

# CITY OF PLYMOUTH

**Subject:** Life Centre & Leisure Related Projects Programme Update  
**Committee:** Customers and Communities Overview & Scrutiny Panel  
**Date:** 13<sup>th</sup> 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  
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**Ref:** 100113\_C&C OSP Briefing PARTI\_FINAL.doc  
**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

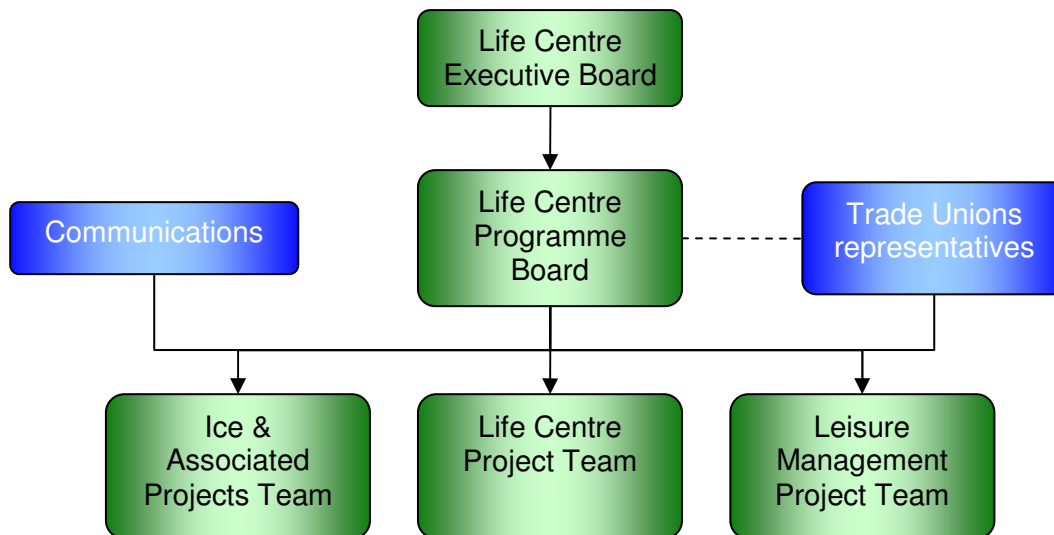
The Life Centre Project has gone through a period of change whereby the project governance arrangements have been reviewed in line with best practice and to reflect the evolution of the project.

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 20<sup>th</sup> August 2009
- 5 tenders returned 2<sup>nd</sup> October 2009
- Tender evaluation now complete (see attached Part II Cabinet Report dated 19<sup>th</sup> January 2010)
- Contract Award to be considered by Cabinet on 19<sup>th</sup> January 2010
- Contract signature programmed for 1<sup>st</sup> 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

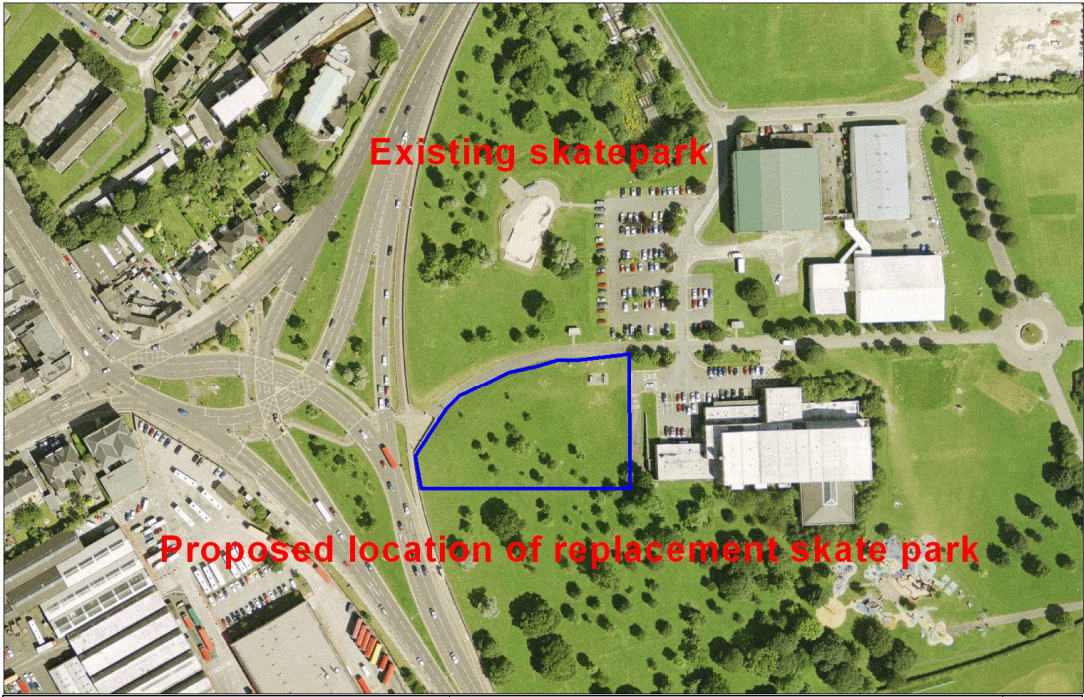
- Theatre Royal Plymouth Ltd. (TRP) has been issued with notice of the Council's intention to withdraw subsidy to coincide with the closure of the Leisure water and Ice in line with the original funding strategy. This has been discussed with TRP and they are presently producing proposals as to the future '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.

