

Meeting	CABINET
Time/Day/Date	5.00 pm on Tuesday, 25 July 2017
Location	Board Room, Council Offices, Coalville
Officer to contact	Democratic Services (01530 454512)

All persons present are reminded that the meeting may be recorded and by attending this meeting you are giving your consent to being filmed and your image being used. You are kindly requested to make it known to the Chairman if you intend to film or record this meeting.

The Monitoring Officer would like to remind members that when they are considering whether the following items are exempt information under the relevant paragraph under part 1 of Schedule 12A of the Local Government Act 1972 they must have regard to the public interest test. This means that members must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available to the public.

AGENDA

Item	Pages
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest and whether it is pecuniary or non-pecuniary.	
3. PUBLIC QUESTION AND ANSWER SESSION	
4. MINUTES	
Minutes of the meeting held on 13 June 2017	3 - 10
5. PROVISIONAL FINANCIAL OUTTURN 2016/17	
Report of the Interim Director of Resources Presented by the Corporate Portfolio Holder	11 - 18
6. LEISURE PROJECT UPDATE	
Report of the Chief Executive Presented by the Community Services Portfolio Holder	19 - 58



7. EXCLUSION OF PRESS AND PUBLIC

The officers consider that the press and public should be excluded during consideration of the following items in accordance with Section 100(a) of the Local Government Act 1972 as publicity would be likely to result in disclosure of exempt or confidential information.

8. EXEMPTION TO THE COUNCIL'S CONTRACT PROCEDURE RULES – SHAREPOINT SUPPORT AND MAINTENANCE CONTRACT

Report of the Interim Director of Resources **59 - 62**
Presented by the Corporate Portfolio Holder

9. ASSET MANAGEMENT - LONDON ROAD CAR PARK

Report of the Interim Director of Resources **63 - 70**
Presented by the Corporate Portfolio Holder

10. COUNCIL INSURANCE - AWARD OF CONTRACT

Report of the Interim Director of Resources **71 - 74**
Presented by the Corporate Portfolio Holder

Circulation:

Councillor R D Bayliss
Councillor R Blunt (Chairman)
Councillor T Gillard
Councillor T J Pendleton
Councillor N J Rushton
Councillor A V Smith MBE

MINUTES of a meeting of the CABINET held in the Board Room, Council Offices, Coalville on TUESDAY, 13 JUNE 2017

Present: Councillor R Blunt (Chairman)

Councillors R D Bayliss, T Gillard, T J Pendleton, N J Rushton and A V Smith MBE

In Attendance: Councillors J Bridges, J Clarke, J G Coxon, T Eynon, F Fenning, G Houlst, R Johnson, J Legrys and S Sheahan

Officers: Ms T Ashe, Mr S Bambrick, Mr A Hunkin, Mr G Jones, Mrs M Meredith, Mrs B Smith and Miss E Warhurst

1. APOLOGIES FOR ABSENCE

No apologies for absence were received.

2. DECLARATION OF INTERESTS

There were no interests declared.

3. PUBLIC QUESTION AND ANSWER SESSION

No questions were received.

4. MINUTES

Consideration was given to the minutes of the meeting held on 25 April 2017.

It was moved by Councillor R Blunt, seconded by Councillor A V Smith and

RESOLVED THAT:

The minutes of the meeting held on 25 April 2017 be approved and signed by the Chairman as a correct record.

Reason for decision: To comply with the Constitution.

5. TREASURY MANAGEMENT STEWARDSHIP REPORT 2016/17

The Corporate Portfolio Holder presented the report to members, highlighting that the penultimate line in paragraph 1.4 should read 2016/17.

It was moved by Councillor N J Rushton, seconded by Councillor R Blunt and

RESOLVED THAT:

The report be approved.

Reason for decision: Statutory requirement.

6. ENVIRONMENTAL HEALTH - FOOD SAFETY SERVICE DELIVERY PLAN 2017/18

The Community Services Portfolio Holder presented the report to members, highlighting the increase this year in enforcement action and the partnership working arrangements. She highlighted the key successes in the previous year and commended the team for their work.

It was moved by Councillor A V Smith, seconded by Councillor R Blunt and

RESOLVED THAT:

- a) The Environmental Health Food Safety Service Delivery Plan 2017/18 be approved.
- b) The performance and achievements in 2016/17 be noted.

Reason for decision: To approve the content of the Food Safety Service Delivery Plan 2017/18 as required by the Food Standards Agency.

