

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 7 July 2014

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Coldeast Swimming Pool: Project Governance Arrangements</b>
<b>Report of:</b>	Director of Community
<b>Strategy/Policy:</b>	Leisure Strategy
<b>Corporate Objective:</b>	Leisure for Health and Fun

#### **Purpose:**

To update Members on the progress of the Coldeast Swimming Pool project and to seek approval for the proposed governance arrangements, including setting up a Project Member Working Group and certain delegations of authority to ensure that the project can proceed within the agreed timescales.

#### **Executive summary:**

Swimming is a sport enjoyed by many people and brings enormous health benefits. The provision of a swimming pool in the Western Wards has been a high corporate priority for a number of years.

In April 2014, the Executive agreed an outline project brief and project funding to deliver a new swimming pool at Coldeast.

Overall, the project contains some very challenging timescales with an aspiration to complete the Swimming Pool by April 2016. Work has already commenced on the procurement process to appoint (1) a Project Manager, (2) a Design and Build Contractor and (3) a Leisure Consultant to input to the design of the new facility and lead on the procurement of the future operator.

This report describes the progress to date and sets out the proposed decision making structure for the project, including the setting up of a member Working Group.

#### **Recommendations:**

It is recommended that the Executive;

- (a) agrees the governance and decision-making structure as set out in appendix A to the report; and
- (b) considers the composition of the Project Member Working Group and nominates representatives to the group.

**Reason:**

To enable the project to proceed in line with the proposed timescales whilst ensuring Member involvement and scrutiny.

**Cost of proposals:**

The cost of supporting the governance structure will be met within existing resources.

**Appendices A:** Decision making structure

**B:** Outline project timetable

**C:** Outline project budget

**D:** Project Risks

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

**Date:** 7 July 2014

**Subject:** Coldeast Swimming Pool: Project Governance Arrangements

**Briefing by:** Director of Community

**Portfolio:** Policy and Resources

#### INTRODUCTION

1. Swimming is a sport enjoyed by many people and brings enormous health benefits.
2. The provision of a swimming pool in the Western Wards has been a high corporate priority for this Council for a number of years.
3. Research has shown there is a high demand for a public swimming pool in the western wards with many residents travelling outside of the borough to access public swimming. In addition, the swimming pool at Fareham Leisure Centre is extremely popular and has operated at capacity for many years and is currently being refurbished.
4. After a number of previous consultations and false dawns, the Executive were pleased to confirm the location, outline specification and project funding for a new swimming pool to be built at Coldeast at their meeting in April 2014.
5. The Coldeast Swimming Pool Project involves a number of inter-related elements. Design and construction of the new swimming pool and gym; construction of a new junction, service road and parking, design and layout of a new sports pitch and the selection and appointment of a leisure operator for the new facility. A provisional budget of £7M has been approved for the design and construction of the new swimming pool, with an additional £1M of developer contributions available for the provision of the sports pitches and associated infrastructure.
6. The Council has an aspiration to achieve the completion of these projects by April 2016, which is a very challenging target. This is particularly so in the case of the Swimming Pool which will require a new road junction and service road leading onto Barnes Lane. The design and build quality of the new swimming pool and associated sports facilities will be critical to the future success and financial viability of the new facilities.

7. This report describes the progress to date and sets out the proposed governance arrangements for the delivery of this important project.

