 <p>CARLISLE CITY COUNCIL www.carlisle.gov.uk</p>	<h1>Business & Transformation Scrutiny Panel</h1>	<p>Agenda Item:</p> <h2>A.4</h2>
---	---	----------------------------------

Meeting Date: 3rd June 2021
Portfolio: Leader, cross cutting
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: The Sands Centre Redevelopment Project
Report of: The Deputy Chief Executive
Report Number: CS 25/21

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

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, and 17th September 2020 CS 22/20) 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 report the following progress has been made on the project:

- The site establishment, cleaning staff and welfare arrangements have been upgraded to accommodate an increase in the workforce whilst providing sufficient working space, ablution facilities and cleaning regimes to managed the risk of the transmission of COVID-19 within the site workforce, deliveries and visitors to site. The site is working to SOP version 7 standard of Construction industry COVID guidance.
- The Environment Agency work to the flood gates at the Sands and Swifts Bank have now been completed, with only the handrailing and grass-seeding to complete, which are not critical to the level of flood protection.
- The vibro-compaction ground stabilisation has been completed and temporary pile matting removed. (This is a ground stabilisation technique which consolidate non-cohesive or weak soils by installing densely compacted columns of stone or gravel in the ground which in turn displaces and densifies the surrounding granular soils to give a firm surface to build on).
- The excavation for the two swimming pools and the foundations for the building frame and the street have been completed. The site is very limited in space for plant, so all of the deep excavations have been dug out first and deep foundations and drainage work completed, so that some areas can be backfilled to use as a working platform for the building work.
- 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 filter equipment, fire detection, Changing Places hoist fitment and air handling plant.

- The concreting work on the slab and foundations for the two swimming pools are due for completion at the end of 15/5/21 ready to receive the first components of the steel frame for the pool hall. The larger steel components are due on site at the end of the month.
- Work has started on the new electricity substation. The base has been cast and the new GRP housing is due on site by the end of the month. The new transformer equipment is due on site in July for installation during the planned shut down of the Events Centre for 8 weeks over the summer months.
- 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 includes measures which improve the thermal insulation of the building or reduce energy consumption. A smoke test to determine air leakage in the Events Centre is planned for 27/5/21, with a view to sealing any large voids or cavities to improve energy efficiency in the existing building.
- Further survey work is currently being undertaken to establish the condition of existing life safety systems, post demolition, to review the longevity and 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.
- At the Sands Centre site, a fully accessible temporary events centre reception, bar and catering facility is due to reopen to the public when government restrictions are lifted. GLL are preparing the site in readiness for reopening the site to the public.

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 7 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 into 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 into 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 products 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.

2.4 Main contract - Programme

- The main works contract is currently in week 25 of 98. (w.c.10/5/21).
- The project is currently on programme.
- There is a planned shutdown of the Events space for 10 weeks commencing in July 2021 to work on shared services and structure.

2.5 Main contract - Budget

- The main contract work element of the project is valued at circa £21 m.
- The remainder of the budget is allocated to other costs associated with the delivery of the project.
- 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 45 Early Warning Notices, 32 Compensation Event Notices and 20 Project Manager instructions issued to date.
- The main contract and delivery costs are currently on target to stay within budget.

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 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 are ready to draw down the funds.

The City Council has now satisfied the requirements of the grant application and has applied and received the drawdown of £2 m funding

