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CUSTOMERS AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL

TO FOLLOW

DATE: WEDNESDAY 13 JANUARY 2010
TIME: 10.00 AM
PLACE: COUNCIL HOUSE, NEXT TO THE CIVIC CENTRE

Please find attached additional information for your consideration under agenda items 4, 5, 7 and 8.

BARRY KEEL
CHIEF EXECUTIVE

CUSTOMERS AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL

**4. LIFE CENTRE AND RELATED PROJECTS PROGRAMME (Pages 1 - 20)
(TO FOLLOW)**

The Panel will consider the Life Centre and related projects programme.

**5. LIFE CENTRE - CONSTRUCTION CONTRACT AWARD (Pages 21 - 24)
AND FINANCE (TO FOLLOW)**

The Director for Community Services will submit a report on the Life Centre construction contract award.

6. EXEMPT BUSINESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

**7. LIFE CENTRE - CONSTRUCTION CONTRACT AWARD (Pages 25 - 202)
AND FINANCE (E3) (TO FOLLOW)**

The Director for Community Services will submit a report on the Life Centre construction contract award.

**8. LIFE CENTRE AND RELATED PROJECTS PROGRAMME (Pages 203 - 224)
(E3)**

The Panel will consider the Life Centre and related projects programme.

CITY OF PLYMOUTH

Subject:	Life Centre & Leisure Related Projects Programme Update
Committee:	Customers and Communities Overview & Scrutiny Panel
Date:	13 th January 2010
Cabinet Member:	Councillor Ian Bowyer, Cabinet Member for Finance, Property, People and Governance and Councillor Glenn Jordan, Cabinet Member for Leisure, Culture and Sport
CMT Member:	Carole Burgoyne, Director of Community Services
Author:	Tony Hopwood, Life Centre Programme Director
Contact:	Tel: 01752 305 428 e-mail: tony.hopwood@plymouth.gov.uk
Ref:	<i>100113_C&C OSP Briefing PARTI_FINAL.doc</i>
Part:	I

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Executive Summary

This report is produced to give an update as to the current status of the Life Centre & Leisure Related Projects Programme.

Background

In December 2007 a paper was approved by Cabinet recommending funding for and the creation of a project board to deliver the Life Centre. The recommended facility mix was to contain the following: -

8 lane Indoor bowls	Leisure water	Catering
Sports Hall	50M Pool	Multi- purpose space
Fitness Suite	Diving Pool	Dryside Diving provision
Ice Rink	Facilities for Health Clinics	Climbing Facilities
Health Suite	Crèche/ soft play	

This was developed as a result of the needs analysis and extensive consultation that was undertaken. The final facility mix is included in the attached Cabinet papers.

The Life Centre was planned to be an impressive regional facility, attracting not only elite performers of all disciplines but the public at large; a place that will inspire, excite and engage people of all ages and encourage them to lead healthy lifestyles.

More specifically it sought to:

- increase active participation across the city. The project will seek to build on the Local Area Agreement Stretch Target of a projected increase in activity (3 x 30 minutes a week) from the current 18.6% in April 2007 to 22.6% in April 2010; and to maintain a 1% year on year increase in activity levels thereafter
- attract over 1 million attendances a year
- improve the uptake in activity levels by priority customers; Children and Young People, Older People, and those living in the most deprived wards
- provide facilities which are designed to be fully inclusive and accessible ensuring that all the needs of our citizens are met
- create high levels of customer satisfaction, with the quality of facilities and services provided
- provide a regional centre which meets the sports needs of our elite performers, ensuring that Plymouth remains one of the top sports hub in the South West
- provide a destination which partnerships can utilise to increase the skills, coaching and volunteer workforce across the city
- to build low carbon and energy efficient facilities, which coupled with its ability to attract more users and more income, will ensure that running costs are no higher than the current facilities located within the Park
- provide an attractive destination that will be an enjoyable place for people to visit