7. COMMUNITY SAFETY STRATEGY 2017- 2020

The Regeneration and Planning Portfolio Holder presented the report to members, highlighting the priorities as set out in the report, in particular that North West Leicestershire District Council was the first authority in Leicestershire to adopt a priority aiming to reduce the risk of cybercrime and grooming. He drew members' attention to the increase in crime, however he highlighted the very low crime rate at the Download festival this year and added that police numbers would also be also increasing this year.

It was moved by Councillor T J Pendleton, seconded by Councillor R D Bayliss and

RESOLVED THAT:

The North West Leicestershire Community Safety Strategy 2017 – 2020 be noted.

Reason for decision: To comply with the Council's Constitution and statutory duty to produce a Community Safety Strategy every three years.

8. ASHBY CANAL INFRASTRUCTURE INVESTMENT

Councillor S Sheahan left the meeting during consideration of this item.

The Community Services Portfolio Holder presented the report to members, outlining the current priority to rebuild the aqueduct over Gilwiskaw Brook and the proposal to allocate funding to this project, subject to funding being secured from other sources.

Members expressed support for the project.

It was moved by Councillor A V Smith, seconded by Councillor R Blunt and

RESOLVED THAT:

- a) The allocation of £20,000 from the 2016/17 budget surplus towards the total funding required to enable the reconstruction of the aqueduct over the Gilwiskaw Brook at Snarestone be approved.
- b) Authority to commit this amount be delegated to the Chief Executive in consultation with the Leader, via a grant agreement with Ashby Canal Trust, payable once the total project funding is secured.

Reason for decision: Cabinet approval needed to allocate funding.

9. BUILDING CONFIDENCE IN COALVILLE - PROPOSALS AND FUNDING

The Leader presented the report to members, highlighting the three major projects which were proposed following on from the stakeholder meetings which had taken place. He commented that more investment was needed at this stage and the project would take longer than the next two years to complete. It was recognised that not all of the works could be completed by the Council and the Business Focus team would work with others to raise funds. He added that the stakeholder meeting had reinforced the need to undertake public realm improvements in respect of Marlborough Square.

Councillor T J Pendleton stated that the works to Ashby Road were vitally important as this would be a promenade to the town centre. He added that a message needed to be sent that the Council was looking after shopkeepers in the town centre.

Councillor R Blunt emphasised that this project required partnership working with Leicestershire County Council as Highways Authority.

It was moved by Councillor R Blunt, seconded by Councillor T J Pendleton and

RESOLVED THAT:

- a) The development of proposals for Memorial Square, Marlborough Square and Ashby Road, Coalville be approved as set out in this report.
- b) The allocation of £577,000 from the 2016/17 and projected 2017/18 budget surpluses towards the cost of potential improvements to Marlborough Square, Coalville be approved.
- c) The allocation of £25,000 from the 2016/17 and projected 2017/18 budget surpluses towards the cost of potential improvements to Memorial Square, Coalville be approved.
- d) The allocation of £175,000 from the 2016/17 and projected 2017/18 budget surpluses towards the cost of potential improvements to Ashby Road, Coalville be approved.
- e) Authority for commitment of the amounts mentioned in recommendations b), c) and d) be delegated to the Chief Executive in consultation with the Leader.

Reason for decision: Cabinet approval needed to develop the proposals and to allocate funding.

10. CONTRACT AWARD FOR REFURBISHMENT WORKS TO MARLBOROUGH FLATS

The Housing Portfolio Holder presented the report to members.

It was moved by Councillor R D Bayliss, seconded by Councillor T Gillard and

RESOLVED THAT:

Authority be delegated to award the contract for the refurbishment of Marlborough Flats to the Director of Housing in consultation with the Housing Portfolio Holder.

Reason for decision: The level of expenditure on this contract exceeds the authority threshold in the Scheme of Delegation.

To improve the quality of the homes and immediate environment to Marlborough Flats in the centre of Coalville.

11. 2016/17 QUARTER 4 PERFORMANCE MANAGEMENT REPORT

The Leader presented the report to members. He reported that the average number of days lost per FTE was 9.07 days against a target of 7.4 days. He advised that long term sickness accounted for 69% of the total and employees with long term illnesses were being actively managed. He added that he wished to see the sickness absence rates reduced in the year ahead.

Councillor A V Smith advised members that income from Leisure Centre memberships had reduced slightly, however usage had increased, particularly in respect of swimming schemes. She reported that there had been a 4% increase in the amount of recycling collected this year.

