

Customers and Communities Overview and Scrutiny Panel

Wednesday 13 January 2010

PRESENT:

Councillor Fox, in the Chair.
Councillor Wildy, Vice Chair.
Councillors Aspinall (substitute for Councillor Smith), Berrow, Browne (substitute for Councillor Roberts), Mrs Foster, Lowry (substitute for Councillor McDonald), Mrs Nicholson and Mrs Stephens

Apologies for absence: Councillors McDonald, Roberts and Smith.

The meeting started at 10.00 am and finished at 3.00 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

44. DECLARATIONS OF INTEREST

The following declarations of interest were made in accordance with the Code of Conduct –

Name	Minute No. and Subject	Reason	Interest
Councillor Bowyer	Minutes 46, 47, 49 and 50	Member of Mayflower Trust Board	Personal
Councillor Browne	Minutes 46, 47, 49 and 50	Member of Devonport Leisure Management	Personal
Councillor Fox	Minutes 46, 47, 49 and 50	Member of the Mayflower Trust Board	Personal
Councillor Jordan	Minutes 49 and 50	Board Member of the Theatre Royal (Plymouth) Ltd	Prejudice
Councillor Mrs Nicholson	Minutes 46, 47, 49 and 50	Chair of Mayflower Trust Board	Personal
Councillor Wildy	Minutes 46, 47, 49 and 50	Member of Devonport Leisure Management	Personal

45. CHAIR'S URGENT BUSINESS

There were no items of Chair's urgent business.

46. LIFE CENTRE AND RELATED PROJECTS PROGRAMME

The Director for Community Services submitted an update report on the Life Centre and the leisure related projects programme. The update highlighted the following main areas –

- (i) programme governance;
- (ii) programme workstream overview –

- Life Centre – progress/cost
 - Leisure Management contract
 - Pavilions
 - Leisure Ice
 - Skate park re-provision
- (iii) Life Centre management structure;
- (iv) Project Managers report.

The following responses were provided to questions raised by Members –

- (i) the Theatre Royal Plymouth Ltd (TRP) were currently producing proposals for the future shape of the Pavilions facility; once these proposals had been received, the Programme Board would work with TRP to develop the proposals into a deliverable solution;
- (ii) the specification would permit the authority to dictate the pricing structure, which would be in line with the existing one; a mechanism would be in place to target specific groups (ie to improve the uptake in activity levels by priority customers, children and young people, older people and those that live in the most deprived areas);
- (iii) the authority would be able to set the swimming pools programme for the contractor to manage; due to the flexibility of the design of the pools it was not anticipated that the facility would be closed to residents on many occasions during the year;
- (iv) work was currently being undertaken to review the management arrangements for the car park;
- (v) the facility would provide some retail opportunities including a restaurant; these would be operated by the main provider or franchised; it was envisaged that a small retail operation would sell sport related items;
- (vi) it was not envisaged that the catering on the site would be provided 'in house' by the authority;
- (vii) currently no sites had been identified for the re-provision of the ice within the city; £2m had been earmarked for the provision of this facility which was contained within the overall budget of £46.5m;
- (viii) soft market testing had been undertaken for the ice re-provision; a good response had been received with interest from five companies;
- (ix) an initial review of the responses indicated –
- there was interest in the development opportunity
 - the preference for a city centre site
 - that competitive dialogue was the favoured procurement route
- (x) the provision of the existing skate park was funded by Sport England, if this facility was not replaced the authority would be liable to pay back the monies;

- (xi) the existing site for the skate park would be needed for the contractor's compound; the park would therefore be relocated to an identified site adjacent to Central Park swimming pool by winter 2010/11; the facility would be redesigned with the involvement of the users when further resources became available.

(Councillors Browne, Bowyer, Fox, Mrs Nicholson and Wildy declared a personal interest in the above matter).

