

<p>CABINET MEETING – 8 APRIL 2009</p> <p>EXECUTIVE SUMMARY SHEET – PART I</p>	
<p>Title of Report: City Adventure Centre</p>	
<p>Author(s): Director of Community and Cultural Services</p>	
<p>Purpose of Report: The purpose of this report is to advise Cabinet of a proposed variation to the contract with a Design and Build Contractor to include the development of a Play Pathfinder scheme adjacent to the 25m swimming pool at the Sunderland Tennis Centre.</p>	
<p>Description of Decision: Cabinet is requested to agree to vary the contract with Pellikan Construction Ltd (who are currently constructing the 25m swimming pool at the Sunderland Tennis Centre) to include the design and construction of the City Adventure Centre.</p>	
<p>Is the decision consistent with the Budget/Policy Framework? Yes</p>	
<p>If not, Council approval is required to change the Budget/Policy Framework</p>	
<p>Suggested reason(s) for Decision: The reasons for the decision include:</p> <ul style="list-style-type: none"> • the economies of scale in procuring work from a single contractor already appointed to construct a swimming pool on the same site; • the construction of the swimming pool and Play Pathfinder scheme involves undertaking building, mechanical and electrical works to the same areas of the existing tennis centre building. 	
<p>Alternative options to be considered and recommended to be rejected: If another contractor was appointed to work on the same site, there would be problems managing health and safety under the scope of the Construction (Design & Management) Regulations 2007 given that there is only one access and egress road and both schemes impact on each other in terms of mechanical and electrical installations.</p>	
<p>Is this a “Key Decision” as defined in the Constitution? Yes</p>	<p>Relevant Review Committee: Culture and Leisure</p>
<p>Is it included in the Forward Plan Yes</p>	

REPORT OF THE DIRECTOR OF COMMUNITY AND CULTURAL SERVICES

CITY ADVENTURE CENTRE

1. Purpose of the Report

- 1.1 The purpose of this report is to advise Cabinet of a proposed variation to the contract with the existing Design and Build contractor to include the development of a Play Pathfinder scheme adjacent to the 25m swimming pool at the Sunderland Tennis Centre.

2. Description of the Decision (Recommendation)

- 2.1 Cabinet is requested to agree to vary the contract with Pellikan Construction Ltd (who are currently constructing the 25m swimming pool at the Sunderland Tennis Centre) to include the design and construction of the City Adventure Centre.

3. Background and Context

- 3.1 Cabinet may recall at its meeting in July 2008, approving acceptance of a grant offer from the Department for Children, Schools and Families (DCSF) for the development of a portfolio of citywide play facilities, to project completion, following the Council's designation as a "Play Pathfinder".
- 3.2 DCSF subsequently awarded Sunderland £2,154,179 towards capital developments and £495,857 to revenue initiatives relating to play. Sunderland is one of only 20 authorities selected as a Play Pathfinder (Phase I).
- 3.3 The Play Pathfinder programme involves completing 12 play projects in 2008/2009 (Year 1) and 16 projects in 2009/2010 (Year 2). The 2009/2010 schedule also involves the design, construction and development of a City Adventure Centre on the same site as the new 25m swimming pool at the Sunderland Tennis Centre. The design and construction costs for the City Adventure Centre are estimated to be £800,000.
- 3.4 In April 2008, Cabinet approved the award of the design and build contract for the Coalfield and Silksworth 25 metre swimming pools to the most economically advantageous tenderer, Pellikan Construction Ltd.
- 3.5 Whilst the decision regarding the design and development of the Play Pathfinder programme was delegated to the Director of Community and Cultural Services, in accordance with the City Council's Constitution, the overall value of the proposed variation to Pellikan's contract to include the

City Adventure Centre development is in excess of £250,000, for which Cabinet approval is required.

4. City Adventure Centre

- 4.1 In order to meet DCSF criteria regarding the Play Pathfinder programme, the City Adventure Centre will consist of new and refurbished indoor and outdoor space which sets new standards of inclusion, creativity and approaches to the development of challenging play for children and young people.
- 4.2 The City Adventure Centre development will be adjacent to and inextricably linked with the current Silksworth pool development and new reception areas. It is important that in designing and developing the Adventure Centre a seamless customer journey is achieved and the ongoing revenue potential is mitigated.

5. Reason for the Decision

- 5.1 The reasons for the decision include:
- the potential for economies of scale in procuring the works from a single supplier already contracted to construct a swimming pool and carry out associated landscaping works on the same site.
 - the construction of the swimming pool and Play Pathfinder scheme involves undertaking building, mechanical and electrical works to the same areas of the existing tennis centre building.
 - the City Adventure Centre works need to be carried out on site at the same time as the construction of the swimming pool if the play facilities are to be available for use when the new pool opens to the public.

6. Alternative Options

- 6.1 The alternative option would be to undertake a separate procurement exercise for the design and construction of the City Adventure Centre. However if a separate contractor was appointed to work on the same site, there may be challenges associated with managing health and safety under the scope of the Construction (Design & Management) Regulations 2007, given that there is only one access and egress road and both schemes impact on each other in terms of mechanical and electrical installations. In addition, there would also be a commercial risk to the Council in having to manage two contractors working independently on site at the same time.

7. Relevant Consultations

- 7.1 Financial
- i) Cabinet have previously agreed the funding arrangements associated with the Play Pathfinder Programme (July 2008). £2,154,179 from Pathfinder funds will be allocated towards capital developments including the Adventure Centre. These developments will also benefit

from an additional (estimated) £1,711,370 from developer (Section 106) contributions and other funds. The total estimated final cost of the programme is £3,865,549. Variations associated with the programme are and will continue to be reported through the City Treasurer's quarterly capital programme and revenue budget reporting arrangements.

- ii) With regard to the potential for associated revenue requirements, as previously reported the Pathfinder Programme provides revenue support in the sum of £504,603 across the financial years 2008/09 - 2010/11 to be allocated to a range of initiatives including support for the new Adventure Centre. This allocation has been increased slightly from the initial award of £495,857. An appropriate exit strategy will be developed to ensure sustainability beyond the Grant arrangements and any continuing pressures fed into the medium term financial strategy process.

7.2 Planning

The Head of Planning has previously been consulted on the revised Play and Urban Games Strategy - Moving Forward (2007-2012) and will continue to be consulted in all matters relating to the design and development of the City Adventure Centre, which will require formal planning permission.

7.3 Procurement

The Grant Conditions associated with the Play Pathfinder programme have challenging deadlines in relation to the delivery of the projects and therefore require a smart approach to procurement. The Head of Corporate Procurement has been consulted regarding this approach, to ensure the Adventure Centre is delivered and potential scales of economy achieved.

7.4 Legal

The proposed variation to the existing Design and Build Contract to include the design and construction of the City Adventure Centre on the same site is considered lawful as the inclusion of the additional works would not constitute a material / substantial amendment to the original contract in procurement terms given the value and scale of the additional works. Further, the contract expressly permits the Council to issue variations to alter the scope of the contract works.

7.5 Project Methodology

The project is being managed using PRINCE2 methodology. The project methodology used in preparing the proposed scheme includes a full assessment of the financial, legal, human resources, Disability Discrimination Act, health and safety, risk management and property implications of the scheme.

7.6 Risk Analysis

A full risk register has been completed and is regularly updated in relation to Play Pathfinder, of which the development and delivery of the City Adventure Centre is part.

8. Background Papers

8.1 The following background papers were relied upon to compile this report.

- Cabinet Report July 2008 – Play Pathfinder
- Cabinet Report April 2008 – Coalfield and Silksworth 25m Swimming Pools