Councillor N J Rushton reported that the council tax collection rate had improved to 97.8% and the non domestic rates collection rate stood at 99.4%. He highlighted the additional income from business rates and planning applications, and the surplus in the HRA budget due to increased rental income as a result of managing void properties.

Councillor T J Pendleton highlighted the good performance in the planning department which had exceeded all targets. He advised that there would be a focus on planning enforcement going forward.

Councillor R Blunt reinforced that the concerns in respect of planning enforcement were taken seriously and it was necessary to provide the right level of resource.

Councillor R D Bayliss highlighted the progress made in respect of the average relet time of empty properties which was now within target and was set to improve further in the current year.

Councillor T Gillard highlighted the work which had taken place in quarter 3 and quarter 4, in particular the workshop which had taken place and the relaunch of the Enterprising North West Leicestershire grant scheme.

Councillor R Blunt stated that he would be working with the Chief Executive to focus on improving the percentage of calls answered in Customer Services.

It was moved by Councillor R Blunt, seconded by Councillor A V Smith and

RESOLVED THAT:

The quarter 4 performance report be received.

Reason for decision: The report is provided for members to effectively monitor the organisation's performance.

12. END OF YEAR PERFORMANCE REPORT 2016/17

The Leader presented the report to members.

It was moved by Councillor R Blunt, seconded by Councillor A V Smith and

RESOLVED THAT:

The end of year report be received and approved for publication.

Reason for decision: To approve the publication of the end of year summary.

13. CHILDREN, YOUNG PEOPLE AND ADULT SAFEGUARDING REPORT 2016/17

Councillor T J Pendleton presented the report to members, highlighting the increasing rate of referrals as set out in the report. He advised that resources had been increased in this area to ensure the Council was able to meet its statutory obligations.

It was moved by Councillor T J Pendleton, seconded by Councillor A V Smith and

RESOLVED THAT:

The safeguarding programme be noted and supported.

Reason for decision: To comply with the council's constitution and statutory duty to safeguard children and vulnerable people, as detailed in the Children Act 2004 and Working Together to Safeguard Children 2013.

14. FORMER TENANT RENT ARREARS, CURRENT TENANT RENT ARREARS, COUNCIL TAX, NON DOMESTIC RATES AND SUNDRY DEBTOR WRITE OFFS

Councillor N J Rushton presented the report to members.

It was moved by Councillor N J Rushton, seconded by Councillor R Blunt and

RESOLVED THAT:

- a) The write offs over £10,000 as detailed in the report be approved.
- b) The amounts written off under delegated powers be noted.

Reason for decision: To comply with proper accounting practices.

15. MINUTES OF THE COALVILLE SPECIAL EXPENSES WORKING PARTY

Councillor A V Smith presented the report to members, thanking the Working Party for their work. She stated that she was pleased to see that the reserves were being utilised to fund initiatives and assets were being appropriately secured. She added that she supported the recommendation, however she requested that the £3,000 funding for Coalville Forest Adventure Park be deferred for further investigation.

It was moved by Councillor A V Smith, seconded by Councillor R Blunt and

RESOLVED THAT:

- a) An insurance policy be supported (approximately £100) for the memorial at Coalville Park from within existing Coalville Special Expense revenue budgets.
- b) The funding of £3,000 from the General Fund for the additional cost required for the improvements to Coalville Forest Adventure Park be deferred.
- c) Footpath improvements for Melrose Road Play Hub, Thringstone including footpath and steps into the wooded area (subject to landowner consent) be funded at a cost of £4,000 from Coalville Special Expense reserves.
- d) Two benches for Melrose Road Recreation Ground, Thringstone, along with a landscaping scheme be funded from Coalville Special Expense reserves at a cost of £2,000.

Reason for decision: To progress Coalville Special Expenses projects and programmes.

16. EXCLUSION OF PRESS AND PUBLIC

RESOLVED THAT:

In pursuance of Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that the business to be transacted involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act and that the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

Reason for decision: To enable the consideration of exempt information.

17. UPDATE ON DELIVERY OF AFFORDABLE HOUSING

Councillor R D Bayliss presented the report to members.

It was moved by Councillor R D Bayliss, seconded by Councillor R Blunt and

RESOLVED THAT:

a) The current position regarding the supply of new affordable housing be noted.

b) Authority be delegated to the Director of Housing, in consultation with the Deputy Section 151 Officer, the Monitoring Officer and the Housing Portfolio Holder to take appropriate action as set out in the report.

Reason for decision: To maximise the benefits to the Council and the local community.

