

Business & Transformation Scrutiny Panel

Meeting Date: 24th February 2022
 Portfolio: Leader, cross cutting
 Key Decision: No
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: SANDS CENTRE PROJECT MONITORING REPORT
 Report of: The Deputy Chief Executive
 Report Number: CS 05/22

Purpose / Summary:

The Purpose of this report is to update the Business and Transformation Scrutiny Panel on the current progress of the redevelopment of the Sands Centre site, and to consider any feedback / questions from the Panel. The report also provides an update of the measures undertaken to manage or adapt the existing project proposals to deal with:

- a) Progress with the main contract works.
- b) A requirement to update existing infrastructure in the events space to manage public safety systems to meet with current legislation.
- c) Working practices evolving from the management of the risks associated with the COVID -19 pandemic.
- d) Working practices evolving from the management of the Brexit Agreement arrangements and other supply chain and transportation issues.

Recommendations:

That Business and Transformation Scrutiny Panel review the report, note the progress made and respond with any feedback and / or questions.

Tracking

| | |
|------------|---|
| Executive: | - |
| Scrutiny: | - |
| Council: | - |

1. BACKGROUND

- 1.1** The replacement of James Street Pools and the redevelopment of The Sands Centre site to improve wet and dry side sporting provision has been a long-term aspiration for the Council. Previous Council reports (6th March 2018, CS 16/18 and 25th June 2019, CS 17/19, 17th September 2020 CS 22/20 and 7th October CS 42/21) provide detailed background commentary on the development of the project and its progress via Scrutiny and Executive committees.

2. PROPOSALS UPDATE

2.1 Main Works Contract – progress update:

Since the last Scrutiny Panel report the following progress has been made on the project:

- a) The site establishment, cleaning staff and welfare arrangements have been maintained at enhanced levels to accommodate an increase in the workforce whilst providing sufficient working space, ablution facilities and cleaning regimes to manage the risk of the transmission of COVID-19 within the site workforce, deliveries, and visitors to site. The site is working to SOP version 8 standard of Construction industry COVID guidance. This facility will be retained for the remainder of the site works to mitigate any future risk.
- b) The Environment Agency work to the flood gates at the Sands and Swifts Bank have now been completed.
- c) The tanks for the two swimming pools are complete and have passed the water retaining test. Work is now underway to bench the main pool structure, fit the pool equipment, and install the finishes and equipment.
- d) Work on the RIBA stage 5 specialist subcontractor design elements to coordinate with the main work designs is ongoing. The subcontractors are currently working on links to the existing building, NHS installations, fixture and fittings, external works, and finishes.
- e) The roof slab, external frame, substructure, and intermediate floor slabs are complete. Work is underway to fit the external cladding, curtain walling and windows to make the building weathertight.
- f) The new electricity substation is now complete and the original PV units have been removed from storage and fitted to the roof.
- g) Work is underway to form the rooms on each floor. The ground floor is generally formed from block work for flood resilience. The upper floors are generally constructed out of double skin plasterboard.

- h) The mechanical and electrical first fix has commenced on all floors and some of the larger plant items have been brought to site for installation in the plant rooms at the first floor and room levels.
- i) Work on the discharge of planning, building control and statutory undertaker conditions, is ongoing. This includes the development of the consequential improvement strategy to comply with Part L of the Building Regulations. As explained in previous Sands Centre reports to Council, the development of the new facilities alongside the existing Events Hall places a responsibility on the Council to improve the energy efficiency (and CO2 footprint) of the existing building as part of a redevelopment project. This area of work is proving challenging because of the omission of the replacement roof covering to the events hall as part of this contract. One of the options available to the Council is to procure the work to the Events hall lighting as a separate package for installation during the tenant fit out phase of the work.
- j) Further survey work has identified issues with the existing life safety systems within the events centre, because of the condition of the existing systems, changes to legislation or obsolescence of the system components to maintain service during the construction works and their suitability for re-connection to the new systems on completion of the leisure works e.g., CCTV cameras and fire safety for a public building. These issues are currently being explored in terms of repair and / or replacement requirements.

2.2 COVID-19 implications on the Main Contract

Since March 2020 it has become clear that the COVID-19 pandemic has brought about serious implications for all economic sectors. The construction sector has needed to pay attention to areas of work such as material supply, travel to and from site, on site risks and working practice and the provision of enough, clean welfare facilities.