Programme Governance

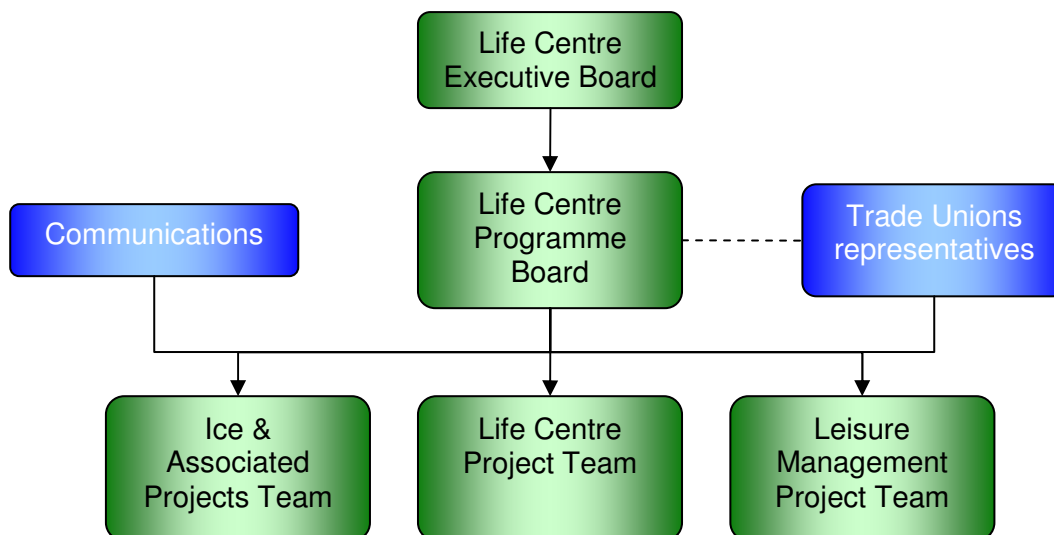
The Life Centre Project has gone through a period of change whereby the project governance arrangements have been reviewed in line with best practice and to reflect the evolution of the project.

In July 2009, as the project progressed with tenders being sought for the construction phase, the leisure management project was moving towards tender stage and the projects' wider implications were more clearly developed it became clear that the management and direction of the scheme required a new focus.

Amendments were made to the governance arrangements to address the entire programme of works linked with the Life Centre building and to include issues surrounding the Pavilions building, the events field and skateboard park at Central Park and also the procurement of a new leisure operator.

Previously, the Life Centre Project and Leisure Management Project had been treated, essentially, as discreet projects with different governance arrangements and team structures. It was recognised that this could lead to the possibility of decisions being taken for one project that impacted on the other and the view was taken that a more joined up approach to these workstreams would mitigate this risk. It is also recognised that more effective utilisation of internal resources would create benefits, remove the possibilities for duplication and address resource pressures.

Each individual workstream (Life Centre, Ice & Associated Facilities (including Pavilions, Skate Park, events field) and Leisure Management) formed an individual project in its own right and all of these projects were linked in a programme to be known as the Life Centre & Leisure Related Projects Programme. Each project has its own Project Team that reports to, and seeks direction from, the Programme Board. In turn, the Programme Board is overseen by an Executive Board which has Member representation – the structure is shown in the diagram below with a more detailed table at Appendix A.



These changes have enabled the programme of work to progress in a more coherent manner with shared learning, clear direction and in a coordinated environment.

Programme Workstream Overview

Life Centre – Progress

- Planning Permission granted 20th August 2009
- 5 tenders returned 2nd October 2009
- Tender evaluation now complete (see attached Part II Cabinet Report dated 19th January 2010)
- Contract Award to be considered by Cabinet on 19th January 2010
- Contract signature programmed for 1st February 2010
- Mobilisation programmed thereafter
- Project Manager's Report number 23 is attached at Appendix B

Life Centre – Costs

- Budget remains at £46.5m
- Funding secured from Sport England for £1.99m
- Awaiting outcome of other Capital funding bids
- Legal agreement with University for £2.5m to be signed mid January 2010
- Refer to Appendix C and supplied Cabinet Papers for further details