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

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

- None

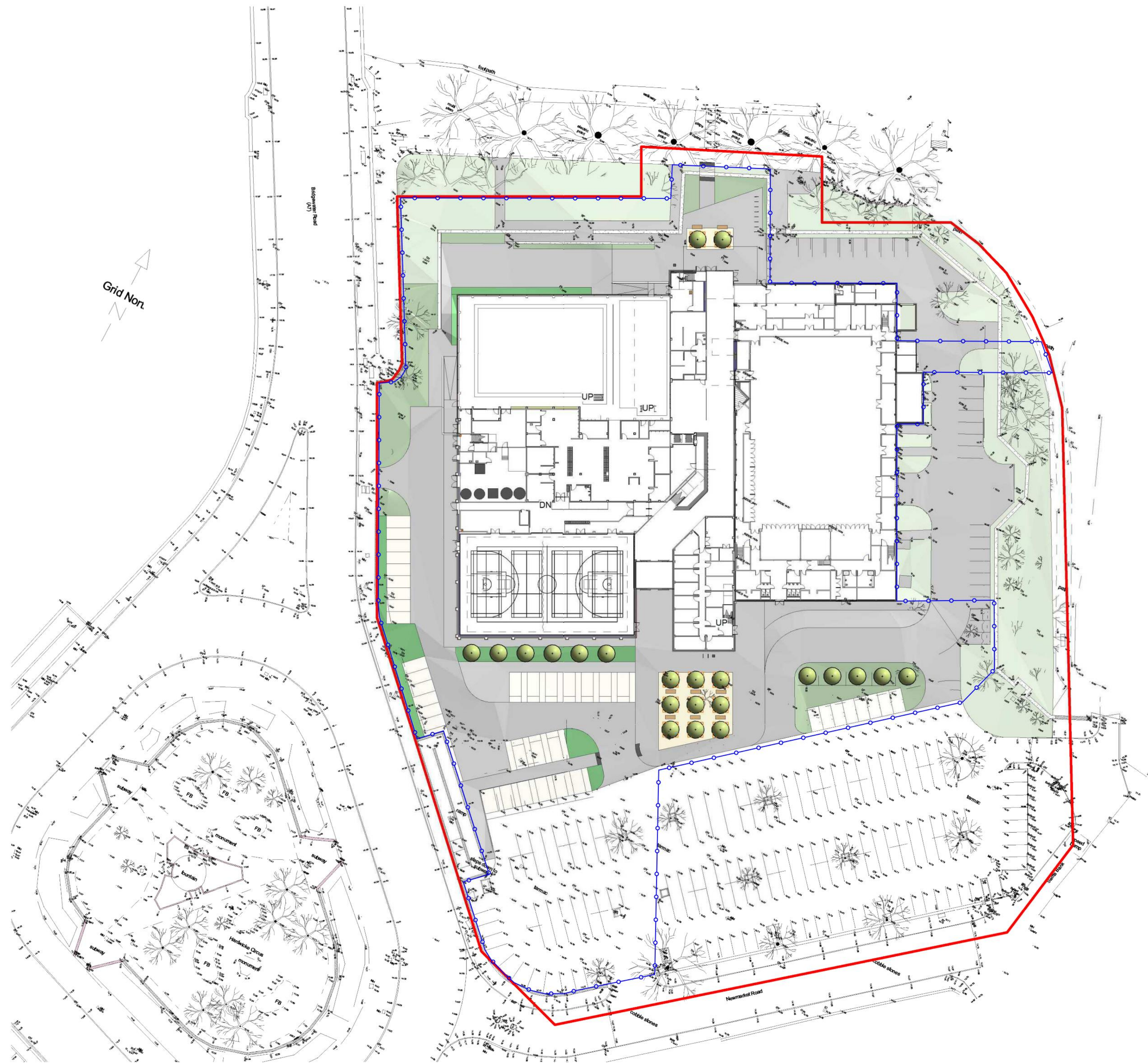
CORPORATE IMPLICATIONS:

LEGAL –

FINANCE – The project is part of the Council's capital programme and is monitored on a monthly basis with the Project Manager and key internal stakeholders through internal project meetings that 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