Wates have responded to the pandemic by developing additional management and staff guidance to provide up to date information for all levels of the business. The working arrangements developed by Wates during this period have followed the benchmarks laid out by the Construction Leadership Council (CLC). These CLC safe working procedures have been developed and updated to reflect the latest government guidance. The CLC has now produced Version 8 of this guidance and Wates have developed their onsite plans to reflect this.

Provision has been made within the contract documents to ensure an element of shared risk management for quantifiable risks in terms of cost and programme constraints.

If further significant local or national or international restrictions were imposed which restrict the flow of the workforce to the site and/or materials to site, Wates are entitled to review the impact of such restrictions on the costs and programme. If a proven cost can be shown, Wates can make a claim for compensation under the terms of the Contract. This is an unquantifiable risk but through proper contract administration the mechanisms exist within the Contract to allow the Council to make representations as part of that process.

WCL, CCC and the project team review the guidance and COVID management plan periodically to ensure that it remains up to date and relevant for the management of the risks as far as reasonably practicable.

2.3 Brexit Agreement implications on the Main Contract

A Brexit plan had been developed with WCL prior to entering Contract, to try and quantify the risk and manage the impact of Brexit on time or cost, for something which was not published at the time of entering the contract and is currently evolving. The plan was based on a review of the availability of key areas of the workforce, the location of the designers for some of the specialist design work, the ownership, source of the raw materials and finished products likely to be used to build and operate the project.

The review of the Brexit plan, like the COVID and Flood plans, is an ongoing process to reflect the construction activities and programme. The plan is updated periodically to identify any emerging risks and mitigate them where possible.

We are currently experiencing challenges to availability, delivery times and costs on cement-based produces and cladding materials. It isn't clear at this stage whether the cause has its origin in the COVID pandemic or Brexit. Measures have been put in place to source alternative supplies or purchased materials in advance and store them where possible.

Risk reduction meetings have increased in frequency and are now held weekly with the contractor and project management teams to ensure that any issue which may impact on the time or cost of the delivery of the project are identified in advance, where possible, and an agreed solution put in place to mitigate the risk.

Despite the joint measures put in place to maintain a supply of subcontractors and materials and keep price rises to a minimum, we are now starting to encounter

difficulties obtaining the materials specified, lead in times have now increased significantly and fixed price periods are coming to an end.

2.4 Main contract - Programme

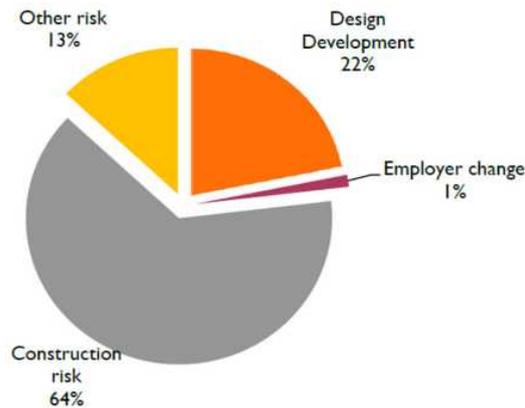
- The main works contract is currently in week 62 of 98. (w.c.31/1/22).
- The project is one week behind programme due to issues with the availability of materials and staff shortages because of COVID, but we have reason to believe that a significant proportion of the float time has been used up.
- The second scheduled shut down of the Event space is underway. The focus of this visit is to bring the gantry up to current safety standards and to do the preparation work for re-joining the two halves of the Sands building.
- The sectional completion of the leisure centre is still on target for July 2022 although the float in the programme has in effect been reduced by one week due to current supply chain issues. The main contract is due to complete in October 2022.