18. AUTHORITY TO AWARD THE TECHNOLOGY ENABLED CARE SERVICES CONTRACT

Councillor R D Bayliss presented the report to members.

The Chairman invited Councillor T Eynon to speak to this item. She put the following question to Councillor R D Bayliss;

“With regard to the technology enabled care services contract, what wider issues were considered by the Lead Member prior to procurement?

What would have been the benefits and risks of a cross-Leicestershire approach?

What would have been the benefits and risks of bringing this contract in house?”

Councillor R D Bayliss gave the following response:

With regard to the technology enabled care services contract, what wider issues were considered by the Lead Member prior to procurement?

As detailed in the report, the unforeseen termination of the existing contract by our previous supplier, Appello, resulted in the need to undertake a timely procurement process for the service and maintenance of the hardwired system. Maintaining service delivery to vulnerable residents was the key consideration in the circumstances.

With the new contract in place, we will now take the opportunity to review alternative options to provide the service at our dispersed locations, for example, by replacing the

hardwired systems with individual lifeline telephone units. This will reduce the maintenance contract value further as fewer sites will require service and maintenance of the hard wired system.

What would have been the benefits and risks of a cross-Leicestershire approach?

The authorities across Leicestershire have their own contracts in place which each run on a different timetable, meaning a cross-Leicestershire approach is not currently a viable option due to the timing of these procurement processes.

In April 2017, Leicestershire County Council decided to withdraw from providing assistive technology services for residents where they do not have a statutory responsibility, and the service is now being provided by the Districts and Boroughs in their respective localities. These changes together with the previous loss of Supporting People funding has resulted in NWLDC having to review and improve our assistive technology offer to make the local service financially viable, and to ensure we provide a service which enables our residents to live independently for longer. All Districts and Boroughs across Leicestershire are in a similar position, and representatives from each council have recently met, and are due to meet again later this month, to explore joint working and consolidation opportunities going forward.

What would have been the benefits and risks of bringing this contract in house?

The service and maintenance contract for the hardwired lifeline service is a small one value wise, and provides a specialist service that our existing operatives do not have the skills or knowledge to undertake. It is not cost effective to train our operatives to conduct this limited and specialist area of work, which will gradually decline in any event as we replace the hardwired systems with lifelines.

Councillor T Eynon made reference to the statement that the representatives from each council across Leicestershire were due to meet again later this month to explore joint working opportunities. She asked if these discussions would include the possible delivery of a county wide contract through the Lightbulb project.

Councillor R D Bayliss undertook to provide a written response to Councillor T Eynon and all members of the Cabinet.

It was moved by Councillor R D Bayliss, seconded by Councillor R Blunt and

RESOLVED THAT:

The award of the technology enabled care services contract be approved for housing sites procured through the Northern Housing Consortium.

Reason for decision: The current contract with Appello expired on 31 March 2017. The new contract procured in the same way through Northern Housing Consortium provides cashable savings, which will be invested to improve service delivery directly to the tenants.

The meeting commenced at 5.00 pm

The Chairman closed the meeting at 5.56 pm

This page is intentionally left blank

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 25 JULY 2017

Title of report	PROVISIONAL FINANCIAL OUTTURN 2016/17
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nicholas Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Interim Director of Resources 01530 454833 andrew.hunkin@nwleicestershire.gov.uk Financial Planning Manager 01530 454707 tracy.ashe@nwleicestershire.gov.uk
Purpose of report	To present the Provisional Financial Outturn for 2016/17.
Reason for Decision	Requirement of Financial Procedure Rules
Council Priorities	Value for Money
Implications: Financial/Staff Link to relevant CAT Risk Management Equalities Impact Assessment Human Rights Transformational Government	Financial issues are contained within the report. None. There are significant financial risks to manage which were fully considered during the budget process. Not required. No implications. No implications.
Comments of Head of Paid Service	The report is satisfactory

Comments of Deputy Section 151 Officer	As author, the report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Corporate Leadership Team
Background papers	General Fund and Special Expenses Revenue Budgets 2016/17 – Cabinet 07 february 2017
Recommendations	THAT CABINET NOTES THE PROVISIONAL FINANCIAL OUTTURN POSITION FOR 2016/17.