## **PROPOSAL DETAILS**

8. The Swimming Pool will comprise a 6 lane x 25m pool, a separate learner pool, a changing village, spectator viewing area, a minimum of 100 work station gym, a separate exercise room/ dance studio, office accommodation, reception and car parking for approximately 200 cars.
9. The site will be accessed via a new service road leading from Barnes Lane, which will serve the swimming pool complex, allotments, cemetery and the new playing pitches (comprising 1 adult and 1 junior football pitch and 1 cricket wicket).
10. Procurement is underway for a Construction Project Manager to oversee the work of the contractor through to completion. Officers have issued a project brief and advertised the opportunity to provide Project Management Services on the South East Business Portal. The Project Management Services include the role of Employers Agents, Construction Project Manager, Construction Design and Management (CDM) Coordinator and Quantity Surveying services. The Council received a good response to the advert and 4 companies with relevant leisure project management experience have been shortlisted to tender. Final tenders were due back on 13 June 2014. Following an appraisal of the tender submission, applicants will be invited to attend for an interview to discuss their proposals and explore the working relationship in more detail. It is expected that the Project Management consultancy will be appointed by 30 June.
11. The procurement process for a "Design and Build" contractor has already begun with a view to an appointment in early August. Officers are using the iESE framework to appoint the Design and Build Contractor (the contractor responsible for the architectural design and construction of the new facilities). This is a multi-authority collaborative framework which is owned by Hampshire and Surrey County Councils. The framework offers collaborative working and early contractor engagement to deliver cashable efficiencies and time and cost predictability. It has previously been used by the Council to deliver the new changing rooms at Wicor and the Business Innovation Centre at Daedalus.
12. The framework comprises a list of 8 Design and Build Contractors who have been vetted and prequalified to join the list of approved contractors. An outline project specification and provisional budget was provided to each of the contractors with an invitation to express an interest in tendering for the project by submitting details of their relevant experience and proposed project team. Three contractors expressed an interest and have been invited to submit more detailed proposals for evaluation. The Design and Build Contractors Teams will be invited for interview in July and it is hoped that the successful contractor will be appointed by early August.
13. The Design and Build Contractor will be responsible for the initial design work and prepare a detailed design. It is hoped that initial design work will be available in October for public consultation with the aim of submitting an application for full planning consent by December.

14. It will be important to have leisure expertise input to the design process to ensure the design offers a durable good quality environment and maximises the future revenue return. Leisure consultancy advice will also be required to advise on the most appropriate method and lead on the appointment of the leisure operator for this new facility. Procurement of the Leisure Consultant has already begun with a view to an appointment by early September.
15. On completion of the construction phase it is intended that the Leisure Operator will be responsible for fitting out the new swimming pool and gym complex. This will help to ensure that final fit out and gym best fits the operator's specification and requirements.

## **TIMETABLE FOR DELIVERY**

16. An outline timetable for the whole project is attached at Appendix B. This is an ambitious timetable and will be subject to review following the successful appointment of the Project Manager and the Design and Build Contractor. The outline timetable covers only the headline activities and highlights the dates which are absolutely critical to achieving the whole project on time.

## **GOVERNANCE AND DECISION MAKING**

17. The project is significant in terms of the scale, complexity and importance to the achievement of the Council's corporate objectives. For this reason it is important that there is a clear decision-making structure in place to ensure that the key stages of the project are determined objectively. It is also clear, however, that the timescales for delivering the project are very challenging, if the aspiration is for the new facility to be completed by April 2016.
18. For the above reasons, a decision-making and reporting process is proposed, so that decisions can be made expediently without causing delays to the project, but also so that there is sufficient objective input into the decision-making process. The decision-making structure is set out in Appendix A
19. The role of the Member Working Group for the project is also defined in the appendix and is primarily to act as critical friend and advisory body to support the key decisions that are required to deliver the project. It is proposed that the Working Group comprises 4 Members (3 Conservative and 1 Liberal Democrat) and the Executive is asked to set up the group.

## **PROJECT RISKS**

20. As a large and complex project, there are a number of risks associated with it, and these were broadly outlined in the initial report considered by the Executive at their meeting in April 2014 and have been updated to reflect current progress (see Appendix D).
21. At an early stage, the Member Working Group will be provided with an assessment of the project risks, to assist in monitoring the project.

