

COPELAND POOL EXTENSION

EXECUTIVE MEMBER: Councillor Hugh Branney
LEAD OFFICER: Paul Walker, Chief Executive
REPORT AUTHOR: Julie Betteridge Head of Regeneration and Community

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The Council has revised the outsourcing arrangements for delivery of its sports and leisure assets to maximise access to affordable physical activity and sports by residents most in need of health and wellbeing support.

WHY HAS THIS REPORT COME TO FULL COUNCIL?

(eg Key Decision, Policy recommendation for Full Council, at request of Council, etc.)

The Council has as part of the budget reduction strategy looked at ways to continue its sport and leisure provision at reduced subsidy and re-negotiated its sport and leisure contract with North Country Leisure. The full details of this re-negotiation are also on this agenda. These revised arrangements include the building and operation of a fitness extension to the Copeland Pool as described in the project initiation document '(PID)' at Appendix 1 to this report ('the Copeland Pool Extension'). This report sets out the details of the Copeland Pool Extension.

RECOMMENDATIONS:

Council is asked to agree the following to enable the Council to deliver the Copeland Pool Extension as required:

- i) agree the Copeland Pool Extension project PID;
- ii) agree the release of the capital allocation of £263,000 agreed at Council on the 21st February 2013 for spend from the Council's capital resources to supplement external funding in delivering the Copeland Pool Extension as part of our asset portfolio;
- iii) agree that any underspend against this capital programme allocation will be returned to capital receipts;
- iv) approve £27,000 project management budget for the Copeland Pool Extension to be financed from the Council's General Reserve;
- v) approve the receipt and spend of match funding for the Copeland Pool Extension of £150,000 from Sport England and £300,000 from Copeland Community Fund subject to, in the opinion of the Head of Regeneration and Community, the satisfactory resolution of

grant funding conditions as set out in the Monitoring Officer's comments;

vi) authorise officers to explore additional external funding to reduce the Council's capital contribution, delegating a final decision on receipt and spend of any such resources to the Head of Regeneration and Community in conjunction with the S151 Officer and Portfolio Holder.

vii) authorise the Head of Regeneration and Community as project sponsor to seek tenders for the building extension using the restricted procurement procedure in accordance with the timetable and process set out in Appendix B.

Such decision of Council as set out above, if agreed, being subject to the approval of the recommendations set out the separate report on this Agenda in Part II regarding the changes to the leisure management contract.

1. INTRODUCTION

- 1.1 The Council outsourced the management of its four sports and leisure facilities to North Country Leisure through a 10 year contract with a commencement date of 1 April, 2006 and with the ability for the Council to request an extension of the Agreement Period by up to 5 years. The current contract runs until the end of March 2016. The contract delivery has been externally reviewed and benchmarked at the end of the first five years i.e. 2010. The Council were re-assured of the service delivery value for money and service performance.
- 1.2 The Council have built a strong working partnership with North Country Leisure with regular performance management arrangements and the setting up of a local Copeland Board to oversee the delivery of the contract and development of the facilities and associated activities for residents. The joint partnership work between the Council and its contractor has enabled additional project resources to NCL to deliver additional sport and leisure activities targeted at neighbourhoods and specific communities in response to health indices and increased sport and physical activity participation. In particular the B-Active project delivering within communities across Copeland until 2015 supported by the Copeland Community Fund, the GP referral contract held with the Copeland Clinical Commissioning Group, and the Return to Netball and Gymnastics initiative run in the Sports Centre and other community venues. The latter project supported by the sports' national governing bodies and Copeland Community Fund.
- 1.3 The Council and local government as a whole are responding to unprecedented challenges around the future role of local government, driven by a series of fundamental changes to the national policy framework and significant reductions

in funding. The scale and pace of these funding reductions have forced the Council to reconsider the services it provides and make policy decisions that reflect these changes in funding. The Council supported the work on its policy led budget through a number of Policy Development Groups (PDG) in Summer 2012.. Two are particularly relevant to the NCL contract. One PDG focused on the North Country Leisure contract. North Country Leisure was engaged in the work of the PDG through offering information and contributing to the options for the future contract arrangements for consideration by members. Secondly, the Council facilitated a PDG on income.

