

CABINET MEETING – 10 October 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:
WASHINGTON LEISURE CENTRE REPLACEMENT

Author(s):
Report of the Executive Director of Health Housing and Adult Services

Purpose of Report:
The purpose of this report is to:

- i) Provide Cabinet an update on progress to replace Washington Leisure Centre
- ii) Seek Cabinet approval to commence the appropriate procurement processes to replace the Leisure Centre and relocate the wheeled sports park
- iii) Provide Cabinet with an overview of the timescales associated with procurement and construction.

Description of Decision: Cabinet is requested to approve:

- i) The development of a sport & leisure facility to be constructed on Council land adjacent to the existing Washington Leisure Centre
- ii) The commencement of a procurement process, as set out in Sections 5.1 to 5.3 of this report, to appoint a contractor to design and build the centre
- iii) Undertaking a separate procurement process to relocate the wheeled sports park to an alternative area on the same site

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

1. Leisure Facilities, Sport, Physical Activity and Wellness play a key part in helping us live longer, healthier and more active lives. At a local level these services have a unique role in being able to make a positive impact on all of the City Council's Strategic Objectives of People, Place and Economy

More specifically the city's leisure facilities contribute to the following Key Outcomes:

- Improving families, children and adults' health and wellbeing
- Building and sustaining cohesive, stronger and sustainable communities
- Reducing inequalities

2. Underpinning the Council's priorities and outcomes is a vision for Sport and Physical Activity where everyone in Sunderland will have affordable access to quality sport and physical activity opportunities to improve their health and well-being at first class, community facilities throughout the city.

3. Washington Leisure Centre is an ageing facility which is coming to the end of its economic life and will continue to be a capital drain on the asset management capital budget. The investment proposed by way of a replacement facility will secure the long term sporting & leisure provision for Washington and contribute towards the overall strategic provision for Sunderland.

Alternative options to be considered and recommended to be rejected:

Refurbishment of the existing facility has been considered, however given the current building has a maximum life expectancy of 10 years and full refurbishment costs are estimated at £7.3m this option is considered uneconomical.

Impacts analysed:

Equality ☐ Privacy ☐ Sustainability ☐ Crime and Disorder ☐

Is this a “Key Decision” as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

Scrutiny Committee:

CABINET – 10TH OCTOBER 2012

REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH HOUSING & ADULT SERVICES WASHINGTON LEISURE CENTRE REPLACEMENT

1. Purpose of the Report

- 1.1 The purpose of this report is to:
- i) Provide Cabinet an update on progress to replace Washington Leisure Centre
 - ii) Seek Cabinet approval to commence the appropriate procurement processes to replace the Leisure Centre and relocate the Wheeled Sports Park
 - iii) Provide Cabinet with an overview of the timescales associated with procurement and construction

2. Description of Decision

- 2.1 Cabinet is requested to approve:
- i) The development of a sport & leisure facility to be constructed on Council land adjacent to the existing Washington Leisure Centre
 - ii) The commencement of a procurement process, as set out in Sections 5.1 to 5.3 of this report, to appoint a contractor to design and build the centre
 - iii) Undertaking a separate procurement process to relocate the wheeled sports park to an alternative area on the same site

3. Background

- 3.1 In October 2004 Cabinet adopted a range of policy principles to inform arrangements for future leisure facility investment and development. These principles were founded on the basis of the Council achieving optimum return on any investment in facilities and to promote equitable community access and use.
- 3.2 Since 2004 the Council and partners have invested more than £60m in developing new, modern sport and leisure facilities to benefit local residents and their overall health and wellbeing. These include:
- Sunderland Aquatic Centre – the regions only Olympic sized swimming pool
 - New pool at Silksworth
 - Replacement pool for the Coalfields area located in Hetton-le-Hole
- 3.3 This report proposes arrangements to replace sport and leisure facilities currently provided at Washington Leisure Centre.
- 3.4 Washington Leisure Centre provides the following services and activities to the local community:
- Swimming pool with slide
 - Wellness centre
 - Sports hall – delivering badminton, football, bowls & club related activities
 - Squash
 - Soft play
 - Outdoor wheeled sports park

The centre was built in 2 phases – the pool in 1973 with dry sports being added in 1986. An outdoor wheeled sports park was developed on the site, adjacent to the leisure centre in March 2010.