## **FINANCIAL IMPLICATIONS**

22. An outline project budget is attached at Appendix C, which covers the estimated

capital cost of £8.2M for constructing the swimming pool and sports pitches. Additional funding will be required to provide the road junction and service road leading off Barnes Lane and for setting out the allotments, cemetery and sports pavilion. It should be noted that, at present, many of the figures are provisional and depend on the outcome of procurement processes which are currently being undertaken. However, they are the best estimates available at the moment and are based on the leisure consultancy advice received in 2013 following research on the costs of similar projects. A report will be submitted to the November meeting of the Executive outlining a revised budget and funding sources, following the appointment of the Design and Build contractor and selection of the preferred design.

## **CONCLUSION**

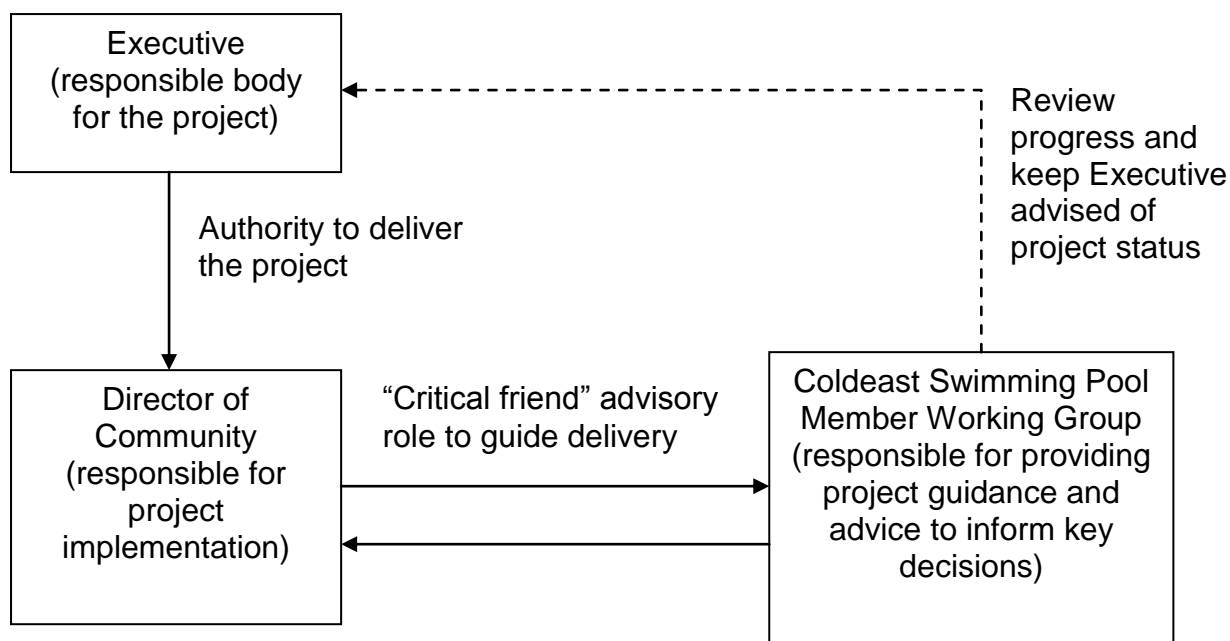
23. The construction of a new swimming pool at Coldeast at a cost of £7M represents a significant investment for the Borough Council which will complement the £1.5M investment in the refurbishment of the swimming pools and changing facilities at Fareham Leisure Centre.
24. The timescales are, however, very challenging, with an aspiration to complete the project by April 2016. The governance arrangements outlined in this report are designed to consider whether this date is realistic and ensure the project is delivered in a cost effective and timely manner whilst enabling proper scrutiny by members of the council at crucial points in the development.

### **Reference Papers:**

Previous Executive Reports,

April 2014: Western Wards Pool – Project Approval (xlc-140407-r02-mge&awa)

## DECISION-MAKING STRUCTURE

COLDEAST SWIMMING POOL PROJECT MEMBER WORKING GROUP

To act as critical friend to the project delivery team by

- i. Overseeing progress against the project timetable
- ii. Periodically reviewing the project costs against the agreed budget
- iii. Assisting the delivery team in determining the design features of the Swimming Pool and adjoining community facilities
- iv. Assisting the delivery team in determining the most appropriate basis for selecting and appointing the leisure operator
- v. To make recommendations to the Director of Community in relation to the award of contracts, delegated to him by the Executive.
- vi. To provide periodic project status reports to the Executive.

