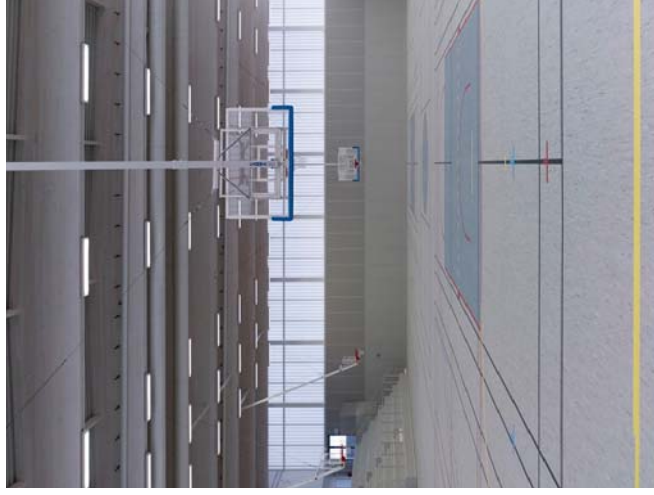
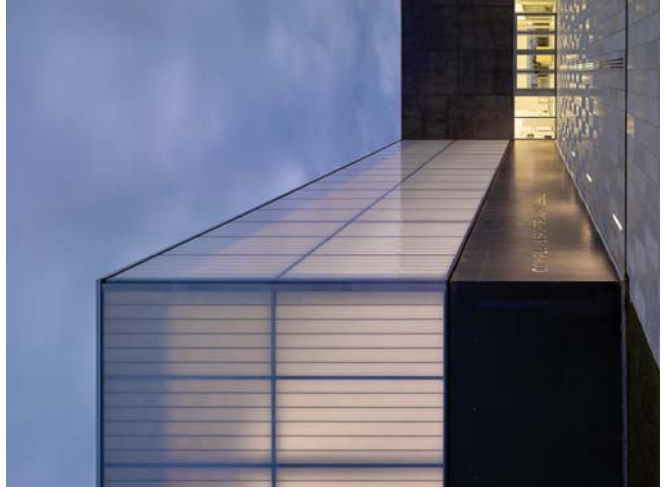
Colour & Material Strategy

Material Strategy



Colour & Material Strategy

Material Strategy



**Carlisle City Council
Sands Leisure Centre - 27 November 2017**



| ID | Task Name | Duration | Start | Finish | Predecessors | 2017 | | | | | 2018 | |
|----|--|----------|--------------|--------------|--------------|------|-----|-----|-----|-----|------|-----|
| | | | | | | Jan | Feb | Mar | Apr | May | Jun | Jul |
| 1 | Development of Procurement Strategy (EA/ MDDT) | 1.4 wks | Wed 31/05/17 | Fri 09/06/17 | | | | | | | | |
| 5 | Pre-Tender Planning (EA/ MDDT) | 2.8 wks | Mon 12/06/17 | Thu 29/06/17 | | | | | | | | |
| 12 | Tender Stage (EA & MDDT) | 7.6 wks | Wed 28/06/17 | Fri 18/08/17 | | | | | | | | |
| 22 | Contract Award (EA & MDDT) | 4.8 wks | Mon 21/08/17 | Fri 22/09/17 | | | | | | | | |
| 28 | Mobilisation (EA & MDDT) | 2.4 wks | Mon 04/09/17 | Wed 20/09/17 | | | | | | | | |
| 33 | RIBA Stage 0-2 -Scheme Design & Approvals | 21.2 wks | Wed 20/09/17 | Tue 06/03/18 | | | | | | | | |
| 34 | Prepare Scheme Design to RIBA Stage 2 | 6.6 wks | Wed 20/09/17 | Fri 03/11/17 | 32 | | | | | | | |
| 35 | Officer Review of Outline Design | 2.2 wks | Mon 23/10/17 | Mon 06/11/17 | | | | | | | | |
| 36 | Presentation of Initial Concept to CCC | 0 wks | Tue 31/10/17 | Tue 31/10/17 | | | | | | | | |
| 37 | Informal Briefing with Portfolio Holder | 0 wks | Mon 06/11/17 | Mon 06/11/17 | 36 | | | | | | | |
| 38 | Submission of updated & revised Executive Report | 0 wks | Thu 30/11/17 | Thu 30/11/17 | | | | | | | | |
| 39 | Executive Members Briefing | 0 wks | Tue 05/12/17 | Tue 05/12/17 | 38 | | | | | | | |
| 40 | Executive Members Meeting | 0 wks | Mon 18/12/17 | Mon 18/12/17 | 39 | | | | | | | |
| 41 | Special Joint Scrutiny Panel | 0 wks | Mon 29/01/18 | Mon 29/01/18 | 40 | | | | | | | |
| 42 | Scrutiny responses to be considered by Executive | 0 wks | Mon 12/02/18 | Mon 12/02/18 | 41 | | | | | | | |
| 43 | Full Council decision on Stage 2 Design & Cost Plan | 0 wks | Tue 06/03/18 | Tue 06/03/18 | 42 | | | | | | | |
| 44 | Approval of Stage 2 Design & Cost Plan | 0 wks | Tue 06/03/18 | Tue 06/03/18 | 43 | | | | | | | |
| 45 | RIBA Stage 3 (1st Stage Tender for Preferred Contractor) | 20.4 wks | Wed 07/03/18 | Thu 26/07/18 | | | | | | | | |
| 46 | Prepare OJEU Notice & PQQ (Electronic PIN, Restricted) | 2 wks | Wed 07/03/18 | Tue 20/03/18 | 44FS+1 day | | | | | | | |
| 47 | Issue OJEU Notice & PQQ (Electronic PIN, Restricted) | 0 wks | Tue 20/03/18 | Tue 20/03/18 | 46 | | | | | | | |
| 48 | OJEU Expression of Interest & PQQ Period | 6 wks | Wed 21/03/18 | Tue 01/05/18 | 47 | | | | | | | |
| 49 | PQQ Evaluation | 2 wks | Wed 02/05/18 | Tue 15/05/18 | 48 | | | | | | | |
| 50 | Prepare 1st Stage Tender Documents & Award Criteria | 2 wks | Wed 21/03/18 | Tue 03/04/18 | 47 | | | | | | | |
| 51 | Council Approval of Tender Documents | 5 days | Wed 04/04/18 | Tue 10/04/18 | 50 | | | | | | | |
| 52 | Shortlist Tenderers (Min 5) | 3 days | Wed 16/05/18 | Fri 18/05/18 | 49 | | | | | | | |