- 1.4 The agreement at Council relating to the policy framework regarding leisure was:
Policy Decision: “We will reduce our subsidy to our leisure contract”.
Potential Impact: “We will reduce our subsidy and look to close some facilities. Prices may go up and the programme of activities may change significantly.”
Mitigation: “We will with others to seek alternatives for the Whitehaven Civic Hall and Cleator Moor Bowls Centre. We will work with our current contractor to review any proposed changes to the Sports Centre and Pool before they are implemented to assess any potential impacts and to identify opportunities to maintain the Bowls Centre within the current contract with no subsidy for operation or maintenance. We will continue to prioritise and protect the ‘Be Active’ Plus card.”
- 1.5 The policy agreement at Council regarding income generation was:
“We will manage income from fees and charges looking to move discretionary services to a self-financing position where they cover their costs including overheads.”

2. PROPOSALS

- 2.1 The Council has worked closely with NCL on the Copeland Pool Extension project for the last three years. The extension business plan is in response to a detailed feasibility study showing demand and need against a shortage of fitness facilities in the area in line with our core strategy evidence base. The project aims still remain valid which are to improve the sustainability of the Copeland Pool, achieve increased participation in a very deprived area and deliver an improvement to the Council’s asset, the Copeland Pool. The Pool Extension received planning permission from the Council in June 2012.
- 2.2 The Executive and Full Council in setting the capital budget for 2013/14 included an in principle allocation against the Copeland Pool Extension of £263,000, subject to agreeing the PID in accordance with all capital programme projects.

- This capital project has attracted £450,000 external funding. It is anticipated that the total cost of the project will be covered by the external funding secured and the Council's capital contribution and be in the order of £650K but these estimates will only be confirmed on receipt of the tenders following the procurement process.
- 2.3 The project PID is attached at Appendix A and sets out the detail of the project and is supported by a range of development documents including detailed design, project delivery plan, a marketing strategy and business plan. The Pool Extension has been pursued to enable additional fitness services capable of generating additional income which will serve to reduce the net operational costs associated with Copeland Pool. This new facility will be operated by NCL who have a business plan that has supported their successful funding applications. The summary profit and loss statement projects an annual net profit for the Copeland Pool Extension against cost of delivery of the extension of £100,000 per full operational year. This surplus has been part of the negotiations to underpin the contract fee reduction. NCL are willing to run this facility and take the risk of guaranteeing this surplus income thereby reducing the Council's contract fee by £100,000 per year from September 2014.
- 2.3 The pool extension will use Council capital resources and two grants. The Council is the Accountable Body for the Pool extension in line with our ownership of the asset and this means the Council holds the responsibility for ensuring value for money. The business case for the capital investment highlighted a payback period based on generating additional income of £100,000 over a seven year period. There is therefore a risk that the full investment from all grant funder and council investment will not be fully paid back during the contract options with NCL.
- 2.4 NCL operate both the Copeland Pool and Whitehaven Sports Centre and members with Be Active and Be Active Plus cards will be able to access all facilities provided by NCL. We know through NCL Copeland Board analysis of customer feedback that there is over demand at peak times at the Whitehaven Sports Centre. This is supported by our evidence base within our core strategy which highlights greater demand than facilities available and this underpins the project business case.
- 2.5 This capital project will improve a Council asset through an extension of the existing Copeland Pool. The capital improvement moves slightly out of the existing lease boundary in the contract within the car parking area but still within the Council's land asset. The lease detail will be amended as part of the contract variation.

- 2.6 The Council is the project lead and the project sponsor is the Head of Regeneration and Communities. The Council has limited capacity to deliver the project and will require some additional support which based on contract value and our past experience is budgeted at £27,000: £20,000 on project management and £7,000 on independent PQS&A. These costs will need to be funded through the Council's General Reserve. We do not anticipate using all the project management budget allocation and any underspend will therefore be returned to the general fund. Existing architect and other fees incurred by NCL amount to £24,517. For VAT purposes NCL will be reimbursed these fees from the project budget.
- 2.7 The capital works procurement responsibility lies with the Council through its standing orders and financial regulations. Head of Regeneration and Community has prepared the tender documentation. The procurement of the extension has to comply with the council's contract procedure rules. The intention is that the restricted procedure is followed for the works contract to build the extension, with the advert being placed w/c 23rd Sept 2013, prequalification questionnaires being returned by 10th October, 2013. The build is estimated as 12 weeks once on site and current timetable if a positive decision is given in September 2013 will be for completion by April 2014 with opening in May 2014.
- 2.8 The Copeland Pool currently has a lifetime assessment of 20 years. The use of Sport England resources requires the Council to enable a fitness facility use at the Copeland Pool for 10 years from completion of the capital works, well within the current lifetime assessment of the Copeland Pool.
- 2.9 The Council continues to investigate the opportunity of using community benefit external resources to meet its capital investment requirement. The extension of the pool offers total income of £100,000 per contract year offset against the contract fee. It improves our asset which has a useful life of 20+ years.