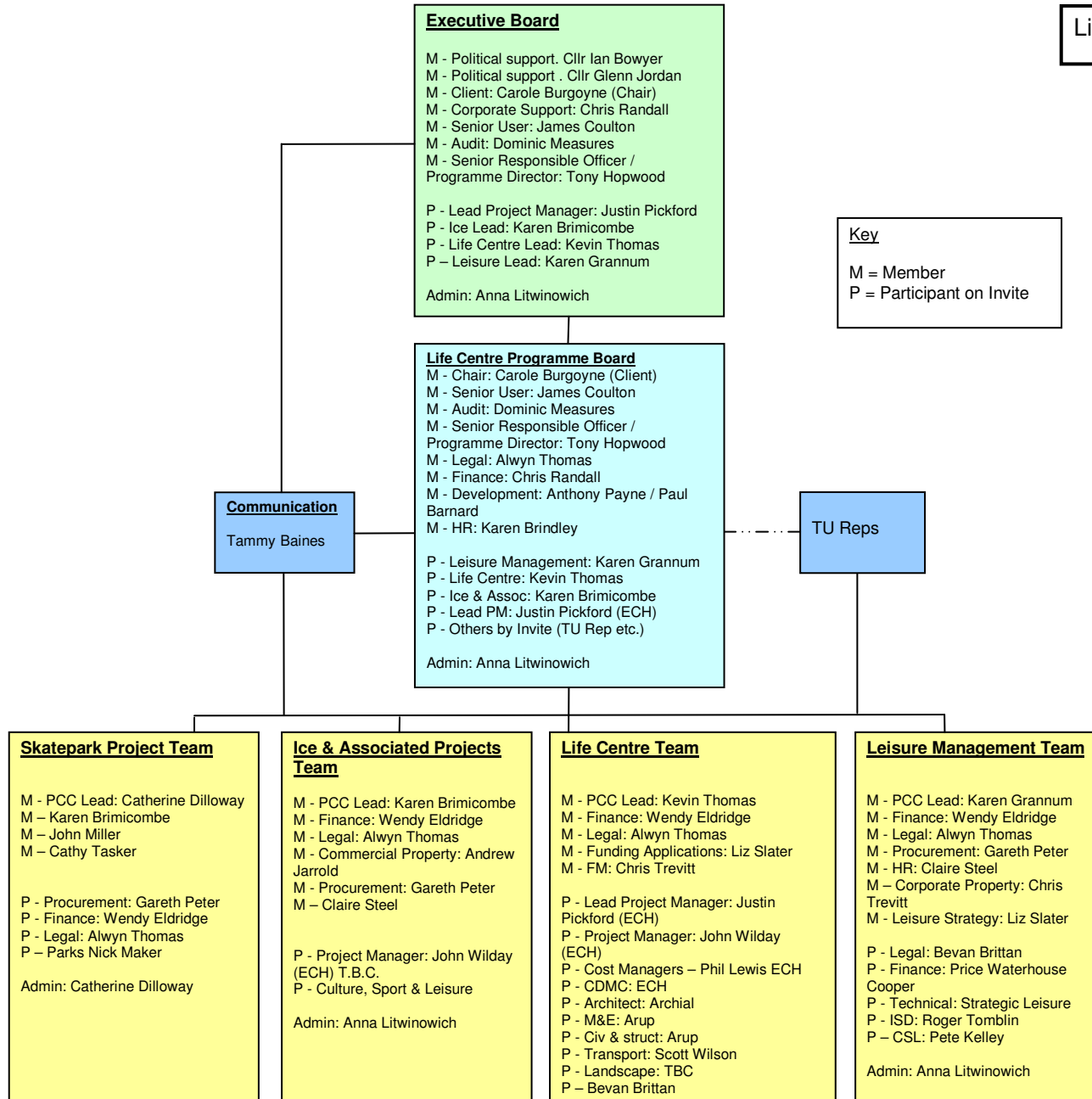


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## Appendix A – Programme Governance Structure and Workstreams