EXECUTIVE

Retain overall responsibility for the delivery of the project

Maintain an overview of the project by receiving regular, periodic reports on project progress from the Project Member Working Group and Director of Community

To approve changes to the overall project budget

To delegate authority to the Director of Community to make decisions, as set out below, to enable the critical path of the project to be maintained.

## DIRECTOR OF COMMUNITY

Delegated authority to:

- (a) Appoint a Construction Project Manager for the project and other specialist consultants that may be required, e.g. a Mechanical and Engineering specialist.
- (b) Appoint a Leisure Consultant to input to the design, prepare a draft business plan, to advise and lead on the procurement of a leisure operator
- (c) Formally sign off the final design specification for the built assets
- (d) Award the construction contracts for the project, to the most economically advantageous bidder, using previously agreed award criteria
- (e) Award the contract for the operation of the new facility

All delegations are subject to the costs being contained within the overall budget available for the project and, in relation to (c), (d) and (e) above, only following consultation with the Project Member Working Group.

All decisions will be reported retrospectively to the Executive.



**WESTERN WARDS SWIMMING POOL PROJECT DRAFT TIMETABLE  
- HEADLINE ACTIVITIES**

**(APRIL 2014 ONWARDS)**

**OVERARCHING ACTIONS**

<b>ACTIVITY</b>	<b>START</b>	<b>FINISH</b>
Agree preferred location		7/04/2014
Approve outline design specification		7/04/2014
Approve initial budget (and funding strategy)		7/04/2014
Draft Communications Plan for life of project	1/8/2014	30/09/2014
Implement Communications Plan	1/10/2014	15/08/2016

**WESTERN WARDS SWIMMING POOL**

<b>ACTIVITY</b>	<b>START</b>	<b>FINISH</b>
Procurement exercise for Construction Project Manager (Employers Agent, Project Manager, Quantity Surveyor & CDM co-ordinator)	01/05/2014	30/6/2014
Procurement exercise for Design and Build Contractor (using iESE Framework)	16/05/2014	1/8/2014
Procurement exercise for Leisure Consultant	01/05/2014	29/8/2014
Appoint Construction Project Manager		7/7/2014
Appoint Design & Build Contractor		8/8/2014
Appoint Leisure Consultant		5/9/2014
Procurement exercise for Independent M&E Consultant (to Mechanical, Heating and Ventilation Engineer). To be discussed and agreed with Project Manager		
Appoint M&E Consultant		
Meet Design and Build Contractors Architect and agree design principles		5/9/2014
Undertake initial design work		3/10/2014
Site Investigations and Ecology Survey		3/10/2014
Consult Utility Companies (arrange gas and electrical supply to site)		3/10/2014
Consult Highway Authority		3/10/2014
Member Working Group agree initial design for public consultation		21/10/2014
Public Consultation		28/10/2014
Member Working Group agree Final Design and agree submit Planning Application		5/12/2014
Secure Planning Permission for Swimming Pool, Road Junction and Sports Pitches		6/02/2015
Construction Period	1/05/2015	30/04/2016
Leisure Operator Procurement	5/9/2014	31/7/2015
Appoint Leisure Operator		31/08/2015
Leisure Operator to Fit Out Complex	1/05/2016	15/07/2016
Complete Swimming Pool		15/07/2016
Complete Sports Pitches		15/08/2016