Client: Carlisle City Council
Project: Sands Leisure Centre
Date Issued: 27/11/17

Task
Split
Milestone

Summary
Project Summary
External Tasks

External Milestone
Inactive Task
Inactive Milestone

Inactive Summary
Manual Task
Duration only

Manual Summary Rollup
Manual Summary
Start only

Finish-only
Critical
Critical Split

Progress
Deadline

File Path:

Pick Everard Confidential

Carlisle City Council
Sands Leisure Centre - 27 November 2017



Client: Carlisle City Council
Project: Sands Leisure Centre
Date Issued: 27/11/17

Task
Split
Milestone

Summary
Project Summary
External Tasks

External Milestone
Inactive Task
Inactive Milestone

Inactive Summary
Manual Task
Duration only

Manual Summary Rollup
Manual Summary
Start only

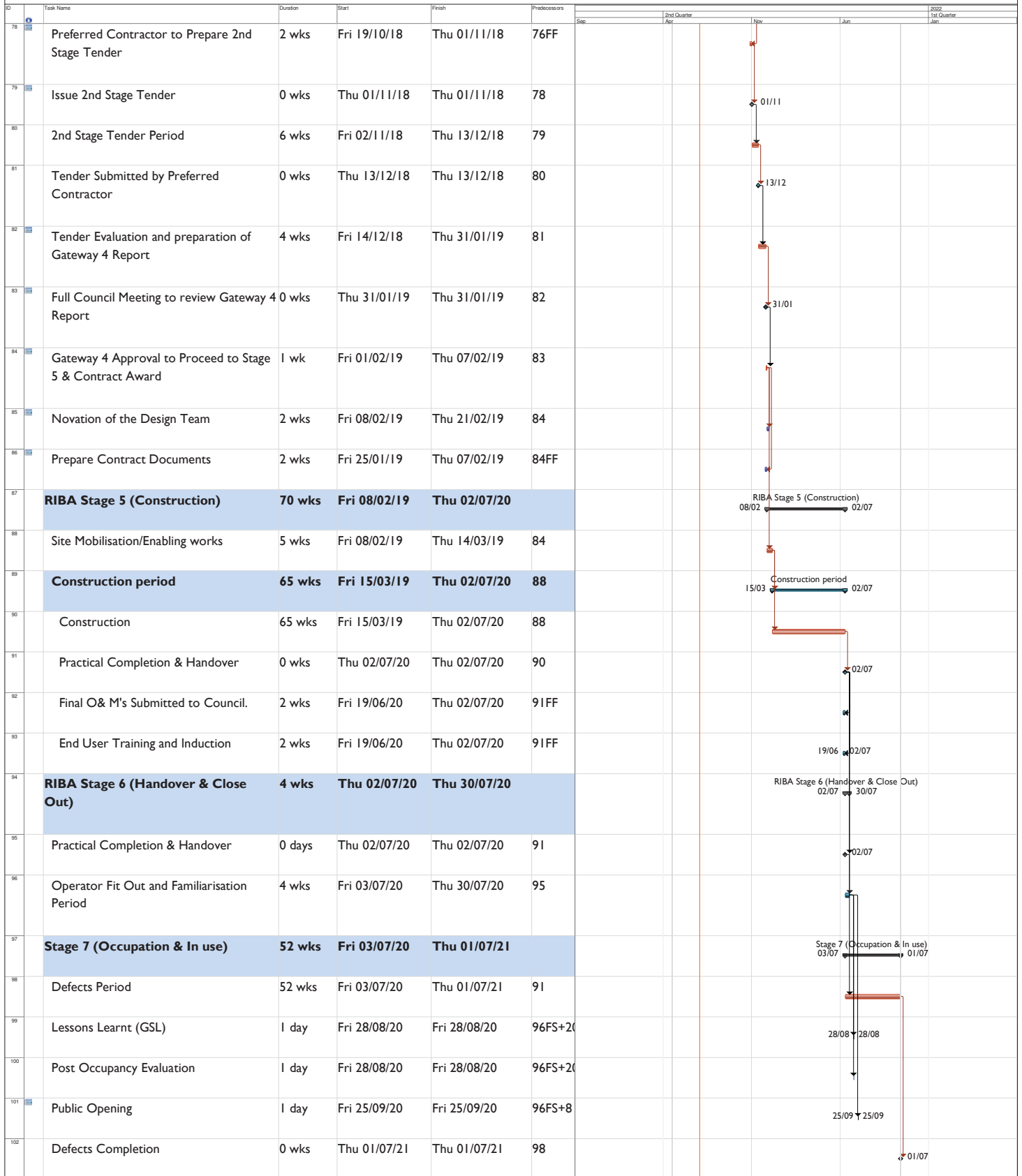
Finish-only
Critical
Critical Split

Progress
Deadline

File Path:

Pick Everard Confidential

**Carlisle City Council
Sands Leisure Centre - 27 November 2017**



Risks and Opportunities Register

| Project: | | Sands Leisure Centre Redevelopment, Carlisle | | | | Likelihood/ Impact | | Status Notification | | <div>Pick Everard</div> | | |
|-------------------|---|--|--|--|------------|--------------------------|-------------|---|----------------------|---------------------------|--------------------|--|
| Date of review: | | 05-Nov-17 | | | | CO | | Closed Out | | | | |
| Version: | | 3 | | | | L | | Live | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Risk owner: | | | | | | Risk Register Parameters | | The risk rating is calculated by 2 x likelihood + 3 x impact | | Strategic Notation | | |
| CCC | | Carlisle City Council | | | | | | | | | | |
| PC | | Principal Contractor | | | | | | | | | | |
| PE | | Pick Everard - Employer's Agent Team | | | | | | | | | | |
| MDDT | | Multi-disciplinary Design Team | | | | | | | | | | |
| Joint | | Joint (Carlisle City Council / Principal Contractor) | | | | H | | Closed | | Risk addressed and closed | | |
| | | | | | | H = 18 - 25 | | Updated | | Updated / new risk | | |
| | | | | | | | | | | | | |
| Activity ID | Risk Description | | Consequence of Risk | | Likelihood | Impact | Risk Rating | Owner of Risk | Current Action Owner | Status | Strategic Notation | Mitigation Action / Comment |
| C6 | Phasing of the construction works to ensure that the retained events centre is operational. | | Loss of income and /or membership through the closure of the existing centre whilst the new work is carried out. Phasing the works will add additional cost to the overall budget. | | 3 | 4 | 18 | CCC | MDDT | L | R | Develop phasing plan that segregates continued operation of the events centre during the construction period. |
| C7 | Late decision on whether to pursue LZCT funding in December 17 or not. | | LZCT funding requires additional projects to fulfil the £835K LZCT funding requirement in order to attract £500K funding. | | 4 | 3 | 17 | CCC | CCC | L | R | Early decision to pursue funding stream or not with additional projects identified. |
| Quality | | | | | | | | | | | | |
| Q1 | Desired quality for the Sands Leisure Centre not achieved | | Damage to Council reputation | | 3 | 4 | 18 | CCC | PE | L | R | Determine Critical Success Factors. Implement Design Life Strategy to ensure that the design meets required Council aspirations and is affordable |
| Procurement route | | | | | | | | | | | | |
| PR1 | Two stage procurement route identified for Preferred Contractor through OJEU | | Prolonged RIBA Stage 3 period | | 3 | 4 | 18 | CCC | PE | L | AC | Consultant team must be experienced in two-stage tender process and associated risks to avoid legal challenge |
| PR2 | Two stage procurement route via OJEU to identify Preferred Contractor | | Attracting quality Principal Contractors to tender through OJEU who have leisure centre and swimming pool experience | | 3 | 4 | 18 | CCC | PE | L | AC | Consultant team must be experienced in two-stage tender process and associated risks to avoid legal challenge |
| Legals | | | | | | | | | | | | |
| LE1 | Establish title for site (ownership of site) | | Delays to planning, agreeing easements, concluding restrictive covenants and utility service connections | | 3 | 4 | 18 | CCC | CCC | L | AC | It is fundamental to establish the title or ownership of the site with the Land Registry |
| LE2 | Establish any existing restrictive covenants / easements that effect the site | | Delay in executing building contract | | 3 | 4 | 18 | CCC | CCC | L | R | It is fundamental to establish any restrictive covenants or easements that will effect the development |
| LE3 | Unable to agree contractual terms | | Delay in executing building contract | | 2 | 4 | 16 | Joint | Joint | L | R | Ensure collaborative environment pre-contract based on realistic programme to achieve budget cost that is tracked and approved at each Gateway during the design development process supported by a comprehensive set of Employer's Requirements |
| LE4 | Phased S278, Stopping Up Orders, Way Leave Agreements and Temporary Road Closures | | Delay to project if not agreed and in place ahead of the construction phase | | 3 | 4 | 18 | PC | MDDT | L | T | Ensure all matters are being regularly monitored at meetings, with defined action owners |
| Planning | | | | | | | | | | | | |
| P1 | Unable to obtain planning consent | | Abortive cost and Council reputational damage | | 1 | 5 | 17 | CCC | MDDT | L | AC | Establish early meeting and maintain consultation with the planning department as a key stakeholder |
| P2 | Pre-commencement planning conditions not discharged | | Delay to start on site | | 2 | 4 | 16 | Joint | PC | L | AC | Establish ongoing dialogue with the planning department, develop and monitor |

Risks and Opportunities Register

| Project: Sands Leisure Centre Redevelopment, Carlisle | | Likelihood/ Impact Scoring | | | | Status Notification | | Strategic Notation | | | |
|---|---|--|------------|--------|-------------|---|----------------------|--------------------|--------------------|--|--|
| Date of review: | 05-Nov-17 | 1 or 2 | L | CO | Closed Out | The risk rating is calculated by 2 x likelihood + 3 x impact | | | | | |
| Version: | 3 | 3 | M | L | Live | | | | | | |
| Risk owner: | | Risk Register Parameters | | | | The risk rating is calculated by 2 x likelihood + 3 x impact | | | | | |
| CCC | Carlisle City Council | L = 00 - 07 | | | | | | | | | |
| PC | Principal Contractor | M = 08 - 17 | | | | | | | | | |
| PE | Pick Everard - Employer's Agent Team | H = 18 - 25 | | | | | | | | | |
| MDTT | Multi-disciplinary Design Team | | | | | | | | | | |
| Joint | Joint (Carlisle City Council / Principal Contractor) | | | | | | | | | | |
| Activity ID | Risk Description | Consequence of Risk | Likelihood | Impact | Risk Rating | Owner of Risk | Current Action Owner | Status | Strategic Notation | Mitigation Action / Comment | |
| P3 | Planning conditions not discharged prior to Practical Completion | Unable to accept Practical Completion | 1 | 5 | 17 | PC | MDTT | L | T | Establish a planning conditions tracker and prepare an evidence file to record planning condition discharge. Ownership to sit with Principal Contractor with exception of conditions for which the Council are responsible, such as the Travel Plan. | |
| Design | | | | | | | | | | | |
| D1 | Design / Scope Creep | Additional cost to the Council / project not affordable | 1 | 4 | 14 | Joint | Joint | L | AC | Ensure that a clear and concise brief is established. Reference the design against the Brief and Critical Success Factors during Gateway reporting. Ensure that cost plan tracks the design development process in increasing detail and approval is obtained at each Gateway. | |
| 76 | Extension and car park remodelling creates clashes with existing statutory services | Additional expenditure incurred diverting / lowering existing services. | 4 | 4 | 20 | Joint | MDTT | L | T | Obtain utility service maps, undertake slot trenches and required site investigations works during the design development process . Try to keep service diversions to a minimum. Seek revised utility service quotations | |
| D3 | Ensure adoption of correct pool tank solution for the project | Quality standard not acceptable or chosen solution inappropriate due to site constraints that leads to increased cost and programme slippage | 4 | 4 | 20 | MDTT | MDTT | L | T | Ensure experienced design team appointed with leisure centre and swimming pool experience | |
| D4 | Design control and circulation around the centre | Careful consideration needs to be given to the control and crowd flow circulation around the Sands centre, particularly if the events centre and leisure centre are in full use at the same time. | 3 | 3 | 15 | MDTT | MDTT | L | R | GT3 have a operational flow model programme which can be used to understand the crowd movement, congestion points and control point locations. | |
| D5 | Fixtures and Fittings list produced late by Operator | Fixtures and Fittings can often form 10% of the overall budget. Late Fixtures and Fittings list produced by Operator which leads to impact on both cost and design (including programme) | 3 | 3 | 15 | CCC | CCC | L | R | Early engagement with Operator to establish FF+E schedule requirements. | |
| D6 | Pre-Construction design | Insufficient time in the pre-construction programme to adequately develop the design leading to delays in the commencement and completion dates | 3 | 3 | 15 | MDTT | MDTT | L | R | The pre-construction process should include the early involvement of specialist design trades (e.g. MEP, pool plant, roofing) to allow early involvement in the design process and avoid the need to re-design works. | |
| D7 | Orientation layout and design | The orientation and layout of the design results in operational issues , such as glare on the pool, solar gain to studios and gym, wind tunnel at entrance, etc. The above are common issues in many modern-day leisure centres and severely impact on the following: <ul style="list-style-type: none">Operation of the building,Retention of members is a problemGlare on the water surface creates a health and safety problem; | 3 | 4 | 18 | MDTT | MDTT | L | R | It is important that the design and positioning of key spaces internally are well considered. GT3 have worked with all major sport operators and understand what they need and where the key risks are to the functionality of the building. If these issues above are not resolved, considerable expense in retrofitting will be the most likely outcome. | |