3. CONCLUSIONS

- 3.1 The Pool Extension will be delivered in partnership with our benchmarked contractor who is delivering services in line with our new policy direction. The Council and NCL have been working closely together on a range of issues in response to a difficult challenge from the Council in line with its budget reduction targets and requirement for contract efficiencies. NCL have delivered some budget savings over the past two years relating to programming and pricing at the Copeland Pool. The Copeland Pool Extension offers a sustainable income element to the contract fee reduction alongside delivering additional fitness resources in line with demand and our poor health indices. The Copeland Pool is a popular facility well used by residents of the northern Copeland towns and villages with user numbers up 11% on same period last year and BeActive

Plus membership at the Pool doubling in the past year and Be Active cardholders increasing by 25%.

- 3.2 The Pool Extension will improve a Council asset and brings capital investment in a fitness extension able to meet evidenced demand from our core strategy facilities audit and offer an additional income stream to contribute to the Council's target budget reductions for the contract fee. It also brings 60% of the capital costs from external sources. The Sports Centre gym has over demand at peak times as detailed to the Copeland NCL Board and the Pool Extension will assist with this programming challenge alongside appealing to a different market linked to pool related activities.
- 3.3 The Executive considered the Pool Extension at its meeting on 15th August, 2013, and is recommending Full Council agrees the Copeland Pool Extension project PID. Executive recommend the Council agrees a capital investment allocation from the Council's capital resources and receipt and spend of £450,000 matched external funding in delivering the Pool Extension as part of our asset portfolio. Full Council are also recommended to agree the funding of £27,000 project management budget for the Copeland Pool Extension to be met from the Council's General Reserves.

4. STATUTORY OFFICER COMMENTS

- 4.1 The Monitoring Officer's comments are:

There are three areas which involve legal issues:

Firstly, the construction of the extension itself. This is a straightforward construction contract and formal contracts will be put in place, following the tendering procedure, to appoint the contractor, architect and quantity surveyor. There is a risk that tender prices may come in over budget. If this happens then either the specification will be reduced to fit the available budget or external funding obtained.

Secondly, the grant funding for the construction costs. As stated, grants from the Copeland Community Fund and Sport England will be received. Both have conditions attached. In respect of the Copeland Community Fund grant a formal approval letter has not yet been received as the Fund is awaiting clarification of state aid and VAT implications. Once issued, it will be subject to a condition that 'systems are in place to monitor the number of beneficiaries i.e. not attendances. In respect of Sport England the conditions are much more detailed and include a range of conditions relating to outputs, publicity, keeping of

records, etc. In so far as necessary these conditions will be imposed on NCL together with an obligation on NCL not to do anything which might prompt grant claw-back. The Sport England grant also requires restrictions against future disposals to be entered on the Council's land title. Clarification of this is awaited from Sport England to ensure that it will not prevent a further lease of the Pool as part of any retendering exercise which might occur within the grant claw back period of 10 years. Sport England state that they would need to provide consent to any leases. This might become an issue in five years' time if the leisure management contract as a whole is re-let and Sport England's consent to leasing at that time is required. Discussions continue with Sport England on this point. Ideally Sport England should confirm now that they will provide consent to any new leisure management lease during the 10 year period provided it is not on dissimilar terms to the existing leases, either with or without subsidy. Recommendation (v) refers to this.

Thirdly, in respect of NCL the extension will require a lease of additional land to NCL. This will be on the same terms as the original lease of the Pool and be dealt with under delegated powers in accordance with contract procedure rules. The reduction in fee of £100,000 will be dealt with as part of the contract extension. Any income generated above £100,000 will be reinvested in the contract as part of the revenue savings process contained in the 2006 Agreement. For this reason there is no advantage to NCL, nor a material change to the contract by the extension.

- 4.2 The Section 151 Officer's comments are: The negotiations with NCL are concluding and have resulted in some savings through the various options to close the Civic Hall and reduction in funding of the bowls facility to nil subsidy. A further aspect of this negotiation has been the creation of an additional dry side facility gym at the Copeland pool, providing NCL with additional income streams and thereby reducing the council's overall subsidy. However it is now clear that the delivery of the savings target agreed by council in February 2013 cannot be met in totality.