47. **LIFE CENTRE - CONSTRUCTION CONTRACT AWARD AND FINANCE**

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

The report outlined the following main areas –

- (i) a Restricted Official Journal of the European Union (OJEU) procurement exercise had been undertaken for the selection of the main contract for the Life Centre; the works being procured included the –
 - (a) construction of the new facility
 - (b) associated externals/highways
 - (c) demolition of the existing Mayflower Centre and Central Park pools;
- (ii) the demolition of the skate park was included in the programme, although the relocation of the facility to a new location would not be within the contract works; this would be undertaken by others under the direction of the Life Centre Programme Board;
- (iii) tenders were issued on 21 July 2009 and all five bidders had returned their bids on 2 October 2009;
- (iv) the Quality and Cost evaluation process adopted by the authority was undertaken and identified Balfour Beatty as the successful bidder;
- (v) the detailed construction programme submitted by Balfour Beatty identified that the completion of the Life Centre facility would be delivered within the timescale;
- (vi) the contract costs would be contained within the approved budget of £46.5m within the overall approved capital programme; the breakdown costs were as follows -
 - capital receipts £13,769,021
 - supported borrowing £ 4,650,000
 - unsupported borrowing £19,525,319
 - grants £ 6,328,000
 - other contributions £ 2,227,660
- (vii) the funding streams would be kept under constant review as part of the ongoing review of the capital programme to ensure that any funding changes as they became known would be contained within the overall programme;

- (viii) the timing of capital receipts and any temporary borrowing which may need to be taken as part of the existing capital strategy would be kept under review and further options would continue to be looked at to help minimise the borrowing requirements.

The following responses were provided to questions raised by the Panel –

- (i) unsupported borrowing was borrowing in addition to supported borrowing and was only permitted if the authority could afford it;
- (ii) supported borrowing was a grant provided by Central Government to finance borrowing up to a specified amount;
- (iii) a letter had been sent to the Pavilions giving formal notification of the authority's intention to withdraw its subsidy which would coincide with the opening of the Life Centre; discussions were ongoing for the retention of the arena facility;
- (iv) with the withdrawal of the subsidy to the Pavilions would cover the cost of the unsupported borrowing;
- (v) the authority only borrowed monies from institutions with the highest credit rating; the Treasury Management Board met on a weekly basis to review the Council's borrowings;
- (vi) capital receipts in the sum of £2m had already been realised against the project's capital funding programme of £13,769,021;
- (vii) the overall budget of £46.5m allocated to the project incorporated the spend to date.

Recommended to the Head of Policy, Performance and Partnerships in consultation with the Chair of the Overview and Scrutiny Management Board under delegated authority that the following recommendations are forwarded to Cabinet for approval –

- (1) the recommendation to award the construction contract to Balfour Beatty is approved and congratulates relevant Members and officers on the thoroughness of the tender evaluation process which has been sound and robust;
- (2) the impact of change orders and financial risks are outlined in more detail in the regular Project Manager's report;
- (3) ways of improving access to the Life Centre for people with disabilities and taking account all six strands of equality, is explored;
- (4) the Customers and Communities Overview and Scrutiny Panel is invited to further scrutinize the Leisure Management contract, Leisure Ice provision and the Pavilions including the financing at appropriate stages of the process to allow influence prior to the decisions being made;
- (5) consideration is given to 'incentivising' the contract with regard to aspects such as timescale, costs and health and safety;
- (6) discussions are held with the view to maximizing advantages for the local economy, within relevant legislation, eg the use of local labour and apprenticeships, local materials and businesses;

- (7) LSP partners are encouraged to contribute to the scheme in a similar fashion to the University's commitment;
- (8) consideration is given to using an appropriate proportion of developer tariffs beyond those specifically allocated to leisure (eg transport) to support the scheme during its operating life time;
- (9) the Customers and Communities Overview and Scrutiny normally receives a bi-monthly update on various aspects of this project.

(Councillors Bowyer, Browne, Fox, Mrs Nicholson and Wildy declared a personal interest in the above matter).

48. **EXEMPT BUSINESS**

Resolved that, under Section 100(A) (2) and (4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of confidential/exempt information as defined in paragraph 3 of Part 1 Schedule 12A of the (Local Government Access to Information) Act 1985, as amended by the Freedom of Information Act 2000.

49. **LIFE CENTRE - CONSTRUCTION CONTRACT AWARD AND FINANCE**

The Director for Community Services provided a report on the award of the construction contract and finance for the Life Centre.

Officers responded to questions raised by panel members.

(Councillor Bowyer, Browne, Fox, Mrs Nicholson and Wildy declared a personal interest in the above).

(Councillor Jordan declared a prejudicial interest in the above matter and left the room).

50. **LIFE CENTRE AND RELATED PROJECTS PROGRAMME**

The Director for Community Services provided a report on the Life Centre and the related works programme.

Officers responded to questions raised from the panel members.

(Councillors Bowyer, Browne, Fox, Mrs Nicholson and Wildy declared a personal interest in this matter).

(Councillor Jordan declared a prejudicial interest in this matter and left the room).

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