Leisure Management Contract

- 7 submissions were received to the Leisure Management Pre-Qualification Questionnaire, 6 of these bidders have been successful in proceeding to the next stage - Invitation to Submit Outline Solutions (ISOS) which is expected to be issued before the end of March 2010
- User requirement strategies continue to be developed, for example Aquatic and Netball Strategies
- Contract award expected early 2011
- HR issues continue to be discussed and the Trade Unions are engaged in this process
- The cost of running the leisure management contract continues to be the subject of much scrutiny by officers. It is difficult at this stage to predict exactly how much the revenue costs of running the Life Centre will be. Officers have continued to update their best estimates, and at this stage are still anticipating costs to be broadly in line with current expenditure. There are however many variables which at this stage can only be estimated. These variables are:
 - Level of income that contractors predict will be generated
 - Staffing structure for managing the new centre
 - National Non Domestic Rates evaluation
 - Utility costs and share of risk between contractor and client

- Level of specification
- Level of management fee the contractors will require

The Council's current estimates are confidential in the context of the ongoing competitive dialogue process. Disclosure of such information could disadvantage the Council's position. As the dialogue process continues many of these variable issues will become clearer and the Council will more accurately be able to assess the true costs whilst ensuring that every effort is made to keep revenue costs to a minimum.

- A Communications plan (covering staff and Trade Unions) has been developed. It follows best practice from previous transfers in relation to staff and trade unions.
- Corporate Property will lead on procuring a full condition survey on the existing leisure facilities, which will be included within the Leisure Management Contract. A target date for the completion of this work is 28 February 2010.
- A meeting to discuss leases and licenses has been held. Culture, Leisure and Sport Officers and consultants, Strategic Leisure, have identified boundaries for each site.

Pavilions

- Theatre Royal Plymouth Ltd. (TRP) has been issued with notice of the Council's intention to withdraw subsidy to coincide with the closure of the Leisure water and Ice in line with the original funding strategy. This has been discussed with TRP and they are presently producing proposals as to the future 'shape' of the Pavilions facility. Once these proposals are received the Programme Board will work with TRP to develop these proposals into a deliverable solution.

Leisure Ice

- There is £2m set aside in the Programme budget allocated towards re-provision of Ice within the city.
- Corporate Property are seeking to identify if there any suitably sized sites in the city
- Soft market testing for Ice re-provision returned 5 responses, an initial review of these responses indicates:
 - There is interest in the development opportunity
 - Preference for City Centre site
 - Competitive dialogue is favoured procurement route

Skate Park re-provision

- Consultation on skate park location is complete. The proposed location is shown outlined in blue on the plan below.