Council set its policy in February 2013 that all discretionary services should move to a position where they covered their full costs in order to address the financial challenges of CSR10 and the greater financial challenges in CSR13, enabling it to meet its statutory duties and fixed costs. The council's financial position and medium term financial plan highlights an increasing gap following the latest DCLG consultation and reduction of 15.8% in funding SFA, this gap is considerable and will be a challenge to address.

The option to expand the pool with additional dry side facilities provides some revenue savings via contract fee reductions.

The financial case for the pool extension is marginal with a payback period in excess of the current contract extension options, and with a business case which is assessed by the other funders as having risk of displacement of service users between sites and being subject to impact from other developments in the area.

To safeguard against this risk the leisure provision contract should ensure that this income loss is at NCL's risk. Even with this safeguard the return on investment calculation assumes a payback period beyond the life of the main NCL contract. Assuming therefore that a similar arrangement can be secured beyond the proposed contract extension. There are other elements to the business case which executive and council may think override the financial case.

In terms of financing – the council agreed at its meeting in February 2013 to a provisional capital allocation of £263K contribution to the possible dry side extension to the pool. This money is available in the capital programme.

Council will be aware of the wider financial challenges of the medium term financial strategy however at this date the council has general reserves of over £1M and therefore could allocate £27K to the project management of the pool extension, if it so wished to.

- 4.3 EIA Comments: The policy review work in this area undertook an EIA and identified key issues being continued access for all residents and a focus to ensure targeted access to residents on low incomes and with particular health related activity participation needs.
- 4.4 Policy Framework: We are responding to unprecedented challenges around the future role of local government, driven by a series of fundamental changes to the national policy framework and significant reductions in funding. The scale and pace of these funding reductions have forced the Council to reconsider the services it provides and make policy decisions that reflect these changes in funding. In February this year, Full Council concluded a policy-led budget setting process which identified an overall budget strategy driven by a clear set of new priorities for the Council. Sections 1.4 and 1.5 set out the specific policy reference to leisure and discretionary services.
- 4.5 Other consultee comments, if any: Full consultation on the budget reduction proposals has been made as part of the Council's budget consultation exercise and through additional joint and individual activity by NCL and the Council. The Pool Extension has through its development two to three years ago undertaken a

consultation exercise with residents, partners and users of the Pool and Sports Centre.

5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 5.1 The Copeland Pool Extension project will be managed by the Council in partnership with North Country Leisure as part of its leisure contract with Copeland Borough Council. The Council's Contract Manager for NCL, the Head of Regeneration and Community, will act as the project manager for the Council. All building and fit out is included within the project. At the end of the project a fully operational extension will have been completed incorporating gym, activity rooms and car parking as set out. At the end of the project, NCL will manage the extension and all facilities as part of their leisure contract with the Council.
- 5.2 The Council has a strategic and operational risk register which the pool extension will be referenced within. The key risks relating to the project management and build contract will be logged and managed through our project management resources. A further notable risk is to the funding conditions attached to the £150,000 Sport England grant which requires a ten year commitment to delivering fitness outcomes. Financial clawback terms will apply if this is breached..
- 5.3 The Council has limited capacity to deliver the project and will require some additional costs to procure the necessary support which based on contract value and our past experience is budgeted at £27,000: £20,000 on project management and £7,000 on independent PQS&A. .

6. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 6.1 Contributing to the Council's budget reduction targets for 2013-15 through income generation to assist contract fee reductions in the NCL contract.
- 6.2 Delivering Copeland Pool Extension and maintenance of services to all residents but targeted activity through the BeActive Plus commitments and meeting priority 2 commitments in our Corporate Plan to work in partnership on our assets to deliver health and wellbeing outputs and outcomes to our residents and to particularly focus on residents experiencing multiple deprivation and low household incomes.

List of Appendices

Appendix A – Copeland Pool Extension PID and plan
Appendix B – Procurement Timetable – Key stages

List of Background Documents:

Pool Extension paperwork, NCL Policy Development Group outcome paper, Condition Survey 2013, “Council Budget 2013/14” and the “Future role of the Council 2015 – Service change options”.

COPELAND BOROUGH COUNCIL

COPELAND POOL EXTENSION

PROJECT INITIATION DOCUMENT (PID)

ID: Copeland Pool PID
Version: v3
Author: Darren Lamb / Julie Betteridge
Date: February 2013 (revised August 2013)

Project Initiation Document

1. Background

A detailed feasibility study has been completed to provide an extension to the current Copeland Pool facility to provide a 180 sq m fitness gym accommodating 35 stations with free weights area, 2 multipurpose activity rooms each of 50 sq m and capable of being opened up into a single room, plus 61 additional car parking spaces.