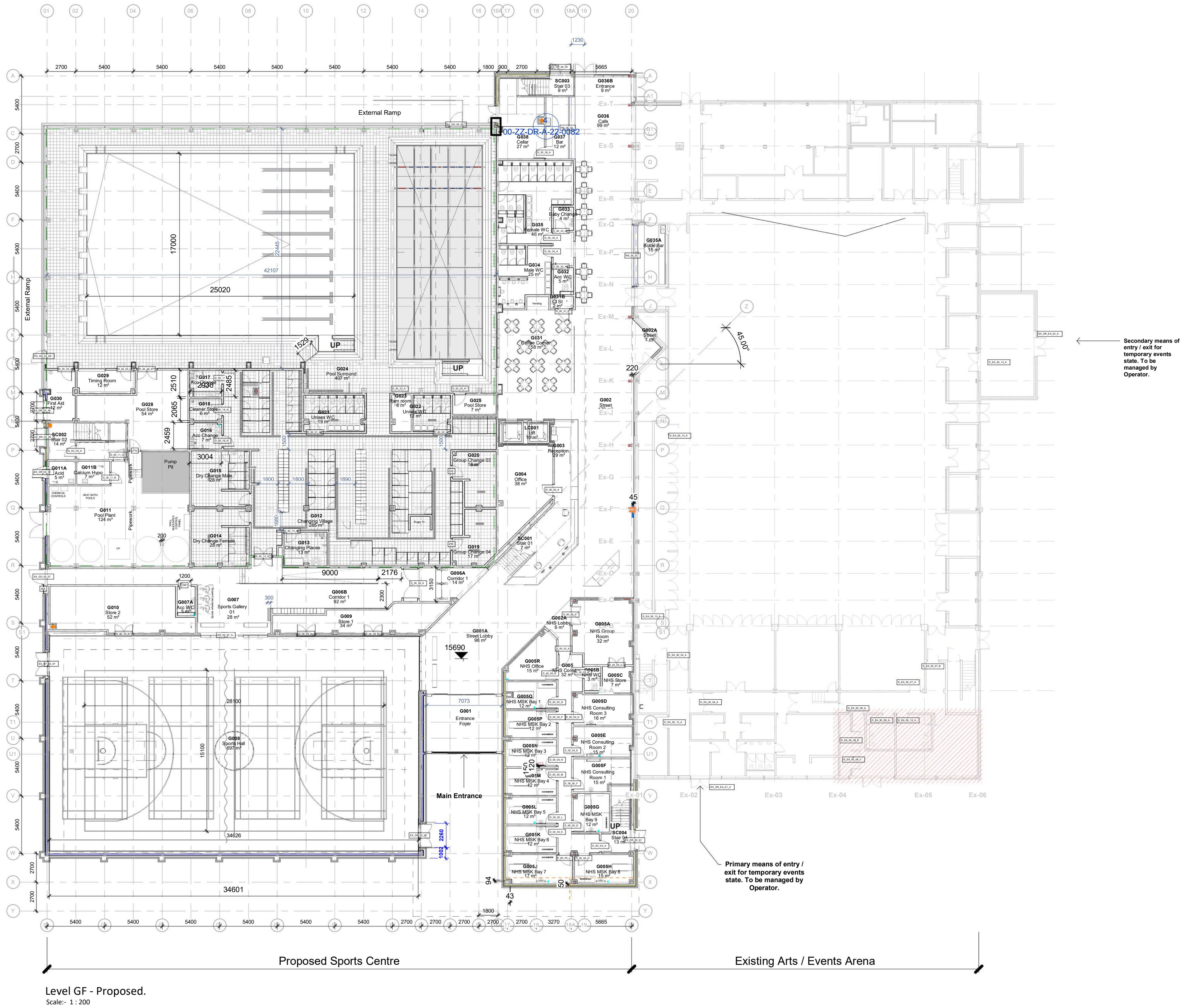
CONSTRUCTION SITE BOUNDARY
PLAN

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



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	JM
P07	Updated To Reflect BCO Comments	20/02/20	SSe
P06	Employers Requirements	08/02/19	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 & Client Comments	26/11/18	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