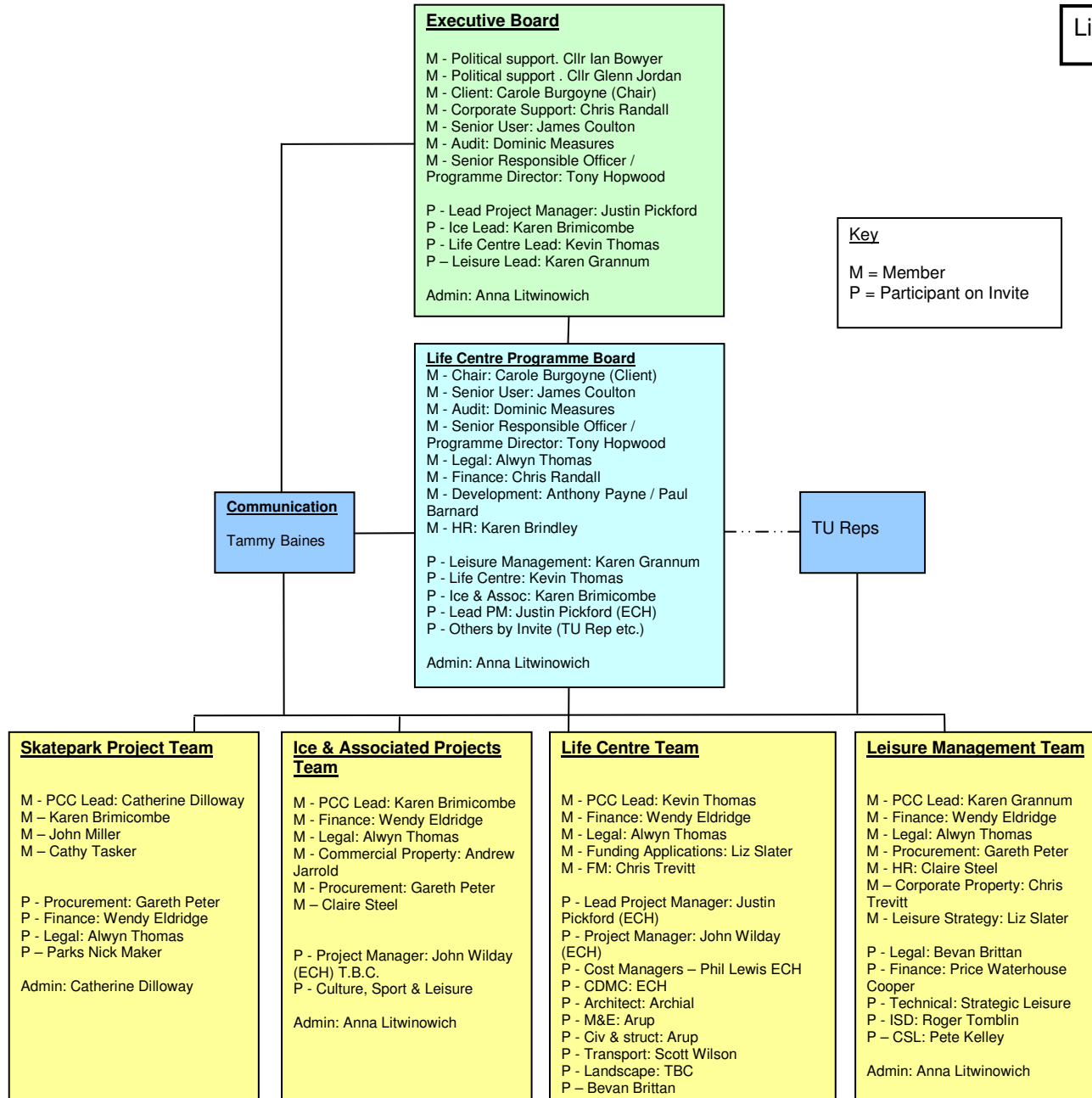


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Appendix A – Programme Governance Structure and Workstreams