Risks and Opportunities Register

| Project: | | Sands Leisure Centre Redevelopment, Carlisle | | Likelihood/ Impact Scoring | | Status Notification | | Strategic Notation | | | | | | | | | | | | | |
|--------------------|--|---|--|---|--|---------------------|--|-------------------------------------|--|-------------|--|---------------|--|----------------------|--|--------|--|--------------------|--|--|--|
| Date of review: | | 05-Nov-17 | | 1 or 2 3 4 or 5 | | CO L | | Closed Out Live | | | | | | | | | | | | | |
| Version: | | 3 | | | | | | | | | | | | | | | | | | | |
| Risk owner: | | | | Risk Register Parameters | | | | | | | | | | | | | | | | | |
| CCC | | Carlisle City Council | | L = 00 - 07 | | | | AC Accept & Control | | | | | | | | | | | | | |
| PC | | Principal Contractor | | M = 08 - 17 | | | | R Reduce (Mitigate) | | | | | | | | | | | | | |
| PE | | Pick Everard - Employer's Agent Team | | H = 18 - 25 | | | | T Transfer | | | | | | | | | | | | | |
| MDDT | | Multi-disciplinary Design Team | | | | | | A Avoid | | | | | | | | | | | | | |
| Joint | | Joint (Carlisle City Council / Principal Contractor) | | | | | | Closed Risk addressed and closed | | | | | | | | | | | | | |
| | | | | | | | | Updated Updated / new risk | | | | | | | | | | | | | |
| Activity ID | | Risk Description | | Consequence of Risk | | Likelihood | | Impact | | Risk Rating | | Owner of Risk | | Current Action Owner | | Status | | Strategic Notation | | Mitigation Action / Comment | |
| D8 | | Existing basement area | | The existing basement areas to the leisure centre have previously suffered from damp issues and the cost of repair and maintenance to these spaces could be excessive given the flood risk issues | | 3 | | 4 | | 18 | | CCC | | MDDT | | L | | R | | A building survey should be carried out during RIBA Stage 2 to fully understand the situation and mitigation requirements and therefore any cost impact | |
| D9 | | The current parking operates on a pay and display basis. This leaves 48 dedicated leisure spaces outside of this. The extension will potentially impact on these parking numbers | | The local and regional community do not make full use of the existing Sands Centre due to frustrations with car parking. | | 4 | | 5 | | 23 | | CCC | | CCC | | L | | R | | As part of the traffic management study, an appraisal should be made on the income from the parking and impact of the new building on existing spaces. Consider a barrier control system and the car parking charge strategy for events / leisure centre customers. | |
| D10 | | The risks around the pool construction include designing around high water tables, tolerance along the width and length to ASA guidance, tolerance around moving floors (if the pool is out of line, the moving floor will stick), and construction method of the tank. Most centres overrun on programme due to complications with the pool tank (weather, casting methods and their accuracy, tiling to the tank and problems with the integration of the moving floor. | | The design fails to achieve the Council's aspirations, leading to reputational damage and does not deliver the required level business for the Operator. | | 2 | | 4 | | 16 | | CCC | | MDDT | | L | | R | | Appointment of experience Design Team. Early discussion using the GT3 pool construction comparison document and lessons learnt from other projects to determine the best construction method for the pool tank. | |
| Design Development | | | | | | | | | | | | | | | | | | | | | |
| DD1 | | Design does not achieve Council's brief or aspirations | | Damage to Council / Principal Contractor reputation | | 3 | | 3 | | 15 | | Joint | | MDDT | | L | | A | | Ensure that the cost plan and design development process is progressed in tandem with increasing detail and approval is obtained at each Gateway. | |
| DD2 | | Stakeholder consultation | | Stakeholders are not fully consulted prior to submission of the planning application which will lead to negative press and late design changes after the application has been submitted. Furthermore, this leads to the local community feeling that the stakeholders were not consulted. | | 3 | | 3 | | 15 | | CCC | | MDDT | | L | | A | | Early stakeholder engagement plan to be drafted to ensure that all key stakeholders are consulted, highlighting the agenda, what the required outcomes are and that these relate back to the BREEAM credit requirements for consultation. | |
| DD3 | | Conflict to achieve Stakeholder requirements | | Conflict of requirements between numerous stakeholders leading to delay in design freeze and additional costs | | 3 | | 3 | | 15 | | CCC | | MDDT | | L | | A | | Early Stakeholder engagement using Operator experience to prioritise and balance wish list of requirements. | |
| DD4 | | Late stakeholder engagement | | Late changes from the stakeholders leads to abortive design, cost and programme issues. | | 3 | | 4 | | 18 | | CCC | | MDDT | | L | | A | | It is crucial that early engagement with operators, planners, building control, legal team, key client/project stakeholders and the sports clubs happens. The implications of getting the wrong brief or not consulting correctly, will be late changes to the design which impacts the entire team. | |