# 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

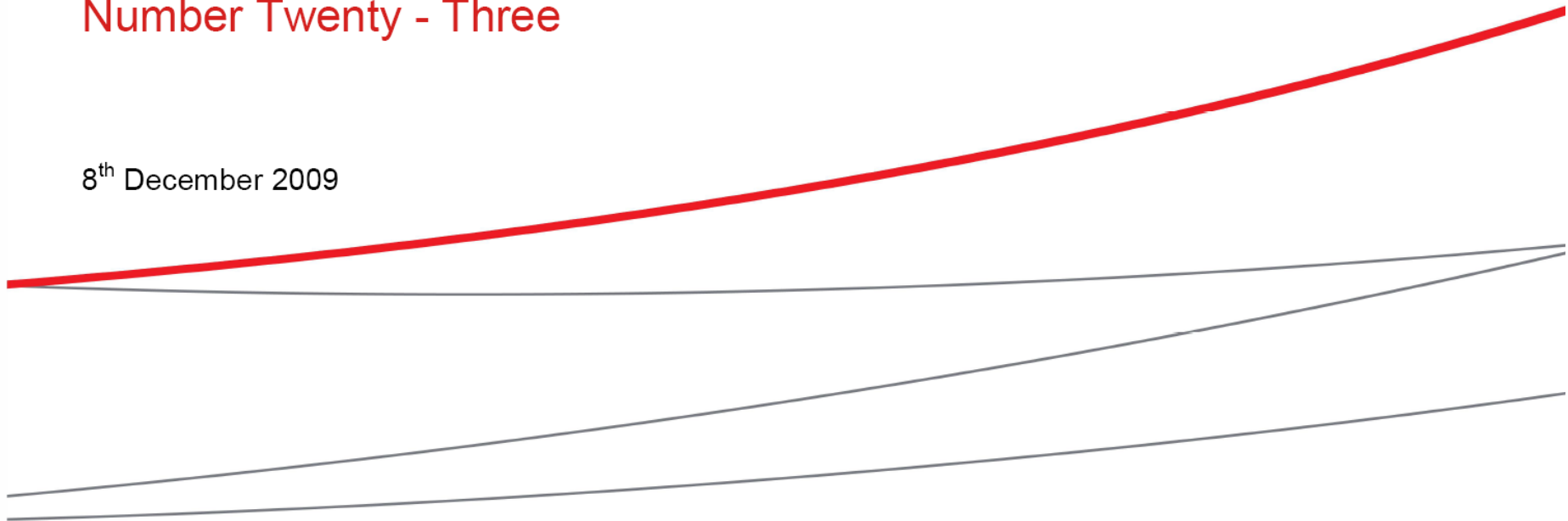
Appendix B – Project Manager’s Report number 23