The Copeland Facilities Audit undertaken as part of the evidence base for the Core Strategy identified a severe shortage of fitness facilities in the area and a strong need to reduce the net operating costs of the existing pool. This project aims to address both these issues, achieving increased participation in a very deprived area and an improvement to the Council's asset, the Copeland Pool.

2. Outline Business Case

This capital project will improve a Council asset through an extension of the existing Copeland Pool. The Council is requested to invest £207,209 towards the capital cost of the project, the remaining 68% being externally funded.

This project will generate additional income which will serve to reduce the net operational costs associated with Copeland Pool. The Council will receive the benefit of the capital spend costs as an annual reduction in the contract fee over the seven year period 2014 to 2021 of £100,000 per full operational year.

The Sports Facilities Strategy for Copeland (2010 – 2021/26) Leisure Needs Assessment was completed in April 2011. This proposes a Strategy for health and fitness facilities which includes the following:

- Consider in the short to medium term the provision of up to 100 additional [fitness] stations”
- “Consider in the longer term the provision of additional stations in accordance with identified future demand, in accessible locations throughout the borough, preferably in conjunction with other sports and community facilities including sports halls (especially on schools sites), pools, AGPs and community halls, to ensure that all facilities are sustainable in financial terms.”
- “Extend where necessary existing facilities where a need has been identified.”
- “Ensure that all health and fitness facilities are accessible to the widest range of users, including young people, women and the disabled, by improved management and publicity.”

The document identifies that 4.4 fitness stations exist in Copeland for every 1,000 population. This compares poorly with a national average of 5.7 and a regional average of 6.2. The best concentration of stations in the region is in West Lancashire with more than double the number of stations (9.5). The document concludes that 415 stations are required during the peak time period to accommodate current levels of demand. Only 305 actually exist (or 268 if relative accessibility to the public is taken into account) giving a significant deficit of 100-150 stations.

A ‘Latent Demand Study’ carried out by the Leisure Database Company in 2010 identified a latent fitness demand for the Whitehaven catchment area of 714. This is the number of additional members the study concluded could be achieved if a gym were opened.

Project Initiation Document

Whitehaven suffers significant deprivation issues, particularly in relation to health. The 2009 Health Profiles produced by the Association of Public Health Observatories show that over half of Copeland's health indicators are worse than the England average. Obesity in adults is the sixth worst rate in the country creating a strong need for improved health and fitness facilities coupled with increased efforts to increase participation in target groups. The location of Copeland is also a critical factor in generating need. Conclusions in the Leisure Needs Assessment relating to Copeland's Sports Participation Profile state that "the borough is located on the edge of the county and country, and links with facilities and services in neighbouring local authority areas are not good"

In addition, parking at the existing pool at peak times is hugely problematic with anecdotal evidence suggesting that this acts as a disincentive to participation.

Taking all these factors into account, there is a clear need and demand for additional health & fitness facilities in the area. This is clearly identified in the Sports Facilities Strategy for Copeland and will, critically, help to underpin the sustainability of the existing pool facility by significantly reducing the overall annual operation costs at the site and easing the current pool's accessibility issues.

Detailed feasibility work has been carried out over a number of years to determine the optimum solution to meet the identified need. A number of options have been considered. This work has concluded that an extension should be provided to the existing Copeland Pool facility to accommodate the following:

- a 180 sq m fitness gym accommodating 35 stations with free weights area
- 2 multipurpose activity rooms each of 50 sq m and capable of being opened up into a single room
- 61 additional car parking spaces.

This facility will directly meet a large part of the identified need without impacting on existing facilities. This project will also provide a net income stream which will be utilised directly to support the continued operation of the existing Pool facility.

3. Project Objectives and Scope

3.1 Project Objectives

The extension will require a 14 week construction period following a formal tendering process which will commence as soon as all funds are in place. It is anticipated that the formal tendering process will start in October 2013.

This project will have a significant ongoing impact on health and fitness in an area suffering some of the worst health deprivation in the country. 13800 attendances are targeted in the first year of operation rising to over 30,000 within four years. This will include 375 new members attending over 23,000 times per annum and over 4,000 annual 'pay as you train' visits.