2.5 Main contract - Budget

- The main contract work element of the project is valued at circa £21 m.
- The remainder of the £27 m budget is allocated to other costs associated with the delivery of the project. This includes the delivery and maintenance of the temporary facilities at the former Newman School and onsite at the Sands.
- The contract has been let using an NEC form of contract. A key feature of this form of contract is the collaborative approach to identifying construction issues as they arise and agree a solution. Part of this process is issuing Early Warning Notices which is then followed by an administrative process which works through potential solutions including any time or cost implications. There have been 147 Early Warning Notices, 152 Compensation Event Notices and 144 Project Manager instructions issued to date.
- The main contract and delivery costs are currently on target to stay within budget. Approximately three quarters of the contingency has been set aside to

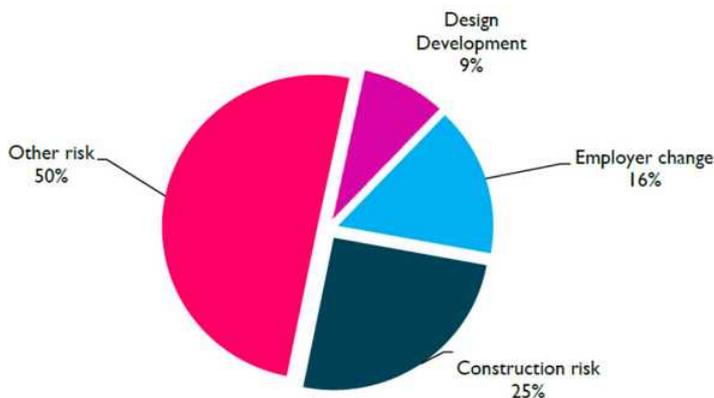
cover the cost of CE's received or anticipated to date. There are some significant risks which have yet to crystallise which may impact on this outcome. This is an ongoing cyclical process which is tabled, discussed, and progressed on a weekly basis with the Sands project board members.

Analysis of Instructed changes



| Value of change by origin | |
|---------------------------|---------|
| Design Development | 41,664 |
| Employer change | 2,465 |
| Construction risk | 121,976 |
| Other risk | 24,771 |
| Value Engineering | 0 |
| Value of change by status | |
| Instructed / Implemented | 190,876 |
| Quotation stage | 0 |
| Estimated | 0 |

Analysis of Anticipated changes



| Value of change by origin | |
|---------------------------|---------|
| Design Development | 75,750 |
| Employer change | 137,104 |
| Construction risk | 219,125 |
| Other risk | 434,861 |
| Value Engineering | 0 |
| Value of change by status | |
| Quotation stage | 0 |
| Estimated | 791,027 |

- £12m of main contract work has been certified to date. This is a little behind the projected cashflow. The next valuation is due within the next few days.

3. RISKS

- 3.1** Throughout the design process the project team have been working together to identify and eliminate or reduce budget, construction, project, and safety risks for all the stakeholders, wherever possible.

This is an ongoing process which is managed through the NEC 3 form of contract using an Early Warning Notice system – where all parties to the contract have an opportunity to provide an input into the identification and management of risk in a collaborative setting. The Early Warning Notice is reviewed to confirm the merit of its content and the likely impact on the project. The result of this review will then determine what action should be undertaken to reduce, mitigate or remove the risk.

Appendix E contains the most up to date corporate strategic risk register for the project.

4. CONSULTATION / PARTNERS - OTHER CONSIDERATIONS RELATED TO THIS PROJECT

4.1 Sport England Funding Award

The Council has worked progressively with Sport England throughout the life of this project (since 2015) and has greatly appreciated the support grant funding, technical and sports planning guidance received from their officers and consultants.

Having produced a Strategic Delivery Model for the Sands Centre in August 2018, the Council submitted this document as part of an Expression of Interest to the Sport England Investment Committee in October 2018.

On 6th March 2019 the Sport England Investment Committee approved the award of an investment of £2M subject to the completion of a standard funding agreement. Further to this Sport England approved an additional £200k of funding support prior to the Council report in September 2020. Officers have now executed the funding agreement and drawn down the funds.

Representatives from Sport England have attended site at key stages during the construction to inspect progress on site where a particular recommendation has been requested as a condition of the award.

4.2 **NHS**

The NHS continue to occupy temporary facilities at the Blessed Christopher Robinson House (former Newman School) together with GLL our leisure operator. They have been engaged in the development of RIBA stages 3 and 4 for the main contract.

A meeting has recently taken place between representatives of the sands board and the NHS to provide an update on progress and agree terms of reference for the occupation of the physiotherapy section of the new building.