Risks and Opportunities Register

| | | | | | | | | | | | | |
|-------------------------------------|---|--|--|--|------------|--------|---------------------|---------------|----------------------|---------------------------|--------------------|---|
| Project: | Sands Leisure Centre Redevelopment, Carlisle | | | Likelihood/ Impact Scoring | | | Status Notification | | | Strategic Notation | | |
| Date of review: | 05-Nov-17 | | | 1 or 2 3 4 or 5 | | | CO L | | | Closed Out Live | | |
| Version: | 3 | | | | | | | | | | | |
| Risk owner: | | | | | | | | | | | | |
| CCC | Carlisle City Council | | | | | | | | | AC | | |
| PC | Principal Contractor | | | | | | | | | R | | |
| PE | Pick Everard - Employer's Agent Team | | | | | | | | | T | | |
| MDDT | Multi-disciplinary Design Team | | | | | | | | | A | | |
| Joint | Joint (Carlisle City Council / Principal Contractor) | | | | | | | | | Closed | | |
| | | | | | | | | | | Updated | | |
| | | | | | | | | | | Risk addressed and closed | | |
| | | | | | | | | | | Updated / new risk | | |
| | | | | | | | | | | | | |
| Activity ID | Risk Description | | | Consequence of Risk | Likelihood | Impact | Risk Rating | Owner of Risk | Current Action Owner | Status | Strategic Notation | Mitigation Action / Comment |
| DD5 | Change control | | | Changes in the scope of the project have cost, programme and quality impacts | 3 | 3 | 15 | CCC | PE | L | R | Introduce a robust change control process to ensure that changes are identified, assessed and recorded. |
| | | | | | | | | | | | | |
| Environmental Including Legislation | | | | | | | | | | | | |
| EIL1 | Noise and dust control | | | Negative Press and Media relating to the project due to objections from the construction activities that impact on the local neighbourhood such as dust, noise, etc. | 2 | 3 | 13 | PC | PC | L | R | A detailed Construction Method Statement will need to be provided that identifies measures to control dust and noise. |
| EIL2 | Ecology | | | Impact on existing ecology in surrounding banks to the river (such as impact through light spillage fro new centre and change in air quality) | 2 | 2 | 10 | MDDT | MDDT | L | R | Commission ecology report immediately after Full Council decision in January 18. Liaise with British Waterways as soon as possible. |
| 78 | | | | | | | | | | | | |
| BREEAM | | | | | | | | | | | | |
| B1 | BREEAM is not currently part of the Brief, but the LZCT (Low Zero Carbon Technologies) Funding requires BREEAM Very Good as a minimum, preferably Excellent. BREEAM Excellent can add up to 10% to the construction cost. | | | Failure to achieve required BREEAM rating to attract LZCT funding | 2 | 4 | 16 | CCC | MDDT | L | AC | Appointment of consultant to drive BREEAM assessment and collate evidence for targeted credits. This will be a condition for the Principal Contractor to achieve for Practical Completion if required |
| | | | | | | | | | | | | |
| Health & Safety/ Access & Strategy | | | | | | | | | | | | |
| H&S1 | Failure to comply with the CDM Regulations 2015 | | | Non-compliance and fines. Damage to Council / Principal Contractor reputation | 1 | 5 | 17 | Joint | Joint | L | AC | Appoint CDM Adviser to ensure Council informed of their duties under CDM Regulations 2015. Agree who will act as Principal Designer. Monitor and evidence the Council, designers ensuring compliance by Principal Designer and Principal Contractor |
| H&S2 | Segregation of potential large number of customers and staff using the retained events centre if construction works are phased. | | | High number of people and traffic movements in close proximity of construction activities being on the edge of the pay and display car park and events space. | 4 | 3 | 17 | CCC | MDDT | L | AC | Robust traffic management plan and H&S plan required ensuring minimum impact as part of the planning application |

Risks and Opportunities Register

| Project: | | Sands Leisure Centre Redevelopment, Carlisle | | Likelihood/ Impact Scoring | | Status Notification | | Strategic Notation | | |
|--------------------------|--|---|-------------|----------------------------|-------------|---------------------|---------------------------|---|--------------------|--|
| Date of review: | | 05-Nov-17 | | 1 or 2 | L | CO | Closed Out | The risk rating is calculated by 2 x likelihood + 3 x impact | | |
| Version: | | 3 | | 3 | M | L | Live | | | |
| Risk owner: | | | | 4 or 5 | H | | | | | |
| Risk Register Parameters | | | | | | | | | | |
| CCC | Carlisle City Council | | L = 00 - 07 | | AC | | Accept & Control | | | |
| PC | Principal Contractor | | M = 08 - 17 | | R | | Reduce (Mitigate) | | | |
| PE | Pick Everard - Employer's Agent Team | | H = 18 - 25 | | T | | Transfer | | | |
| MDDT | Multi-disciplinary Design Team | | | | A | | Avoid | | | |
| Joint | Joint (Carlisle City Council / Principal Contractor) | | | | Closed | | Risk addressed and closed | | | |
| | | | | | Updated | | Updated / new risk | | | |
| Activity ID | Risk Description | Consequence of Risk | Likelihood | Impact | Risk Rating | Owner of Risk | Current Action Owner | Status | Strategic Notation | Mitigation Action / Comment |
| FZ1 | Construction of new extension on Flood Zone Level 3 | The site has previously flooded and consequently there is a flood risk to the new extension with potential for additional costs to comply with Environment Agency (EA) requirements. Options could include: 1) Acceptance that the new extension / retained events centre and site could flood again and include for flood resilient materials in the design; 2) Include for raising key areas of the new extension such as the pool hall and pool tanks, filtration plant room, incoming services, boilers, plant, etc.; and 3) Improvements to existing flood defence measures such as the disabled ramp and or local defence barriers installed to external doors. Detailed consultation has not yet been held with the EA who could ask that further parts of the new extension are also raised to a flood event level, whilst Buro Happold initially believe this is unlikely because of creating further problems downstream. | 5 | 5 | 25 | CCC | MDDT | L | T | Consult with the Environment Agency at the earliest opportunity. Ensure that flood risk specialist undertakes an assessment of the flood risk designation with consideration to existing / potential Environment Agency improvement / flood defence works. Design and incorporate flood risk prevention measures into the new extension. |
| 79 | | | | | | | | | | |
| Location | | | | | | | | | | |
| L1 | Disruption to existing events centre | Damage to Council / Principal Contractor reputation. | 3 | 3 | 15 | PC | PC | L | AC | Council to consider in their Comms Plan. Contractor to implement work in controlled phases, communicate and update the centre. Segregate works and control noise, dust and deliveries. Ensure emergency contact details for Principal Contractor are distributed. |
| L2 | Disruption to existing car park / insufficient car park space | Insufficient car park space that negatively impacts on the new leisure centre | 4 | 4 | 20 | PC | PC | L | AC | Ensure sufficient car parking to meet planning requirements given existing designation for leisure centre. |
| Construction | | | | | | | | | | |
| C1 | Hazards in construction | Accident on site or to member of the public | 1 | 2 | 8 | PC | PC | L | AC | Principal Contractor Safety Officer to visit site for high risk elements and submits reports. Safety report attached to monthly Contractors progress report. |
| C2 | Car parking numbers will be affected during the construction phase | Not able to create required alternative car parking to offset the lost car parking | 2 | 4 | 16 | CCC | CCC | L | AC | Establish off site parking for contractor but enable deliveries. |
| C3 | Post contract design changes to be minimised during the construction phase | Additional cost / delays to project. | 2 | 3 | 13 | CCC | CCC | L | AC | Ensure comprehensive Employer's Requirements in place and that a clear change control procedure is in place to manage the impact. |