Specific target groups will include older people, young people and those on low incomes. A variety of relevant activities at the right time of day will be provided for the elderly to ensure maximum participation based on experience at other centres operated by NCL and on targeted marketing activity. Younger people will be

Project Initiation Document

specifically targeted through the High School by offering induction sessions as part of PE packages and developing activities as part of school programmes.

The project aims to achieve 20% of users to be over 50 years old and at least 7.5% to be between 14 and 18 years old. Enhanced access to the new facility will be enabled for those on low incomes through a targeted pricing strategy, linked to the BActive Plus card.

Direct links will also exist with related projects such as the 'Be Active' project (based on the current 'Moor Active' pilot project) which targets particularly deprived local communities, assisting residents to become involved in physical activity. The GP referral scheme will also provide a direct conduit for individuals to increase participation and links will be made with smoking cessation and other programmes. Both the Be-Active and GP Referral schemes are managed by NCL.

The project will also enable increased visits to the centre from existing swimmers who attend the well used pool. There are 200,000 attendances annually to the pool and this provides a large potential market to achieve increased and diversified participation in a wide variety of health and fitness activity.

Partnership working with local groups, as successfully exists with the existing facilities in Copeland managed by NCL, will be a major element of the scheme going forward to ensure maximum use of the facility and optimum links with a full range of existing sporting activity.

The project will also benefit from the high standard of staffing demonstrably provided by NCL, excellent management and sensible pricing structures which will be able to be offered. This will help to ensure maximum participation within the new facility and, therefore, maximum benefit for the local community.

3.2 Project Scope

This project will be delivered by North Country Leisure as part of its leisure contract with Copeland Borough Council. All building and fit out is included within the project. At the end of the project a fully operational extension will have been completed incorporating gym, activity rooms and car parking as set out. At the end of the project, NCL will manage the extension and all facilities.

A series of funding applications have been made with two significant successes as follows:

Sport England Inspired Facilities	£150,000
Copeland Community Fund	£300,000

4. Project Deliverables

The project will deliver the following:

- A 180 sq m fitness gym accommodating 35 stations with free weights area
- 2 multipurpose activity rooms each of 50 sq m and capable of being opened up into a single room
- 61 additional car parking spaces.

A full tendering process will be undertaken by NCL to appoint a contractor to carry out the works.

Project Initiation Document

5. Project Approach

Sadler Brown (then Hopper Howe Sadler) was first commissioned by NCL in conjunction with Leisure Copeland in 2006 to look at the possibility of providing an extension to the existing swimming pool building to provide multi-purpose dry facilities.

An extended feasibility study was then provided in February 2010 which took the proposals further in the light of Leisure Copeland feed-back and the then currently expressed needs.

Following further assessment of local need and feed-back exercises undertaken by NCL, Peter Howe was commissioned to undertake a further study in November 2010, costed and up-dated in December 2010.

NCL commissioned Sadler Brown to develop the accepted design to RIBA Plan of Work stages C and D and submit for planning approval. A full professional team – structural, services and cost consultants – was also appointed.

All the consultants are formally quality assured and the design was developed in accordance with ISO 9001 and the RIBA work stages.

The project gained Planning Approval in May 2012 and currently sits at work stage D.

6. Project Plan

A copy of the final design of the extension is attached. This includes a Project Plan on the last page as set out in early 2012. The precise dates identified have changed as a full funding package is put together. However, the planned sequencing and timescales remain the same. When full funding is in place, the Team as directed by Copeland Council will continue to follow the RIBA Plan of Work stages. The traditional form of procurement (with full working drawings, specification and Bills of Quantities) has been identified as the most appropriate and cost-effective for this project.

7. Organisation – Roles and Responsibilities

Julie Betteridge, Head of Regeneration and Community, is the Council's lead on the NCL contract and the project lead for the Council on the Copeland Pool extension. The Council will procure project management and independent professional QS resources to deliver the contract and new build.

Darren Lamb, Director of Operations at NCL, will be the NCL project lead and will have direct responsibility for communications, marketing, health and safety and coordinating the team being provided through NCL to deliver the project.

Once a contract is in place, Christine Howe of Sadler Brown Architecture will be identified as Contract Administrator and, together with the structural and services consultant, will therefore ensure that the Contractor builds in accordance with the drawings and specification and to the required quality. The Council's procured QS will act as the Clerk of Works and CDM.

Project Initiation Document

The Cost Consultant will provide monthly valuations, financial statements and cash-flow forecasts.