Life Centre Management Structure



Key

M = Member
 P = Participant on Invite

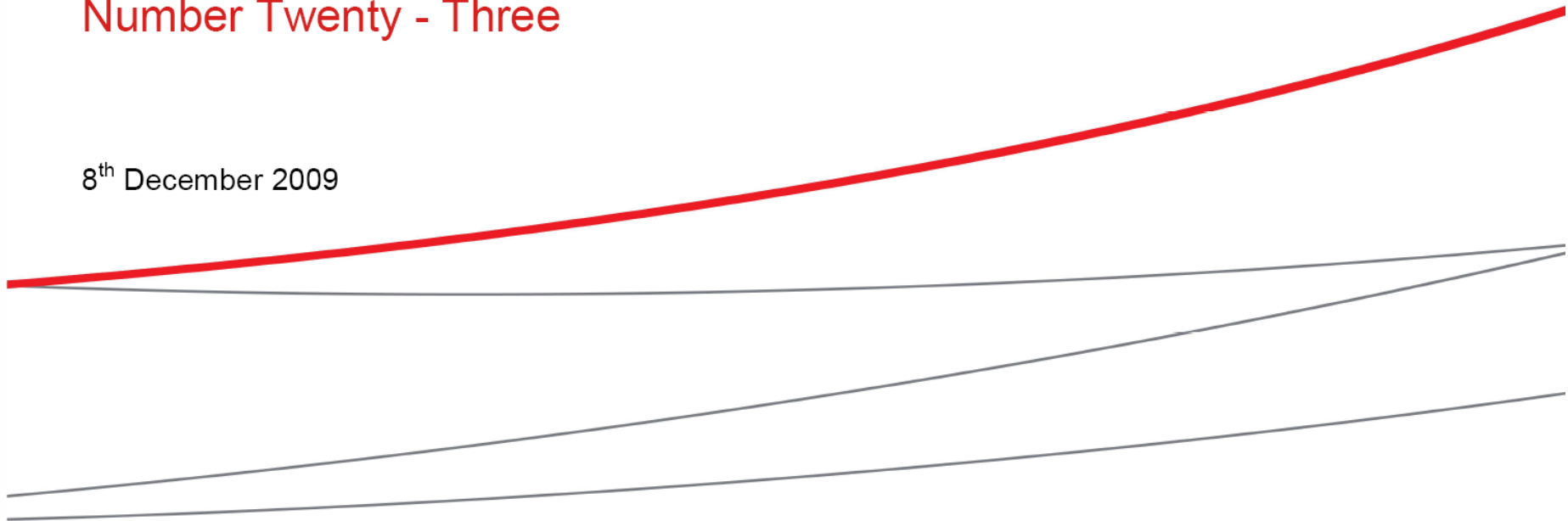
- Roles & Responsibilities**
- Executive Board – Meets Monthly**
- Oversee programme delivery
 - Receive reports from Programme director on entire programme
 - Facilitate and manage political issues
 - Monitor progress of programme
 - Manage and ensures availability of cost resource
 - Make Programme decisions as required by Programme board
- Programme Board – Meets Monthly**
- Directs programme delivery
 - Receives reports from project leads on individual projects
 - Monitors progress and programme
 - Reports to Executive Board
 - Manages and ensures availability of resources
 - Makes Project decisions within resource parameters
- Project Team – Meets Weekly**
- Manages project delivery
 - Monitors and reports progress to Programme Board
 - Manages and controls costs
 - Produces reports
 - Makes recommendations to Programme Board for approval