4.3 **GLL**

GLL currently occupy temporary facilities at the Blessed Christopher Robinson House (former Newman School) and adjoining sports hall. GLL also occupy and operate the events centre on site at the Sands.

Regular construction coordination meetings, design team meetings and progress meetings take place with representation from GLL, in addition to the separate leisure contract administration. The purpose of this series of meetings it to produce a coordinate approach to work in partnership on a congested site and on a technically challenging project.

Work is underway to establish key dates and programme constraints for tenant installation work and the training necessary to open the new leisure facility.

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”*.

In addition, project also contributes to the following other priorities:

“Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.”

“Promote Carlisle regionally, nationally and internationally as a place with much to offer - full of opportunities and potential.”

Contact Officer: Darren Crossley

Ext: 7004

| | |
|-------------------------------------------|-------------------------------------------|
| Appendices attached to report: | Appendix A – Site Boundary Plan |
| | Appendix B – Ground Floor Plan |
| | Appendix C – First Floor Plan |
| | Appendix D – Site Progress Photos |
| | Appendix E – Project Risk Register |
| | Appendix F – Cashflow forecast |

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

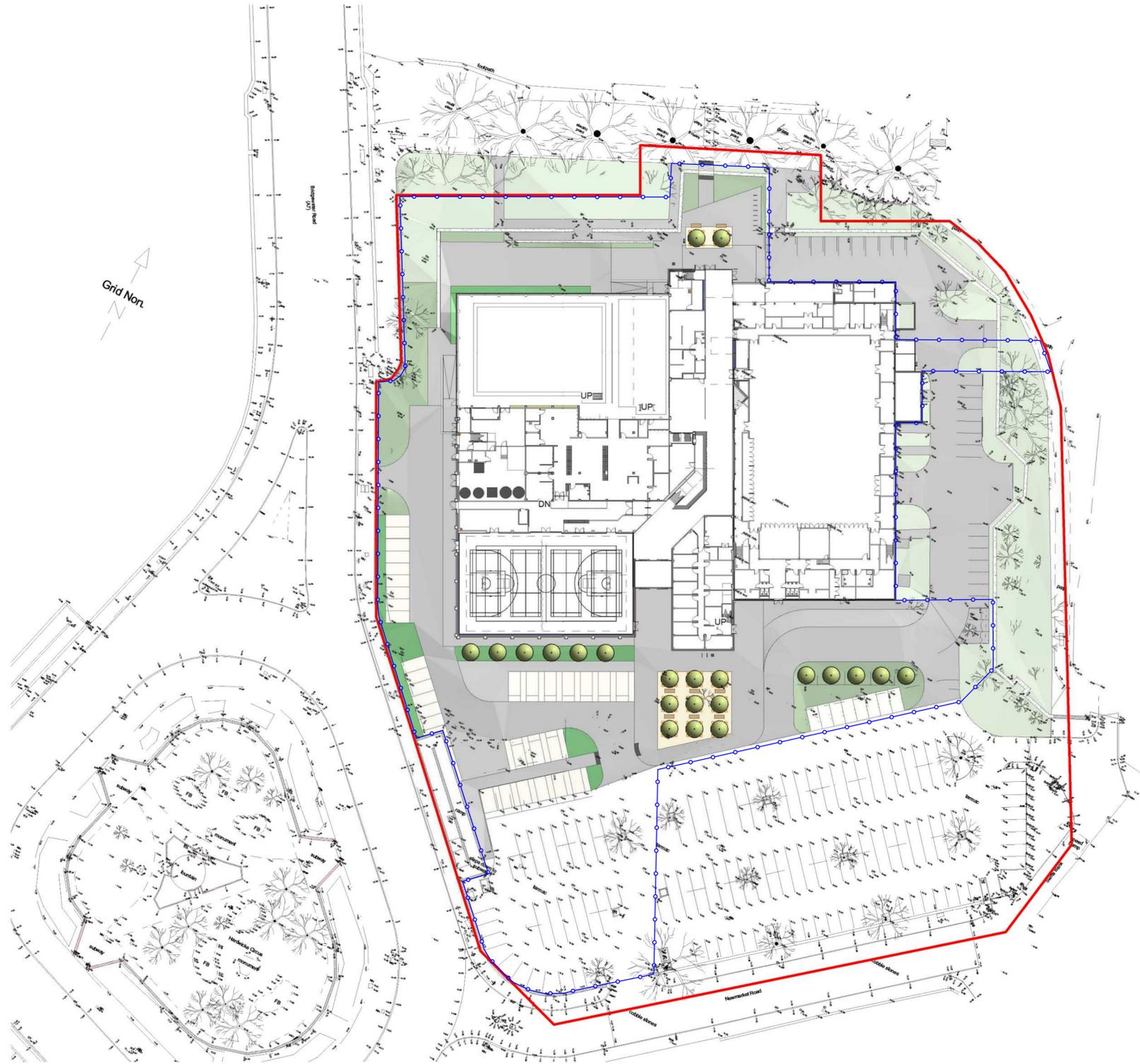
CORPORATE IMPLICATIONS:

LEGAL –

FINANCE – The project is part of the Council’s capital programme and is monitored on a monthly basis to ensure any financial implications of the project are brought to light as early as possible.

EQUALITY –

INFORMATION GOVERNANCE –



Proposed Site Plan
Scale: 1:500

KEY

— PLANNING SITE BOUNDARY

—○— CONSTRUCTION SITE BOUNDARY

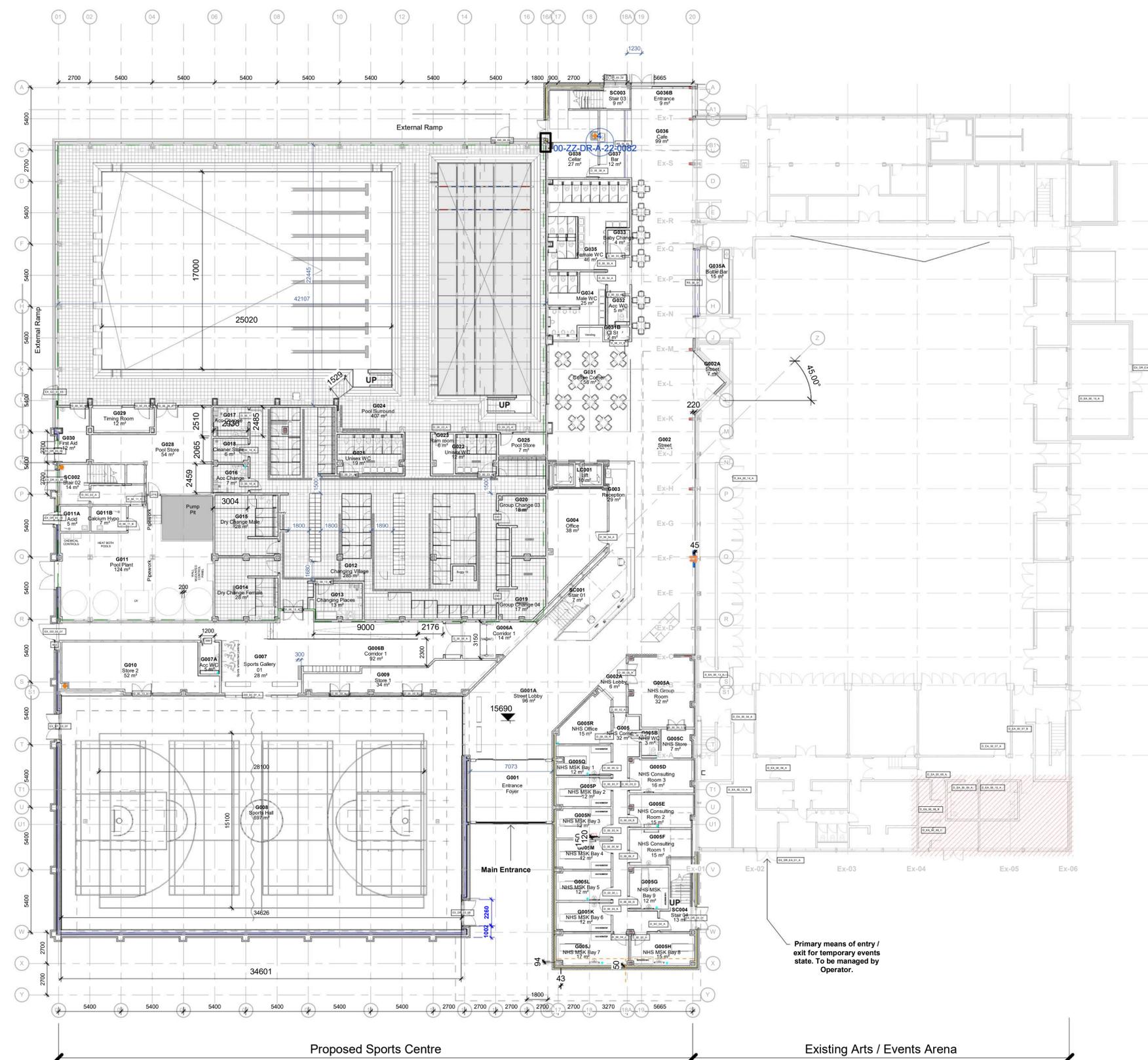
18009-SLC-WCL-ZZ-ZZ-W-0002 rev 01

CONSTRUCTION SITE BOUNDARY PLAN

| Rev | Date | Revision notes |
|-----|------------|---------------------------------------------------------------|
| 00 | 13.03.2019 | First issue |
| 01 | 23.03.2020 | Boundary extended to incorporate HV connections and hoardings |



| Linked Revit Model - Names / Version | |
|--------------------------------------|---------------------------------------------|
| Discipline | Model Name |
| Existing Building | 12292-Existing-The Sands 2018-SI-ZZ-M3 |
| MEP | 17024-BHE-XX-ZZ-M3-MEP-0001_WIP_P01.19 |
| Structural | 17024-BHE-XX-ZZ-M3-S-0001-P03.7-17.07.2020 |
| Context | 17024-GT3-00-ZZ-M3-A-LANDSCAPE-CENTRAL-2018 |
| Landscape | GT1385-00B-SI-ZZ-M3-L-0001_P15 |