Risks and Opportunities Register

| Project: Sands Leisure Centre Redevelopment, Carlisle | | Likelihood/ Impact Scoring | | Status Notification | | Strategic Notation | | | | | |
|---|---|--|-------------|---------------------|--------------------|---|---------------|----------------------|--------|--------------------|--|
| Date of review: | 05-Nov-17 | 1 or 2 3 4 or 5 | L M H | CO L | Closed Out Live | The risk rating is calculated by 2 x likelihood + 3 x impact | | | | | |
| Version: | 3 | | | | | | | | | | |
| Risk owner: | | Risk Register Parameters | | | | | | | | | |
| CCC | Carlisle City Council | L = 00 - 07 | | | | | | | | | |
| PC | Principal Contractor | M = 08 - 17 | | | | | | | | | |
| PE | Pick Everard - Employer's Agent Team | H = 18 - 25 | | | | | | | | | |
| MDDT | Multi-disciplinary Design Team | | | | | | | | | | |
| Joint | Joint (Carlisle City Council / Principal Contractor) | | | | | | | | | | |
| Activity ID | Risk Description | Consequence of Risk | | Likelihood | Impact | Risk Rating | Owner of Risk | Current Action Owner | Status | Strategic Notation | Mitigation Action / Comment |
| Site Investigation & Remedial Works | | | | | | | | | | | |
| S11 | Extensive utility services encountered below the new extension | All incoming services come across Eden Bridge next to the site. The services then come through the car park where the proposed footprint is extended. The extent and location of the services and the cost associated with diverting them may impact the layout and footprint of the new extension. Programme delay and significant additional cost for service diversions / new utility costs | | 4 | 4 | 20 | CCC | MDDT | L | T | Early CCTV surveys of the below ground services and incoming feeds will be crucial to mitigate this risk. This needs to be undertaken at the earliest opportunity following the Full Council's decision whether to proceed with the project or not. Undertake early utility searchers and appropriate site investigation works and reporting, linked to the design development process and tracked by the cost plan |
| S12 | Unknown below ground structures | Programme delay and significant additional cost | | 2 | 4 | 16 | CCC | MDDT | L | T | Site Investigation Report commissioned by Chorley Council. EWC has reviewed and accepted the investigation findings. Eric Wright Construction has also undertaken further site investigation works the findings from which will be included in their Stage 4 submission and Contractors Proposals. |
| S13 | Existing site conditions result in more onerous design | Programme delay and significant additional cost | | 2 | 5 | 19 | CCC | MDDT | L | T | Undertake early searchers and try to obtain historic information that could inform the stage 2 design, programme and cost on the site conditions. Undertake site investigation works at the earliest opportunity to inform the detailed design. |
| Utilities | | | | | | | | | | | |
| U1 | Extensive utility services encountered below the new extension | Additional diversions required. Programme delay and significant additional cost | | 4 | 5 | 23 | PC | PC | L | T | Undertake slot trenches to verify the position of underground services and undertake thorough site investigation works |
| U2 | Accuracy of utility drawings & information | Additional diversions required. Programme delay and significant additional cost | | 3 | 3 | 15 | PC | PC | L | T | Undertake slot trenches to verify the position of underground services and verify through site investigation works |
| Third Party Agreements | | | | | | | | | | | |
| TP1 | Breach of third party agreements | Agreements not forthcoming | | 3 | 3 | 15 | CCC | CCC | L | AC | Ensure that Third party agreements back to back with Employer's requirements |
| TP2 | Construction works negatively impact on existing events facility | Customers put off using arts and events centre. Project negatively impacts on the existing Sands Centre | | 4 | 4 | 20 | PC | Joint | L | AC | Ensure stakeholder engagement with Arts Council and consider events programme. Build requirements / programme into Employer's Requirements |
| Through Life | | | | | | | | | | | |
| TL1 | The impact of Brexit negotiations on the general economy will affect income / success of The Sands Leisure Centre | Loss of Council income to offset expenditure | | 3 | 3 | 15 | CCC | CCC | CO | AC | Ensure sports and leisure specialist on business case to define Outline Brief |

Sands Leisure Centre Option 2

RIBA Stage 2 Summary of Anticipated Costs

1.0 Anticipated Costs

- 1.1 Pick Everard has provided an indicative headline construction cost for Option 2, as set out below. This has been provided using the design brief produced by GT3 Architects and other information produced by the professional design team. Reference to Sport England design guidance and cost data plus our own internal benchmark information provided by the design team consultants and principal check quantities has informed the anticipated costs.