Appendix B – Project Manager's Report number 23

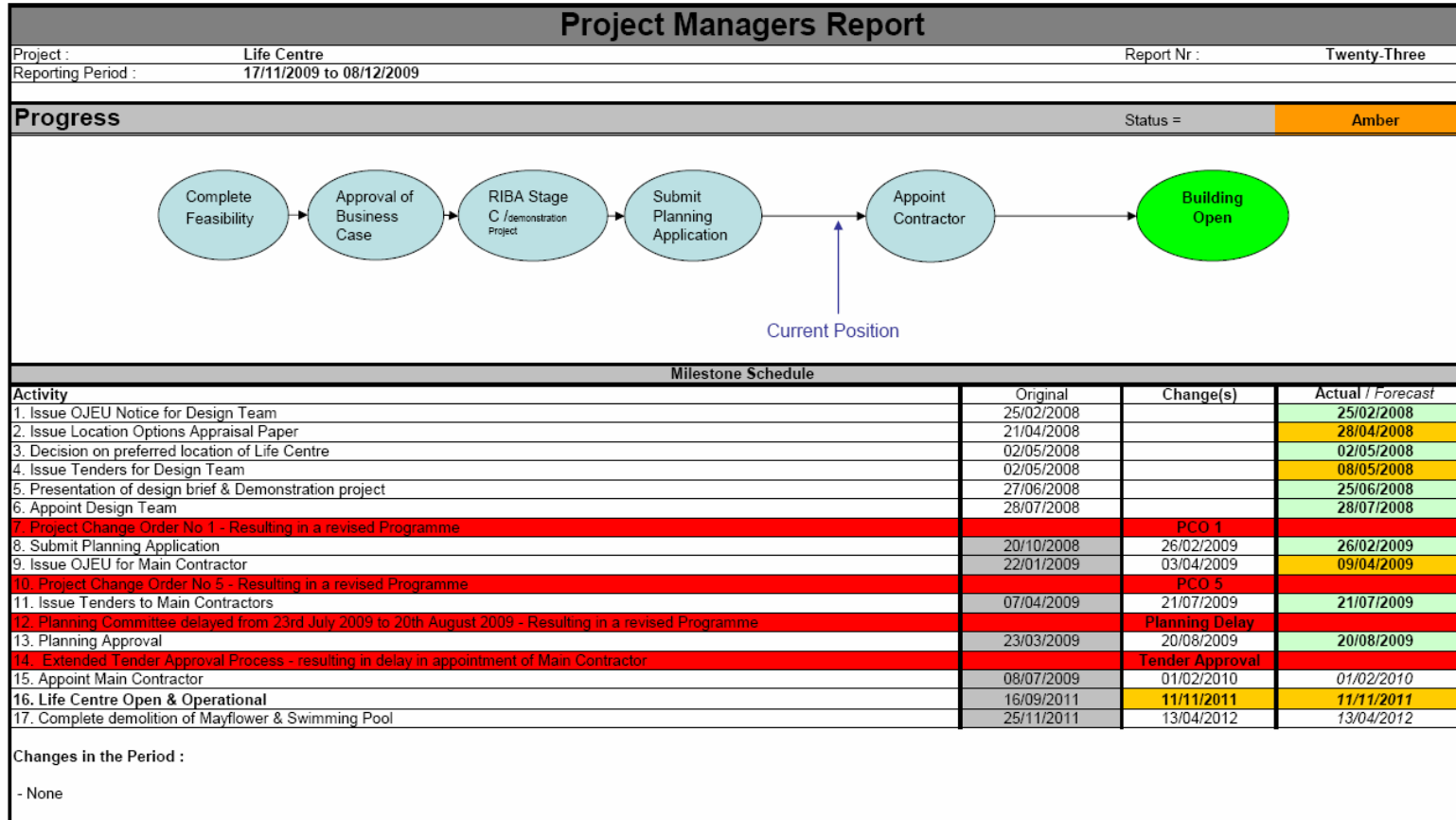
Plymouth City Council
The Life Centre

Project Managers Report
Number Twenty - Three

8th December 2009



EC HARRIS
BUILT ASSET
CONSULTANCY



Project Managers Report			
Project :	Life Centre	Report Nr :	Twenty-Three
Reporting Period :	17/11/2009 to 08/12/2009		
Project Budget		Status =	Green
Agreed Project Budget	£ 44,000,000	Forecast Project Cost	£ 44,000,000
Agreed Increases in Budget		Variations	
- PCO No 1	£ 3,400,000	- PCO No 1	£ 3,400,000
- PCO No 2	(£ 900,000)	- PCO No 2	(£ 900,000)
Total Budget Available	£ 46,500,000	Total Forecast Cost	£ 46,500,000
Changes in the Period :			
- None			
Change Orders		Status =	Green
Nr	Content	Status	Comments
Project Change Order No 1	Increase width of 50m pool, increase size of Dance studio, provide 400m2 of PCT space	Issued	Issued by PCC on 13th October 2008
Project Change Order No 2	Omit 400m2 PCT space instructed in PCO No 1	Issued	Issued by PCC on 6th February 2009
Project Change Order No 3	Change to brief for water facilities and usage	Issued	Issued by PCC on 13th February 2009
Project Change Order No 4	Change Dance studio brief previously instructed under PCO No 1	Issued	Issued by PCC on 29th April 2009
Project Change Order No 5	Change to brief - events office and reception area	Issued	Issued by PCC on 16th July 2009
Project Change Order No 6	Change to brief - separation of reception / climbing area and changes to Bowls Hall	Issued	Issued by PCC on 19th August 2009