- 3.5 In recognition of the age and condition of the existing facility Cabinet have approved an allocation of £11.3m to provide a replacement sport and leisure facility in Washington.
- 3.6 The investment was predicated on the findings of a feasibility study which considered options associated with refurbishment and replacement, location, facility mix and the associated ongoing investment requirements.
- 3.7 The study found that a new build, on the existing site, developed adjacent to Washington Leisure Centre would be the most cost effective option of maintaining provision given the accessibility of the town centre site, good transport links and that the site is an established leisure destination.
- 3.8 Refurbishment of the existing centre has been considered. The age, construction form and condition of the major elements of the property allied with a maximum life expectancy of 10 years (irrespective of investment) means this option is not economically viable.

4. Current Position

- 4.1 It is proposed that a new facility is developed to replace the existing offer with the addition of outdoor 3rd Generation (artificial turf) pitches.
- 4.2 The £11.3m budget has been based on the current available industry acceptable data but will be dependant on the final facility mix and tender submission. The budget also includes £300,000 which has been ring-fenced to relocate the wheeled sports park to an alternative area, on the same site, in order to provide a suitable footprint for the proposed new leisure centre.
- 4.3 A broad consultation exercise relating to sport and leisure facilities has been undertaken via the Community Spirit panel and with existing users of the Centre, equality groups and local Schools. Feedback from the consultation exercise will be used to inform the design requirements within the overall budget position. Local residents will be consulted to influence the programming of the new facility once the final design is agreed.
- 4.4 Following the procurement process (detailed in section 5), construction will start on site in November 2013 with an estimated completion date of December 2014 for the new leisure centre. Demolition of the existing facility and establishment of the external pitches is programmed for completion by June 2015. It is intended that the wheeled sports park will be relocated by summer 2013.

5. Procurement Process

Sport & Leisure Centre

5.1 Due to the technical nature of this development and after careful consideration of the current available procurement routes, it is proposed to follow a Design and Build option. Under this procurement option bidders are requested to submit their tenders based on an agreed specification and set of contract documents which not only encourages design competition and cost certainty but also benefits the Council by transferring the majority of the risk to the successful bidder.

5.2 If cabinet approve this report an OJEU notice will be issued at the earliest opportunity. The procurement timescales are as follows:

OJEU Notice	17th October 2012
Pre-qualification questionnaire (PQQ)	17th October – 27th November 2012
Evaluation of PQQ	28th November -11th December 2012
Select List	11th December 2012
Invitation to tender (ITT)	12th December 2012 – 26th March 2013
ITT Evaluation	27th March 2013 – 30th April 2013
Announce preferred Bidder	30th April 2013
Standstill period	1st May- 10th May 2013
Appoint Bidder	10th May 2013

5.3 The initial procurement process will establish a short list of bidders to proceed to Tender stage.

Upon the receipt of tenders an evaluation period (27th March 2013 – 30th April 2013) will determine a successful bidder using predetermined evaluation criteria.

The successful bidder will then be given sufficient time to complete their design for the planning approval process and finally construction.

Wheeled Sports Park

5.4 In relation to the relocation of the wheeled sports park, a separate procurement will be undertaken to allow these works to be completed before the main contract commences. This will ensure that the facility is available throughout the main building programme and reduces the potential for any interruption to existing users.

5.5 The procurement for the relocation will be a restricted process commencing with a PQQ and select list and then an invitation to tender, however, the process, unlike the leisure facility contract, is under OJEU value. The timeline for this procurement will be October 2012 to January 2013.

6. Reasons for the Decision

6.1 Leisure Facilities, Sport, Physical Activity and Wellness play a key part in helping us live longer, healthier and more active lives. At a local level these services have a unique role in being able to make a positive impact on all of the City Council's Strategic Objectives of People, Place and Economy.