## WESTERN WARDS SWIMMING POOL PROJECT

## PROVISIONAL CAPITAL BUDGET

	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Swimming Pool Design and Build Contract	1300	3800	1300	6400
Land acquisition*	0	0	0	0
Professional fees (Employers Agent, Construction Project Manager, Quantity Surveyor, CDM coordinator, Legal fees etc.)	130	300	130	560
FBC Leisure Consultant Costs	20	20	0	40
Sports Pitches & Associated Infrastructure	100	800	100	1000
Planning and Building Control fees	25	15	0	40
Sec 106 Contribution to Highway Authority (HCC)	0	0	173	173
Junction and Access Road**				
Allotments, Cemetery & Sports Pavilion**				

**Note: This is a provisional budget based on advice received in August 2013. The budget will be reviewed and revised following the appointment of the Project Manager and Design and Build Contractor.**

\* Land transferred from Homes & Communities Agency at Nil Cost (as part of Section 106 Agreement) Oct 2013.

\*\* Costs unknown at this stage (costs and budget to be agreed following appointment of Project Manager and Design and Build Contractor)

## PROJECT RISKS

RISK	RISK REDUCTION MEASURE
<p><b>Ground Conditions</b> – risk of unusual ground conditions, contaminated land and or hidden utility services crossing the site which could add unforeseen costs to project. (This risk is carried by FBC as lead body and ultimate owner of asset)</p>	<p>Commission site survey and geotechnological survey to assess ground conditions and inform project.</p>
<p><b>Ecology Survey Results</b> – risk of project delay arising from the need to transfer or relocate flora or fauna identified in the ecology survey.</p>	<p>Commission ecology survey as soon as practicable, to enable results to be used to inform any mitigation measures.</p>
<p><b>Planning Permission</b> – delays or failure to secure detailed planning approval could delay project and incur additional costs.</p>	<p>Ensure we appoint competent architectural practice, engage fully with development control and planning policy team; ensure public consultation.</p>
<p><b>Project Costs overrun</b> – risk of project exceeding available budget. Additional funding will be required to construct the access road, provide the allotments, cemetery and sports pavilion.</p>	<p>Accurate cost will not be known until the Design &amp; Build Contractor has been appointed and the detailed design is agreed. Project costs will be closely monitored throughout.</p>
<p><b>Principal Contractor goes into administration</b> – resulting in works on site coming to a standstill and delaying project completion.</p>	<p>Full financial checks will be made before award of contract. A performance bond will be secured at the time of awarding the contract. Contract conditions will seek to allow novation of site and or contract in the event of main contractor going into administration.</p>
<p><b>Project timescales overrun</b> – risk of project timescales being exceeded due to staff vacancies, competing priorities and or other unforeseen circumstances (i.e. shortage of skills in construction industry). At this stage the project timescales are best estimates and assume no complications or delays arising due to site contamination, ecology issues, hidden pipes, delays in utility connections etc.</p>	<p>Delivery timescale to be reviewed following appointment of Project Manager and Design and Build Contractor. Project Team will closely monitor and review delivery timescales. Project Team will be supported by consultants offering best practice advice and if the need arises temporary staff will be employed to cover any vacancies. Shortage of skills in construction industry and capacity issues impacting on delivery will be considered during tender process.</p>
<p><b>Appointment of a new Leisure Operator</b> – Appointment of a leisure operator for this new facility will be subject to advice of</p>	<p>Leisure Consultant will be engaged to offer specialist advice and lead on the procurement of the leisure operator for the</p>

<p>Leisure Consultant &amp; Legal advice. There is a risk that a new operator would act in competition with Fareham Leisure Centre which could be damaging to the Fareham Leisure Offer.</p>	<p>new facility with the aim of ensuring that the two facilities do not compete against each other. Appropriate break clauses have been included in the Fareham leisure Centre contract.</p>
<p><b>Replenish Capital Reserves</b> – it will be important for the Council to replenish its capital reserves to ensure sufficient capital funds are available to support future high priority corporate projects.</p>	<p>Officers will prepare a report for the Executive outlining the opportunities for replenishing the capital reserve through the sale or disposal of existing assets.</p>