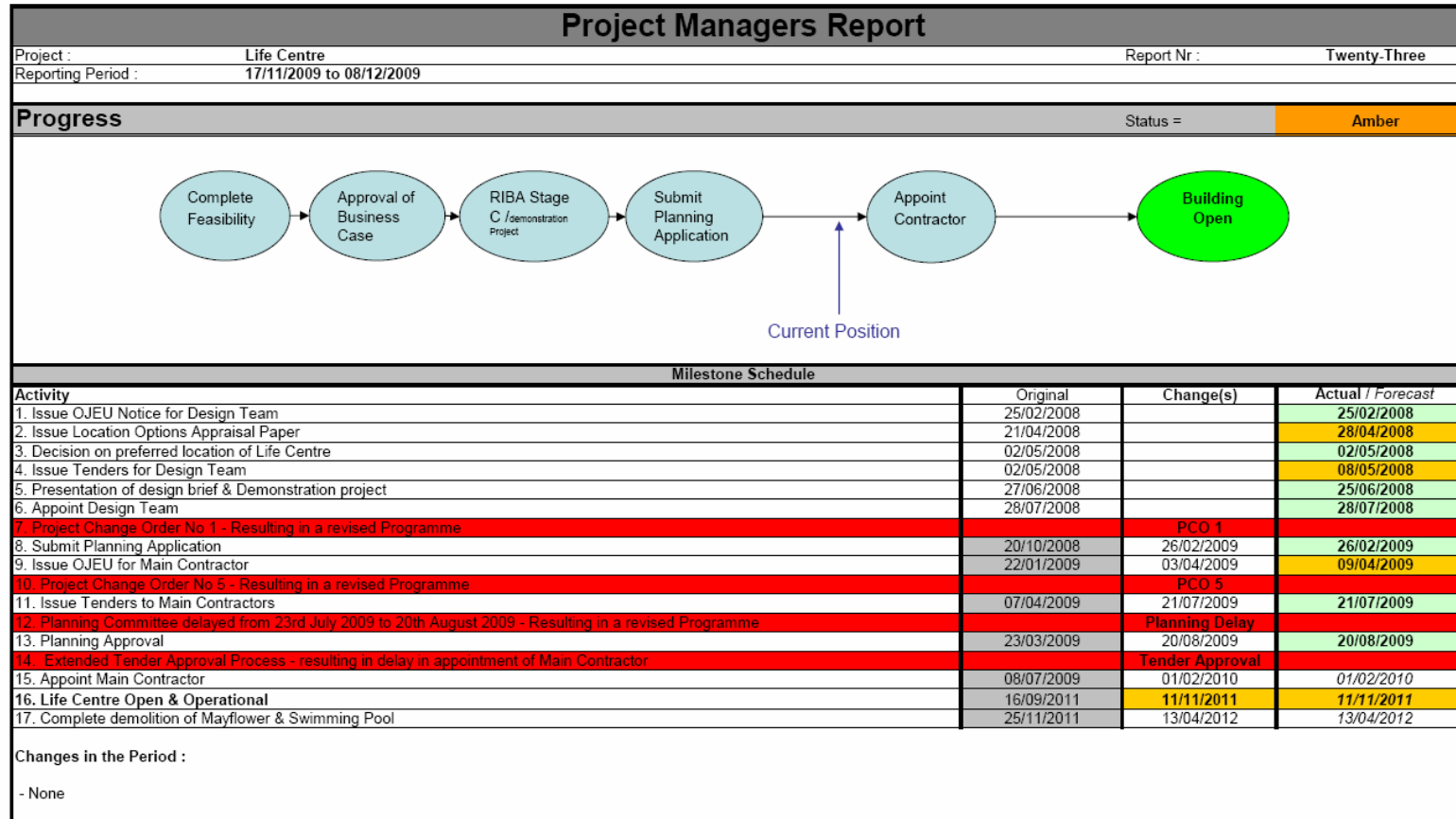
Plymouth City Council  
The Life Centre

Project Managers Report  
Number Twenty - Three

8<sup>th</sup> December 2009



**EC HARRIS**  
**BUILT ASSET**  
**CONSULTANCY**



<b>Project Managers Report</b>				
Project :		Life Centre	Report Nr :	Twenty-Three
Reporting Period :		17/11/2009 to 08/12/2009		
<b>Project Budget</b>				Status = <b>Green</b>
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)
<b>Total Budget Available</b>	£	<b>46,500,000</b>	<b>Total Forecast Cost</b>	£ <b>46,500,000</b>
Changes in the Period :				
- None				
<b>Change Orders</b>				Status = <b>Green</b>
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		
<b>Risks</b>		Status =	<b>Amber</b>
<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			
Risk	Rating with Mitigation Measures in Place		
	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
<b>Health &amp; Safety</b>		Status =	<b>Green</b>
<p>The Designers Risk Assessment (DRA) has been issued in the Stage E Tender Information.</p>			

<b>Project Managers Report</b>	
Project :	Life Centre
Reporting Period :	17/11/2009 to 08/12/2009
Report Nr :	Twenty-Three
<b>Sustainability</b>	
Status =	<b>Green</b>
<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 &amp; AAP requirements in terms of Sustainability &amp; sustainable construction</p>	
<b>Decisions / Approvals currently awaited from the Project Board</b>	
Status =	<b>Amber</b>
<p>- Appointment of Main Contractor</p>	
<b>Work Planned in Next Reporting Period</b>	
<p>- Continue OJEU procedure for procurement of Main Contractor            - Continue procurement of Client Technical Advisor Team</p>	
<b>Overall Project Health Check</b>	
Status =	<b>Green</b>

## 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 11<sup>th</sup> January 2010

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