More specifically the city's leisure facilities contribute to the following Key Outcomes:

- Improving families, children and adults' health and wellbeing
- Building and sustaining cohesive, stronger and sustainable communities
- Reducing inequalities

6.2 Underpinning the Council's priorities and outcomes is a vision for Sport and Physical Activity where 'everyone in Sunderland will have affordable access to quality sport and physical activity opportunities to improve their health and well-being at first class, community facilities throughout the city.

6.3 Washington Leisure Centre is an ageing facility which is coming to the end of its economic life and will continue be a capital drain on the asset management capital budget. The investment proposed by way of a replacement facility will secure the long term sporting & leisure provision for Washington and contribute towards the overall strategic provision for Sunderland.

7. Alternative Options

7.1 Refurbishment of the existing facility has been considered, however given the current building has a maximum life expectancy of 10 years and full refurbishment costs are estimated at £7.3m this option is considered uneconomical.

8. Impact Analysis

8.1 Equalities

- i) The project team have commenced communication and consultation with the Inclusive Communities Forum. The role of the group is to inform the Sunderland Partnership of issues regarding equality, inclusion and cohesion across the city so that the needs of individuals and communities are incorporated into strategy, policy and service delivery for Sunderland.
- ii) The equality assessment template has been drafted and will be developed as the project progresses. The Strategy, Policy and Performance Management team are engaged in this process to offer assurance throughout the project.
- iii) Consultation feedback will be included within the final design arrangements to ensure the facility meets modern standards to ensure access and participation is encouraged from all sectors of the community.

8.2 Sustainability

- i) To minimise the operational costs and Carbon footprint of the development it is proposed to apply the BREEAM (Building Research Establishment Environmental Assessment Method) methodology as part of the evaluation criteria. The tender documents and detailed specification will set a target of "Very Good" status as a minimum standard with the contractors given incentive, in the form of a higher scoring to achieve a higher rating of "Excellent".
- ii) The appointment of a BREEAM assessor will register the project with BRE to ensure that early consultation work which attracts BREEAM points can be included in the final project assessment.

9. Other Relevant Considerations / Consultations

9.1 Financial Implications

- i) The overall capital cost of the facility has been estimated at £11.3m, based on current available local and national cost data but will be dependant on the final tender submission and site abnormal costs.
- ii) The current net delegated revenue budget attached to Washington Leisure Centre is £493,569 (£890,170 including non delegated). The budget allocation takes account of income generated from the existing facilities, current pricing policy and participation levels. It is intended that the subsidy requirement will be reduced as a result of the addition of the external football facilities to the overall offer. It is not possible to accurately predict the level of the reduction, until the final design of the building and facility mix have been agreed.

9.2 Risk Analysis

- i) A risk register has been produced for the project in conjunction with Council's Programme & Project Office and the Risk and Assurance Team. The Project Board, review and add to the content of the risk register on a monthly basis.
- ii) Given the complex nature of the site it will be important to keep the contingency within the budget under close review. This is recognised in the risk register.
- iii) The risk analysis has formed the basis for developing an Assurance Plan for the project. The Assurance Plan is proportionate with the complexity of risks associated with the project and details the assurance to be provided to manage the risks to an acceptable level

9.3 Legal Implications

- i) The site of the development is subject to a covenant relating to the Washington Housing Corporation and the disposal of land for an alternative use. Early investigations with Legal Services have established that the proposed development is within the terms of this legal agreement given it provides for a continuation of leisure use.

9.4 Health and Safety Considerations

- i) A Construction Design Management (CDM) Coordinator will be appointed at the earliest opportunities to ensure the project is compliant with CDM legislation and to ensure the successful bidder takes responsibility for all health and safety considerations during design, construction and demolition.

9.5 The Public

- i) Consultation arrangements are as set out in 4.3 of this report
- ii) Regular communication with local members and residents will be undertaken to ensure they are updated on progress.

9.6 Project Management Methodology

- i) The Council standard project management methodology will be followed.

10. Background Papers

10.1 The following background papers have informed the production of this report:

- i) Cabinet Report 13 October 2004 – Leisure Facilities Development