--- Denotes Environment Wall line from wet to dry Environments

Secondary means of entry / exit for temporary events state. To be managed by Operator.

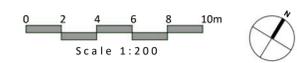
Primary means of entry / exit for temporary events state. To be managed by Operator.

| Rev | Description | Date | Rev. By |
|-----|----------------------------------|------------|---------|
| B | Issued For Contract | 14/09/2020 | SSE |
| A | Issued For Construction | 15/04/20 | SSE |
| P08 | Updated To Reflect BCO Comments | 25/02/20 | JAM |
| P07 | Updated To Reflect BCO Comments | 20/02/20 | SSE |
| P06 | Employers Requirements | 06/02/19 | MPH |
| P05 | Stage 4A Issue - For Tender | 18/01/19 | SSE |
| P04 | Stage 4A Issue | 13/12/18 | SSE |
| P03 | Updated Stage 03 Following RTA 6 | 20/11/18 | SSE |
| P02 | Revised Stage 3 Design | 25/10/18 | SSE |
| P01 | Stage 3 Issue | 19/07/18 | SSE |

Stage 5
 Carlisle City Council
 The Sands Leisure Centre
 Newmarket Rd, Carlisle CA1 1JQ

Level GF Proposed GA
 GT3 JOB NO: 17024
 DWG NO: 17024-GT3-00-GF-DR-A-20-0001-S2-B
 SCALE: As indicated @A1
 DRAWN BY: SSE
 CHECKED BY: PRe