Project Managers Report			
Project :	Life Centre	Report Nr :	Twenty-Three
Reporting Period :	17/11/2009 to 08/12/2009		
Risks		Status =	Amber
<p>A full risk assessment was undertaken on Wednesday 27th February 2008, with a detailed Project Risk Register developed. Risk Refresh Workshops were undertaken on Wednesday 5th November 2008, Tuesday 17th March 2009, Wednesday 24th June 2009 and Tuesday 29th September 2009. A further risk review session is planned for December 2009. Ongoing Risk Management is monitored at Project and Design Team Meetings. The salient Risks facing the project board at present include :</p>			
Salient Risks		Rating with Mitigation Measures in Place	
Risk	Probability	Impact	Rating
1. Tender approval takes longer than envisaged, which further delays placing the Contract / Order	Amber	Red	Red
2. Tender approval extends beyond the 6 month tender acceptance period (ends 1st April 2010), resulting in the need to re-tender the project	Green	Red	Amber
3. Discharge of PCC Planning Conditions delays Start on Site (& Completion)	Amber	Red	Red
4. Discharge of Main Contractor Planning Conditions delays Start on Site (& Completion)	Amber	Red	Red
5. Delay in Stopping up Gilbert Lane compromises delivery	Green	Red	Amber
Health & Safety		Status =	Green
<p>The Designers Risk Assessment (DRA) has been issued in the Stage E Tender Information.</p>			

Project Managers Report	
Project :	Life Centre
Reporting Period :	17/11/2009 to 08/12/2009
Report Nr :	Twenty-Three
Sustainability	
Status =	
Green	
<p>BREEAM Target - In accordance with the clarification provided at Project Board Meeting No1, the project is targeting a BREEAM rating of <i>good</i> to <i>excellent</i>. The current forecast score is 60 - 62% which is within the 'Very Good' rating band (55% - 70%). The costs associated with this score are currently within the Project Cost Plan.</p> <p>Sustainability Target - The building is to achieve all current Building Regulations & AAP requirements in terms of Sustainability & sustainable construction</p>	
Decisions / Approvals currently awaited from the Project Board	
Status =	
Amber	
<p>- Appointment of Main Contractor</p>	
Work Planned in Next Reporting Period	
<p>- Continue OJEU procedure for procurement of Main Contractor - Continue procurement of Client Technical Advisor Team</p>	
Overall Project Health Check	
Status =	
Green	

Appendix C – Life Centre Programme Funding Movement (PART II)

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Appendix D – Leisure Management Funding Movement (PART II)

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Appendix E – Life Centre Project Risk Register (PART II)

N.B: This is the version from December 2009. A review will be undertaken and ratified by the Life Centre & Leisure Related Projects Programme Board on Monday 11th January 2010

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CITY OF PLYMOUTH

Subject: Life Centre construction contract award
Committee: Cabinet
Date: 19th January 2010
Cabinet Member: Councillor Bowyer
CMT Member: Director of Community Services
Author: Tony Hopwood – Life Centre Programme Director
Contact: Tel: 01752 305428
e-mail: tony.hopwood@plymouth.gov.uk
Ref:
Part: I

Executive Summary:

Plymouth City Council has undertaken a Restricted Official Journal of the European Union (OJEU) procurement exercise for the selection of the Main Contractor for the Life Centre. The works being procured include the construction of the new facility, associated externals / highways and demolition of the existing Mayflower Centre & Central Park Pools. Whilst the demolition of the skatepark is included in the programme, the relocation of such to a new location is not within the contract works – this will be undertaken by others under the direction of the Life Centre Programme Board.

Facilities to be delivered include:

8 lane Indoor bowls	Leisure water	Catering
Sports Hall	50M Pool	Multi- purpose space
Fitness Suite	Diving Pool	Dryside Diving provision
Health Suite	Crèche/ soft play	Climbing Facilities

The Life Centre will be an impressive regional facility. It will be a magnet attracting not only elite performers of all disciplines but the public at large. It will be a place that will inspire, excite and engage people of all ages and encourage them to lead healthy lifestyles.

Tenders were issued on 21st July 2009 and, in accordance with instructions, all five bidders returned their bids on 2nd October 2009.

The agreed Plymouth City Council procedure for the OJEU process evaluation of 'Quality' and 'Cost' were undertaken and the exercise has identified Balfour Beatty as the successful bidder which best aligns with the stated requirements of Plymouth City Council as expressed through the tender evaluation criteria.

EC Harris has reviewed Balfour Beatty's Contractor's Proposals (Tender) giving further consideration to Commercial / Contract, Specification, Time and Risk profile elements of the bid. A copy of the Tender Report is attached to the Part II Cabinet Papers.