2.0 Option 2 Cost Summary

| Accommodation | | |
|------------------|--|-------------------|
| 2.1 | Ref Internal Floor Areas | GIFA/m2 |
| | a) Sands Centre Proposed Area | 5900 |
| | b) NHS Physiotherapy Unit Facility | 265 |
| | Total GIFA/m2 | 6165 |
| Anticipated Cost | | |
| 2.2 | Ref Facility | £ |
| | 1 25m x 17m 8 lane pool, 20 x 8m learner pool and sports hall, health and fitness and ancillary accommodation | 12,476,294 |
| | 2 NHS Physiotherapy Unit Facility | 625,000 |
| | 3 Additional allowance for Consequential improvements to existing Sands Centre to meet with current Building Regulations | 1,310,129 |
| | 4 Refurbishment of existing Sands Centre | 290,000 |
| | 5 Retractable seating to Retained Events Centre | 360,000 |
| | 6 Demolition and temporary works to existing Sands Centre | 210,000 |
| | 7 External works to site to include car parking and landscaping | 250,000 |
| | 8 Incoming stats connections/diversions | 350,000 |
| | 9 Flood resilience measures to facility (included in new build) | 50,000 |
| | 10 Additional allowance for highways costs | none included |
| | 11 Additional allowance for groundworks abnormals | 500,000 |
| | 12 Allowance for attenuation/headwall | 80,000 |
| | 13 Allowance for tree protection/replacement | 20,000 |
| | Sub total | 16,521,423 |
| | 14 Professional Fees | 1,293,200 |
| | 15 Contingency @10% | 1,652,142 |
| | Anticipated Total High Level Budget Costs (excluding VAT) | 19,466,765 |

3.0 Base Notes, Assumptions and Exclusions

3.1 Items of Note

- 3.1.1 All figures have been rounded to avoid the impression of a greater level of accuracy than is realistically possible at this stage.
- 3.1.2 Base date for calculation of cost is 3Q2017.
- 3.1.3 An allowance for 'Moveable' floors to the learner pool is now included within the anticipated costs (previously excluded from the Abacus Summary report dated February 2017)
- 3.1.4 NHS Physiotherapy Suite anticipated cost is based upon an estimated space requirement of 265m². This has informed the figures, but the exact requirement for this facility is still to be confirmed by the NHS.
- 3.1.5 Additional allowance for Consequential Improvements to the existing Sands Centre is required to meet with current Building Regulations. For compliance purposes Carlisle City Council will need to budget up to 10% (maximum) of the cost of the new building works (considered an extension), at this stage. This would include the replacement of such items as boiler plant etc.; which is understood to be in need of replacement. This is a significant sum and further investigation is required to prove these allowances or de-risk as required.
- 3.1.6 Refurbishment of the existing Sands Centre is based on the estimated works required to be carried out that do not fall, by definition, into the Consequential Improvements cost as defined by the Building Regulations (e.g. redecoration). Such items have been identified within the report prepared by White Young Green, dated March 2017, for Carlisle City Council.
- 3.1.7 Demolition and temporary works to the existing facility includes an allowance for phasing and logistics associated with maintaining operation of the existing facility.
- 3.1.8 External works to site to include car parking and landscaping based on a 'GT3 Option I Do Minimum' scheme.
- 3.1.9 Allowances for Incoming stats connections/diversions has been re-assessed and is based upon the current information produced by the MDDT team.
- 3.1.10 £360,000 (item 5) added at request of Carlisle City Council from GLL figures for retractable seating to the Retained Events Centre.

3.2 Assumptions

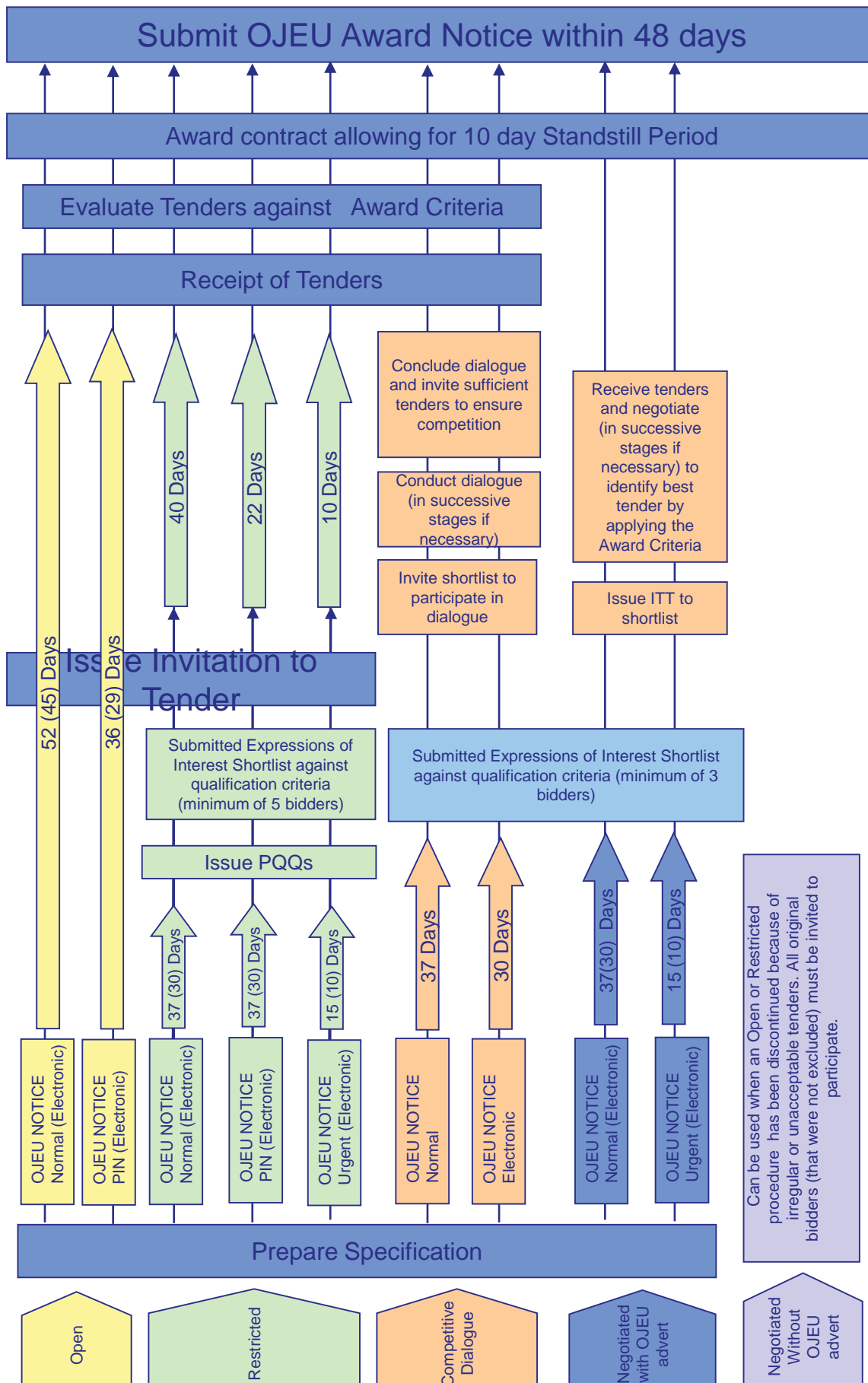
- 3.2.1 Pick Everard have costed a number of site specific or abnormal items using the information provided by the MDDT team. This has informed the figures including allowances for groundwork abnormalities. This is a significant sum and further investigation is required to prove these allowances or de-risk as required.
- 3.2.2 BREEAM Very Good Rating is not required as part of the CURRENT project brief; the additional cost required to meet with these ratings is estimated to be an additional sum of £35,000.00
- 3.2.3 BREEAM Excellent Rating/LCZT is not required as part of the project brief; the cost required to meet with the change in rating from 'Very Good' to 'Excellent' ratings is estimated to be an additional sum of £725,000.00, over and above that sated for BREEAM 'Very Good'
- 3.2.4 Fixtures for the assembly of Gymnastic equipment to be installed to walls, floors and ceiling areas will be provided by GLL.