DO NOT SCALE
 ALL DIMENSIONS TO BE VERIFIED ON SITE

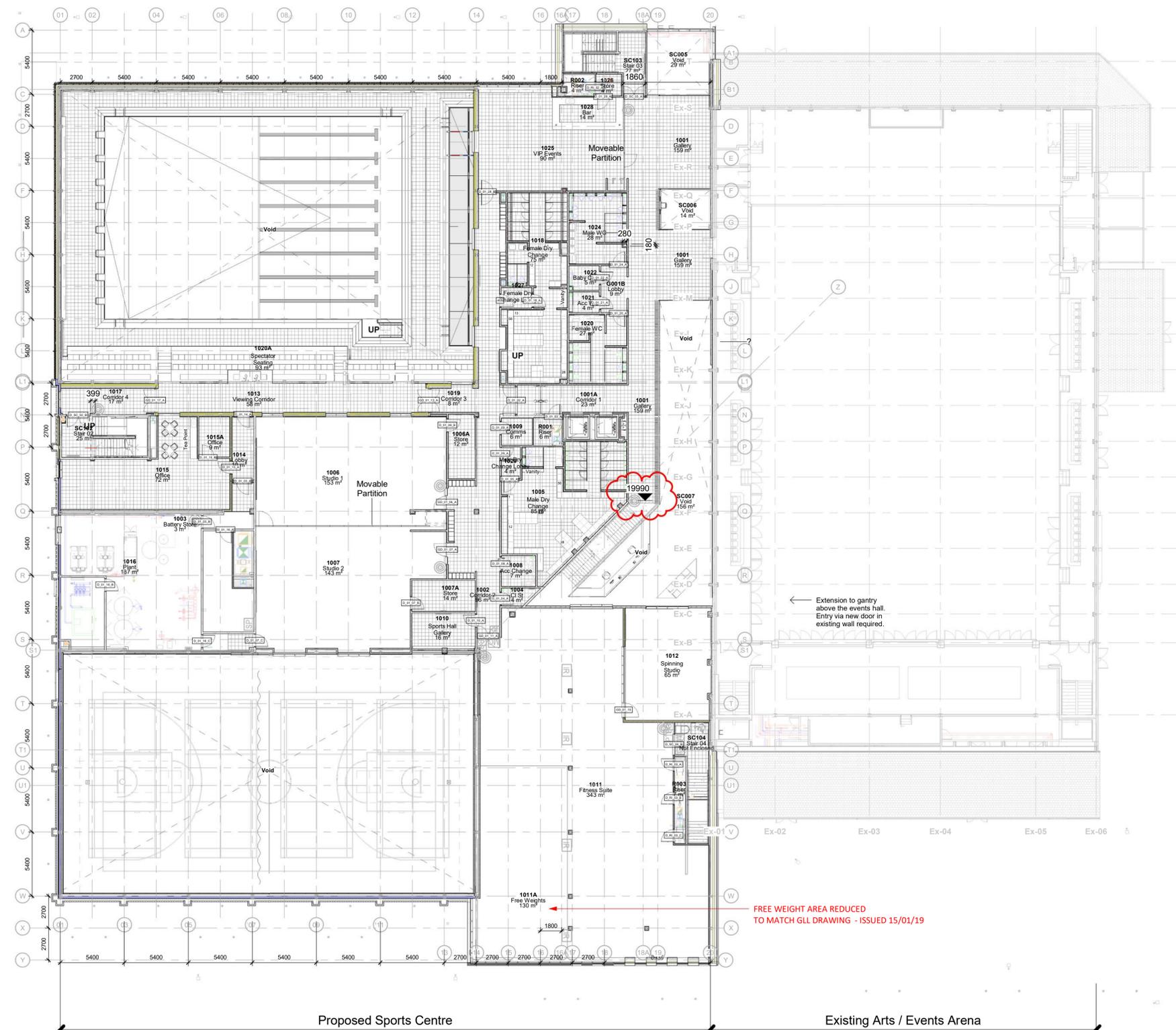


This information has been based upon information supplied by third parties and as such its accuracy cannot be guaranteed. All features are approximate and subject to clarification.

Do not scale this drawing. Use figured dimensions in all cases. Check all dimensions on site. Report any discrepancies to GT3 Architects before proceeding.

| Linked Revit Model - Names / Version | |
|--------------------------------------|---------------------------------------------|
| Discipline | Model Name |
| Existing Building | 12292-Existing-The Sands 2018-SI-ZZ-M3 |
| MEP | 17024-BHE-XX-ZZ-M3-MEP-0001_WIP_P01.19 |
| Structural | 17024-BHE-XX-ZZ-M3-S-0001-P03.7-17.07.2020 |
| Context | 17024-GT3-00-ZZ-M3-A-LANDSCAPE-CENTRAL-2018 |
| Landscape | GT1385-00B-SI-ZZ-M3-L-0001_P13 |

--- Denotes Environment Wall line from wet to dry Environments



← Extension to gantry above the events hall. Entry via new door in existing wall required.