The EC Harris review of Balfour Beatty Commercial submission results in a current Assessed Contract Value which is within the Construction Contract Budget of £36,690,201. Based on the assessed figures the Contract would therefore be let within this budget.

Balfour Beatty has also submitted a detailed construction programme which identifies completion of the Life Centre facility can be delivered within the timescales anticipated and, as such the contract would be let on programme. It is therefore recommended that the contract for the construction of the Life Centre building be awarded to Balfour Beatty.

This decision is regarded as urgent on the basis that some of the funding requires expenditure by the 31 March 2010. Commencement of the contract at the earliest opportunity is critical in ensuring that this grant is able to be utilised and is not lost.

Corporate Plan 2009-2012:

The Life Centre is a key output required by the Corporate Plan and it's delivery is linked to a number of priorities and targets.

Our overall capital programme is vitally important to supporting and developing Plymouth's economy during the recession. Many projects will help create and sustain local jobs and are essential to ensuring the City remains competitive and well placed to attract further investment in the future. The building of the Life Centre will not only create local jobs, but it is essential to the plans to develop Millbay and open up the City Centre to the waterfront. As a high profile regional centre it will also play a significant role in attracting more people and investment to the City.

CIP 1 'Improving Customer Service' – The facility will provide a better environment for both internal and external customers and much improved facilities than those currently available within the City

CIP 4 'Reducing inequalities between communities' – Addressing aspects of health inequality

CIP 6 'Providing more and better culture and leisure activities' - Provide excellent culture, sport and leisure services to enhance the quality of life in the City. A key deliverable for this CIP was to 'open new regional sport and leisure Centre –The Life Centre, by Winter 2011'

CIP 9 'Developing high quality places to learn in' – the 'state of the art' facility will be available for use by the City's schools and University

CIP 10 'Disposing of waste and increasing recycling' – maximizing use of recycled materials in the construction will reduce waste and landfill

The development of flag ship initiatives like the Life Centre is also a key focus of the Corporate Asset Management Plan and Capital Strategy

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The contract costs can be contained within the approved budget for the Life Centre Project of £46.5m within the overall approved capital programme. The funding breakdown is as follows:

Life Centre Capital Programme Funding		
Capital Receipts	£	13,769,021
Supported Borrowing	£	4,650,000
Unsupported Borrowing	£	19,525,319
Grants	£	6,328,000
Other contributions	£	2,227,660
Total	£	46,500,000

The funding sources will be kept under constant review as part of the ongoing review of the capital programme to ensure that any funding changes as they become known can be contained within the overall programme. The timing of capital receipts and any temporary borrowing which may need to be taken as part of the existing capital strategy will be kept under review and we will continue to look at further options to help minimize the borrowing requirement.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

The details of any proposed scheme will address any current Health and Safety issues.

The other issue that will be addressed by implementing the Life Centre project will be that of full compliance with the requirements of the Disability Discrimination Act.

The project provides for improvements to the park that are aimed to increase the numbers of people participating in sporting activity, bring more visitors to Central Park and therefore improved natural surveillance improving community safety.

The project implementation document includes for a full risk management exercise.

Recommendations & Reasons for recommended action:

To award the contract for the construction of the Life Centre building to Balfour Beatty.

Alternative options considered and reasons for recommended action:

Failure to award the contract would mean that the facility could not be delivered and the benefits that it would bring could not be achieved. There would also be significant abortive costs resulting from the design development that has been required to bring us to this position.

In addition, construction of the Life Centre would facilitate the future development at Millbay due to the ability to provide boulevard access to the development site in the future.

Background papers:

None

Sign off: Representatives

Head of Fin	CDR/ CAPF 91000 13/24. 12.09	Head of Leg	AT108 7	Head of HR	09122 2KB- TH e- mail refers	Head of AM	09122 4_TH	Head of IT	24/12/ 2009/1 CT/00 46NJC	Head of Strat Proc	234
Originating SMT Member: Carole Burgoyne – Director of Community Services											

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