Alan Burns, Copeland Swimming Pool Manager, will provide daily on site contact.

8. Communications

A full Marketing Strategy and Plan has been developed by NCL for the facility once it is operational. A copy is available for information and reflects the wide ranging approach to communication which will be adopted.

In terms of communications during the construction phase a number of key parties exist including:

- NCL Copeland Board. A special project sub-group will be established to receive regular reports on progress. This will consist of up to four members of the NCL Copeland Board including one of the Councillor representatives. This group will ensure all milestones and community interests are met. Timely reports will also be made to the full Board.
- Existing users of the pool. Plans showing the project will be on display within the existing building including the timescales for construction and opening of the facility. Information will be included on the website, facebook and twitter pages and in targeted e-newsletters
- Residents. Site boards will be erected including a descriptive scheme title together with contact telephone numbers for further information. Press releases will also be issued in conjunction with the Council to update on progress.
- Funders. Regular monitoring reports will be completed for funders and clear acknowledgement given on site boards and in external communications.
- Council. The Council lead a Project Board of Council and NCL representatives making appropriate reports within the Council on progress and performance. Meetings will be held with Council officials during construction as required.
- Internal project team. CBC's Regeneration Project Officer will act as the council's project manager reporting to the Head of Regeneration and Community and overseeing the procured professional project management staff. NCL's Director of Operations will be responsible for coordinating the NCL team and all communication matters.

9. Resource Requirements

This project will be managed by CBC with support from NCL and additional procured independent QS and project management. £300,000 has been secured from the Copeland Community Fund together with a further £150,000 from Sport England's Inspired Facilities fund. The Council is requested to fill the investment shortfall of £207,209 to enable the project to proceed. This figure does not include VAT in line with the Council's VAT threshold levels.

10. Project Costs

Projected costs for the Copeland Pool Extension are estimated as follows and will be confirmed once the tender process is completed:

Project Initiation Document

	£
Construction costs	436,099
Contract contingency	36,617
Fitness equipment	111,000
Fees	73,493
Total	657,209

Funding profile:

	£
Sport England	150,000
Copeland Community Fund	300,000
Copeland Borough Council	207,209
Total	657,209

The total capital investment and the Council's Capital funding requirement of £207,209 will offer best value when recovered through the contract fee reductions contribution of £100,000 per annum which will be provided during the remaining contract years.

11. Project Quality

The Council will procure its own independent professional resources to work with the delivery quality control to be provided through NCL sub contractors Sadler Brown. Sadler Brown are a RIBA Chartered Practice and are accredited to ISO 9001 quality assurance scheme and ISO 14001 Environmental Management Standard. They are also CHAS registered.

The project will therefore, in addition to following the RIBA Plan of Work, follow Sadler Brown's quality management system and therefore be subject to appropriate quality reviews and audits by a director.

A robust change control system will be agreed with NCL at the start of the contract. Variations to the contract will be valued and assessed before Architect's Instructions are issued. Current costs and projected final contract sum will be assessed by the Council's project team and NCL architect and cost consultant and reported to the Project Board on a monthly basis.

12. Project Controls

Costs and projected contract final sum will be reported to the Council and NCL on a monthly basis as set out above. Project Board will meet monthly and management and required discussions will take place as part of the monthly contract meeting. The Council and NCL Copeland Board will receive timely reports on progress and a special project sub-group will be established including Copeland Council reps.

Project Management Leads, linked to the monthly contract meetings between NCL and CBC:

Julie Betteridge	Copeland Borough Council
Darren Lamb	North Country Leisure

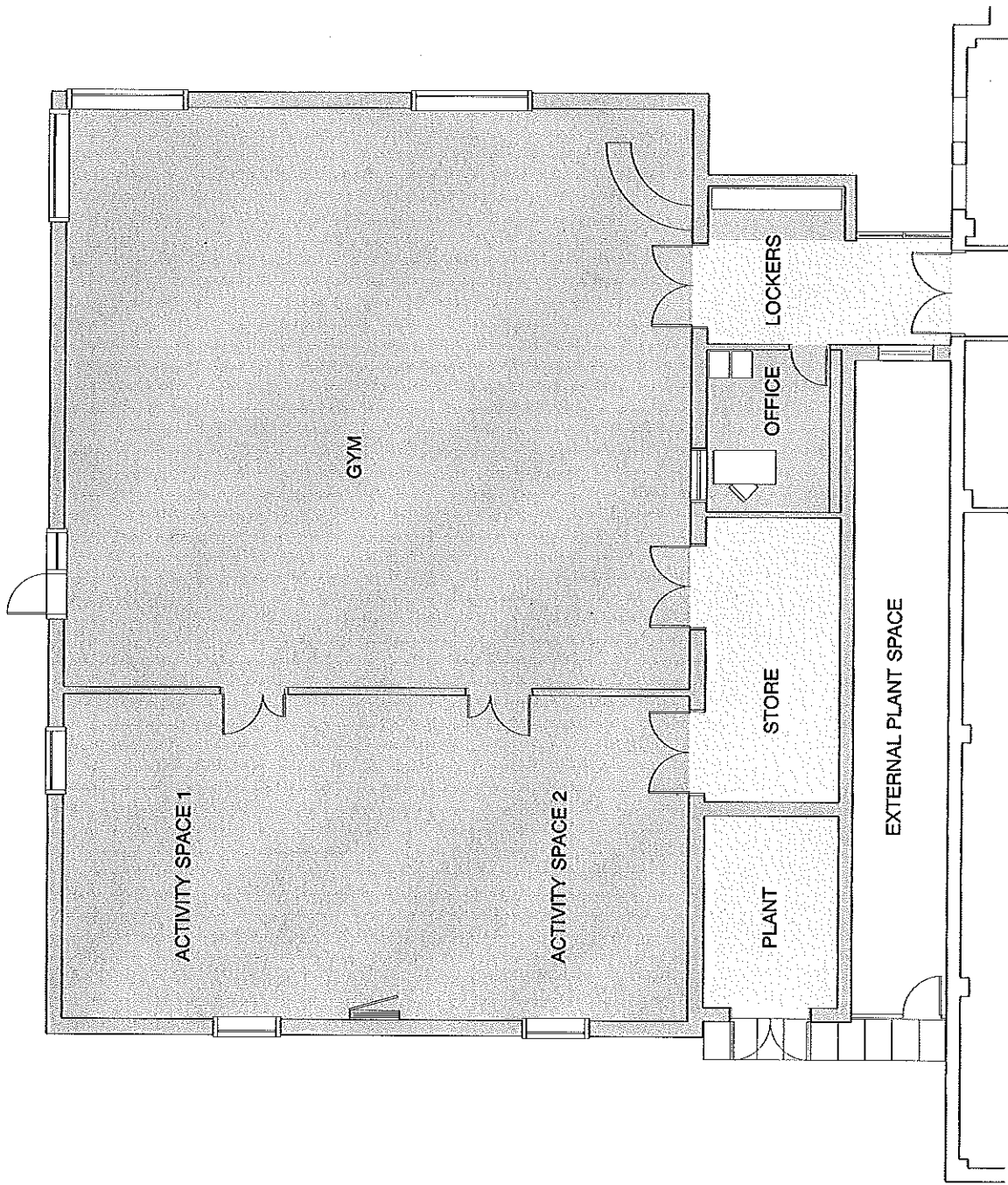
Project Initiation Document

There will be weekly verbal updates between the project management leads with a particular focus on progress and risk management.

13. Risk Management

The project benefits from a recent planning approval and the site is wholly within the Council's ownership. NCL have an exceptional track record in managing such projects both during design, procurement, construction and operational phases. This significantly reduces the risk level attached to the project. The Council through its additional project management resource will be mitigating against any project management risks to the Council. Known risks do exist as follows:

Risk	Probability	Potential Impact	Management
Insufficient funding secured	Medium	High	The project will not proceed if full funding is not in place.
Tender price exceeds estimates	Low	High	Professional estimates have been obtained and updated a number of times during the design phase.
Unexpected cost increase / cost overrun	Low	High	Clear project management will be in place to keep this risk low. Cost estimates include contingency amounts.
Weather disruption	Medium	Medium	Management of potential disruption caused by the weather will be negotiated during the tendering period.
Operational income targets not met	Low	High	Clear evidence and research demonstrate a significant unmet demand. NCL have direct experience of managing financially successful facilities of this nature.



Appendix B –Procurement Timetable for Pool Extension Works

Restricted Procurement Stages	Outline Dates
Advert on Chest	23 rd September 2013
EOI and PQQ completed	10 th October 2013
Shortlisting and PQQ evaluation	18 th October 2013
Invitation To Tender	18 th October 2013
Closing Date	11 th November 2013
Evaluation and Award	November 2013
Contract commences	Early December 2013