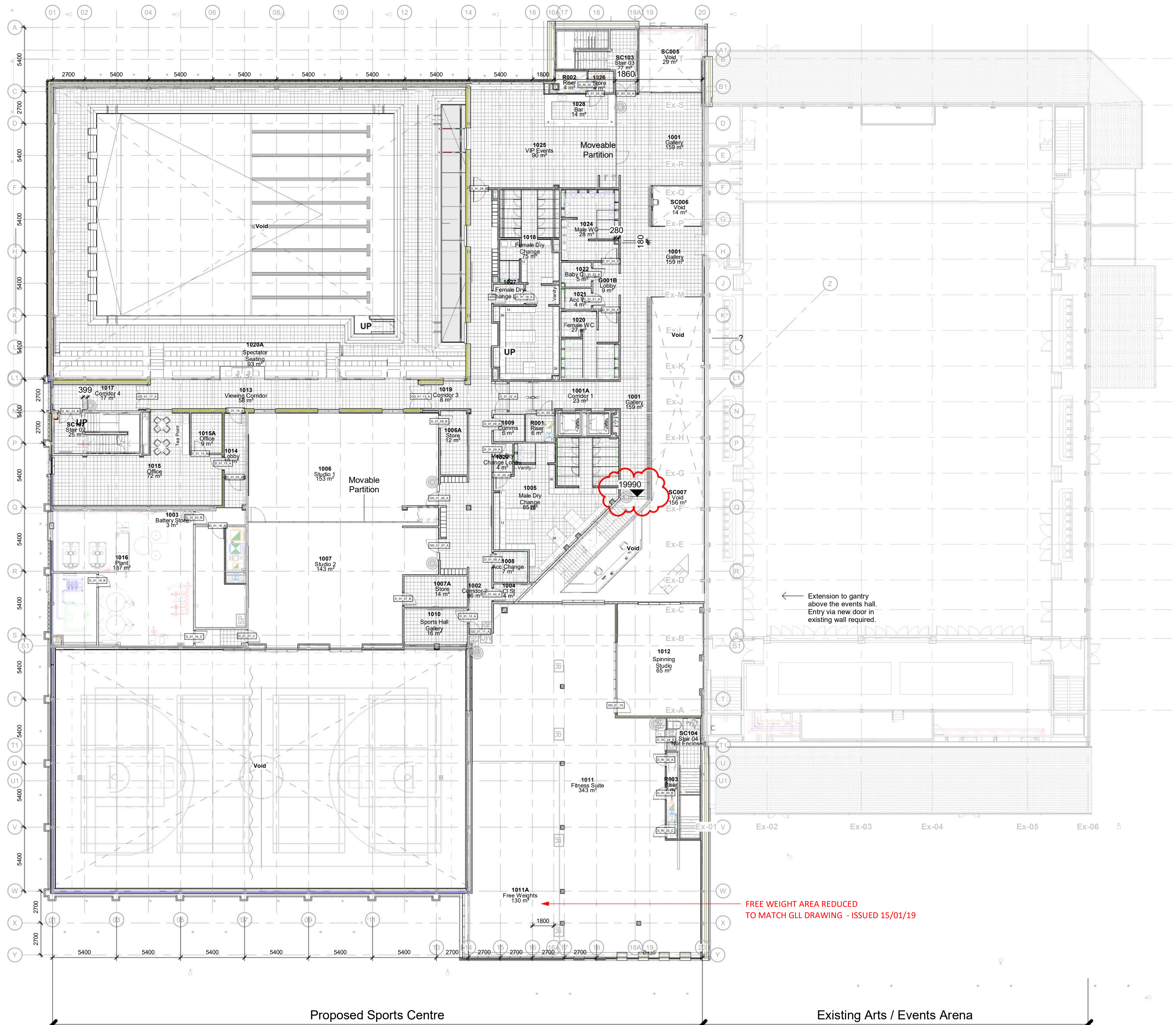
DWG NO: 17024-GT3-00-GF-DR-A-20-0001-S2-B
SCALE: As indicated @A1
DRAWN BY: SSe
CHECKED BY: PRE

DO NOT SCALE
ALL DIMENSIONS TO BE VERIFIED ON SITE

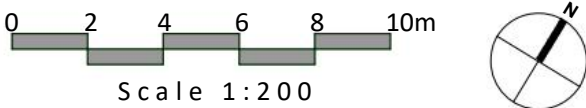


Linked Revit Model - Names / Version	
Discipline	Model Name
Existing Building	12292-Existing-The Sands 2018-SI-ZZ-M3
MEP	17024-BHE-XX-ZZ-M3-MEP-0001_WIP_P01.19
Structural	17024-BHE-XX-ZZ-M3-S-0001-P03.7-17.07.2020
Context	17024-GT3-00-ZZ-M3-A-LANDSCAPE- CENTRAL-2018
Landscape	GT1385-00B-SI-ZZ-M3-L-0001_P13

Denotes Environment Wall line from wet to dry Environments



Level 01 - Proposed.
Scale:- 1 : 200



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

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	MPE
P06	Stage 4A Issue - For Tender	18/01/19	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: PRe

DO NOT SCALE
ALL DIMENSIONS TO BE VERIFIED ON SITE



APPENDIX D – SANDS CENTRE REDEVELOPMENT progress photos

1) Work on the foundations of the new lift shaft



2) Bulk earthworks



3) Street steel frame foundations



4) Slab construction for man swimming pool and physiotherapy / teaching pool.