3.3 Exclusions

- 3.3.1 Planning application fees
- 3.3.2 BREEAM requirements
- 3.3.3 Temporary Sands Centre/Staffing accommodation requirements
- 3.3.4 Fixed Furniture and Equipment required by GLL is excluded from these costs (e.g. Fitness suite equipment, Gymnastic equipment, Sports Equipment such as Badminton posts and netting, trampolines, floor mats' etc.)
- 3.3.5 Booms to the main swimming pool.
- 3.3.6 Fixed Furniture and Equipment required by the NHS for the Physiotherapy Unit are excluded from these costs
- 3.3.7 Additional allowance for highways costs
- 3.3.8 Additional allowance for any upgrade to the existing car parking arrangements.

OJEU Process Chart

Click the first arrow of each procedure to link to a more detailed flowchart



Reference: PCD41-A

Released: 16/02/2015

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 18 DECEMBER 2017

EX.132/17 SANDS CENTRE REDEVELOPMENT
(Key Decision – KD.33/17)

Portfolio Finance, Governance and Resources; Culture, Heritage and Leisure

Relevant Scrutiny Panel Health and Wellbeing; Business and Transformation

Subject Matter

The Culture, Heritage and Leisure Portfolio Holder submitted report CS.31/17 considering proposals to redevelop the Sands Centre.

The report set out the background position. In February 2017, Abacus Cost Management (Abacus) had produced a high level feasibility exercise to consider two main development options:

Option 1: would relocate swimming provision only to the Sands Centre at an estimated cost of £7.4m.

Option 2: would deliver the full extent of the Council's Sports Facilities Strategy on the Sands Centre site. Abacus estimated Option 2 at £14.2m (excluding VAT) for a scheme delivering all elements of the Council's Sports Facilities Strategy. Sport England had previously advised that this option provided a greater opportunity of securing their investment as the facility would better meet demand requirements.

Following extensive review of the Council's Sports Facilities Strategy in conjunction with the notion that Sport England was unlikely to support Option 1 the Executive had, on 8 May 2017, decided to discount Option 1 and to proceed with Option 2 for the progression of an RIBA Stage 2 – Concept Design for the Sands Centre Redevelopment including both the wet and dry provisions.

The Portfolio Holder stated that, as Members were aware, the Sands Centre was a high profile project which was generating interest locally and sub-regionally. She emphasised that the facility must achieve the aspirations outlined in the Council's Sports Facilities Strategy from a strategic, operational and financial perspective with the aim of improving the fitness offer to the local and sub-regional community. The proposed redevelopment also linked with the Executive's wider priorities in terms of economic growth.

The Portfolio Holder then gave an overview of the proposed development options and approach for the Sands Centre redevelopment (as outlined in the Council's Sports Facilities Strategy). She further referenced the anticipated capital costs; the developed

programme and risk register; and the initial considerations with regard to alternative procurement options for the Principal Contractor.

Members were advised that the report was to be read in conjunction with the accompanying Appendices.

The Culture, Heritage and Leisure Portfolio Holder concluded her presentation by formally moving the recommendations set out in Report CS.31/17, which were formally seconded by the Deputy Leader, and Finance, Governance and Resources Portfolio Holder.

In addition, the Deputy Leader, and Finance, Governance and Resources Portfolio Holder echoed the views expressed by the Portfolio Holder in terms of what was a complicated but exciting project. Clearly the funding options / financing element would be key and he looked forward to the matter progressing through the democratic process.

Summary of options rejected None

DECISION

That the Executive:

1. Had given consideration to Report CS.31/17 and the accompanying appendices.
2. Referred the item to the Health and Wellbeing and Business and Transformation Scrutiny Panels, at their joint meeting on 29 January 2018.
3. Sought the Scrutiny Panels' views on the redevelopment proposals and the funding and procurement options laid out.
4. Would take those proposals into account when proposing the Executive Budget to Council.

Reasons for Decision

The redevelopment of the Sands Centre complex would deliver the key aspirations of Carlisle City Council's Sports Facilities Strategy, deliver the reductions in leisure contract subsidy enshrined in the new Leisure Contract, and replace / renovate existing facilities as, or more efficiently, than fulfilling the anticipated repair liabilities at the Pools and Sands Centre sites

BUDGET PROCESS 2018/19

The Leader referenced Agenda items A.1 (a), (b), (c) and (d) and outlined the process which would be adopted in presenting those items to the Executive.