FREE WEIGHT AREA REDUCED TO MATCH GLL DRAWING - ISSUED 15/01/19

| Rev | Description | Date | Rev. By |
|-----|--------------------------------------------------|------------|---------|
| C | Issued For Contract | 14/09/2020 | SSE |
| B | Updated to Reflect WCL comments | 18/05/2020 | SSE |
| A | Issued For Construction | 15/04/20 | SSE |
| P08 | Updated to suit WCL W1 set comments | 27/03/20 | SSE |
| P07 | Employers Requirements | 08/02/19 | MPH |
| P06 | Stage 4A Issue - For Tender | 16/01/19 | SSE |
| P05 | Stage 4A Issue | 13/12/18 | SSE |
| P04 | Updated Stage 03 Following RTA & Client Comments | 26/11/18 | SSE |
| P03 | Stage 03 Following RTA | 12/11/18 | SSE |
| P02 | Revised Stage 3 Design | 25/10/18 | SSE |
| P01 | Stage 3 Issue | 19/07/18 | SSE |

STAGE 5
 Carlisle City Council
 The Sands Leisure Centre
 Newmarket Rd, Carlisle CA1 1JQ

Level 01 Proposed GA
 GT3 JOB NO: 17024
 DWG NO: 17024-GT3-00-01-DR-A-20-1001-S2-C
 SCALE: As indicated @A1
 DRAWN BY: SSE
 CHECKED BY: PRF

DO NOT SCALE
 ALL DIMENSIONS TO BE VERIFIED ON SITE



2nd Floor TWO
 Jesmond Three Storey
 Newcastle Upon Tyne
 NE2 1DB
 10191 2817700
 info@g3architects.com

Stanford House
 19 Castle Gate
 Nottingham
 NG1 7AQ
 10115 9470800
 www.g3architects.com



Level 01 - Proposed.
 Scale: 1 : 200

APPENDIX D – SANDS CENTRE REDEVELOPMENT progress photos

1) Timber cladding to the riverside elevation



2) Main swimming pool and spectator seating taking shape



3) First floor studios taking shape



4) Installation of new plumbing in the ceiling voids



5) Formation of the reception area and street



Corporate Risk Register – January 2022

The inclusion of the previous and current risk matrices shows the effect that the control strategies have had on risk ratings since the last update. A target risk matrix shows the risk level that the Council is aiming to achieve from the successful implementation of the control strategies and the date for when this will be achieved.

| CULTURE & SPORT | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| There is a risk that we fail to deliver the required new leisure facilities at the Sands Centre, on time and within budget and therefore do not meet the saving targets identified in the Medium-Term Financial Plan. | | | | |
| Present Matrix | Assessment Dates | Present Risk Score | Control Strategy/ Mitigating Actions | Target Risk Matrix |
| | Jan 2022 | 9 | <p>Since the last update the main works contract has been signed and work has started on the main site.</p> <p>An assessment has been made of the impact of Covid-19 based on current guidelines and mitigating measures have been built into the contract. These continued to be monitored in terms of available workforce, working restrictions, availability and price of products and services.</p> <p>Brexit – work is ongoing to mitigate, the impact of Brexit generated changes to supply and transportation on this and other capital works projects. Areas of particular concern are materials which are imported, manufactured from imported materials, or are currently produced in the UK by an overseas company. There is also some concern with the impact of the constructions industries reliance on a significant migrant workforce nationally and the impact this may have on the availability and retention of the work force locally.</p> <p>Since commencement of the project, we have also become aware of a requirement to undertake works to the main hall roof which has RAAC as part of the structure. A failure to address the issue now will increase the cost of repair and may risk compensation events with the current operator GLL and potentially failure.</p> <p>We are currently dealing with emerging challenges in the installation, testing and commissioning of the pool water heating plant and facilitating the Council tenant fit out prior to the completion and opening of the project.</p> | |
| Impact score | 3 | | Target Risk Date | Ongoing for duration of project |
| Likelihood score | 3 | | Target Risk Score | 4 |
| | | | Lead Officer | Darren Crossley |
| | | | Portfolio Holder | Culture, Heritage & Leisure |
| | | | Scrutiny Panel | HWSP/BTSP |

APPENDIX F?

The following summarises payments made to date and forecast payments anticipated over the project duration.

5.2.1 Whole Project Cost Cash Flow Forecast