5) Excavated finds



Corporate Risk Register – March 2021

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.





Preparing for the future funding of local government from 2020				
There is a risk that the Government fails to communicate changes to future local government funding from 2020 in a timely manner, meaning that the City Council cannot effectively prepare for these changes.				
RESOURCES				
There is a risk that the City Council is unable to approve a balanced budget due to the financial impact of the COVID-19 pandemic				
Present Matrix	Assessment Date	Present Risk Scores	Control Strategy/Mitigating Actions	Target Risk Matrix
<div><div>Likelihood</div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Impact</div></div></div>	December 2020	6	<p>The financial implications arising from COVID-19 continue to be monitored through monthly returns to the MHCLG. Emergency funding has been provided totalling £1.8 million and a co-funding package, providing a mechanism for irrecoverable sales, fees, and charges income, with the Government funding 75% of losses beyond 5% of planned income, has provided funding of £225,000 to date. The MHCLG has also announced that any deficits within the Collection Fund will be subject to a 3-year recovery period; this being a significant risk to the Council in terms of the potential loss of income received from Council Tax and Business Rates. The economic recovery of the city and surrounding areas, following the pandemic, and as part of the Recovery Strategy, is key to ensuring financial sustainability of the Council. At the present time the Council’s S151 Officer does not believe that a S114 notice is required; however, this decision will be revisited periodically once more information on budgetary pressures, in terms of loss of income and additional costs, is known and any new Government funding packages are announced.</p> <p>The Senior Management Team have set up a Business Recovery Group to review our business recovery and continuity arrangements (should there be a second wave), considering the advice from the Health Protection Board on local incidence and emerging national guidance.</p> <p>Fortnightly Strategic Recovery Coordination Group (SRCG) meetings are taking place, chaired by Katherine Fairclough, Cumbria County Council and attended by the City Council’s Chief Executive.</p> <p>A number of transformative work streams are being progressed including Future High Streets Fund, Borderlands and Towns Fund. There is a conscious attempt to improve high streets (through the reopening of the High Streets Fund), towns, cities, and commercial areas – to do more than recover but to innovate and address new challenges in light of Covid-19. Each workstream shares a similar purpose; to support regeneration across the district and drive Carlisle forward, supporting the growth agenda set out in the Local Plan.</p>	<div><div>Likelihood</div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Impact</div></div></div>
Impact score	3		Target Risk Date	March 2021
Likelihood score	2		Target Risk Score	6
			Lead Officer	Alison Taylor

Commented [DC1]: I think this risk needs to be refocussed towards financial risk – loss of income, increased expenditure on key projects etc. rather than service delivery.

Commented [SO2]: Please shift across to impact 2, Likelihood 4. Making the target Orange by December 2020.

Portfolio Holder	Finance, Governance and Resources
Scrutiny Panel	BTSP

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
	Feb 2021	6	<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 some mitigating measures have been built into the contract.</p> <p>Brexit – work is underway to mitigate, where possible, the impact of a no-deal Brexit 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. Investigations into possible solutions are currently being undertaken and it is hoped these could be incorporated within the existing project. A failure to address the issue now will increase the cost of repair and may risk compensation events with the current operator GLL. These challenges have caused a delay in the delivery of the new facilities, once the additional costs are known a further report will be taken to Members for their consideration and direction.</p>	
Impact score	2		Target Risk Date	June 2021
Likelihood score	3		Target Risk Score	4
			Lead Officer	Darren Crossley
			Portfolio Holder	Culture, Heritage & Leisure
			Scrutiny Panel	HWSP/BTSP