1.0 INTRODUCTION

- 1.1 The Council is required to produce Financial Statements each year which “give a true and fair view” of the financial position and transactions of the Council. These have been prepared under International Financial Reporting Standards since 2010/11. The 2016/17 accounts will be considered and approved by the Audit and Governance Committee on 27 September 2017 after they have been audited.
- 1.2 This report summarises the main elements of our financial performance in 2016/17 and the results are referred to as ‘provisional’ as they are still subject to external audit and may change.
- 1.3 During 2017/18 and beyond, greater emphasis will be placed on outcome based budgeting and robust financial management in forecasting the Council’s financial position and reducing variance between budgeted and outturn position. This will include more sophisticated estimates undertaken in relation to income and expenditure (using financial and non-financial data and forecasting techniques), longer term revenue planning (to provide budget holders with the opportunity to plan varying revenue budgets over the medium term and to release surplus expenditure budgets); and a leaner approach to the allocation of reserves for delivering the Council priorities.

2.0 GENERAL FUND

- 2.1 The expected final position on the General Fund is set out in Table 1 overleaf. The provisional surplus of £1.825m includes £1.178m of initiatives that were agreed to be funded from the 2016/17 surplus. The remaining £0.647m represents the remaining surplus transferred to general fund reserves.
- 2.2 Members will recall that at its Cabinet meeting on 13 June 2017, £0.577m funding in relation to Marlborough Square was agreed to be paid from any remaining 2016/17 surplus and the projected 2017/18 surplus. Given the provisional outturn position, the funding for this initiative will be paid in full from the remaining surplus transferred to reserves (£0.647m).

LINE NO.	TABLE 1 GENERAL FUND	2016/17	2016/17
		ORIGINAL ESTIMATE	PROVISIONAL OUT-TURN
		£'000	£'000
	TOTAL DISTRICT EXPENSES		
1	CHIEF EXECUTIVE'S UNIT	5,393	5,149
2	DIRECTOR OF SERVICES	5,706	5,342
3	CORPORATE AND DEMOCRATIC CORE	45	40
4	NON-DISTRIBUTED COSTS	87	86
5	NET FINANCING COSTS	1,054	1,002
6	INVESTMENT INCOME	116	- 187
7	CORPORATE CONTINGENCY	100	-
8	PROVISION FOR BAD DEBT	-	130
9	LOCALISATION OF COUNCIL TAX GRANT – PARISH	168	101
10	REVENUE CONTRIBUTION TO CAPITAL	-	139
11	NET RECHARGES FROM GENERAL FUND	1,418	- 1,368
12	DEBT RESTRUCTURING PREMIUM	-	23
13	TRANSFER TO RESERVES	983	1,825
14	FRS17	-	-
15	TRANSFER TO S106		36
16	P/L ON SALE OF ASSETS		-
17	SECTION 106		-
18	NET COST OF SERVICE AFTER RECHARGES	12,002	12,318
16	REVENUE SUPPORT GRANT	1,120	1,054
17	COUNCIL TAX TRANSITIONAL GRANT	-	26
18	NEW HOMES BONUS	2,773	2,778
19	TRANSFER FROM COLLECTION FUND	345	345
20	OTHER GRANTS	-	9
21	COUNCIL TAX	4,808	4,808
22	NATIONAL NON DOMESTIC RATES BASELINE	2,956	3,298
		12,002	12,318

2.3 The most significant variances for 2016/17 are explained below and summarised in Table 2 below.

TABLE 2 - Major Variances	£'000	£'000
Adverse		
Bad debt provision	-130	
Leisure Centres	-80	
Rent Allowances (over budget)	-110	
		-320
Favourable		
Business Rates Income	342	
Planning Fees Income	172	
Recycling Income	316	
Investment Income	71	
Revenues & Benefits Partnership contributions	74	
Revenues Summons Income	66	
Planning Appeals & Associated Costs under Budget	63	
Revenue Contingency not spent	100	
		1,204
Total		884

- 2.4 Prior to 1 April 2013 local authorities' Government Grant funding was announced before the start of each financial year and did not change. The introduction of a system of locally retained business rates from 2013/14 made this source of income far more volatile and introduced significant new risks, and opportunities, for the Council. As well as an ever-changing business rates base, the Council also shares the costs of appeals, debt write-offs and so on. The Council's participates in a County Pool, which is a local mechanism for retaining business rate income within Leicestershire rather than divert back to Central Government, and mitigate against the risk of under achievement on income targets. Councils are continuing to develop their systems for projecting and monitoring this major income stream. In common with the rest of the information presented in this report the outturn figures for Business Rate income are provisional and subject to external audit. In 2016/17 an additional £342k Business Rates has been taken into the accounts compared with the original budget.
- 2.5 Additional recycling income of £316k was achieved as a result of favourable movement on commodity prices and an increase in recycling rates within the District.
- 2.6 The additional £172k Planning income shown in Table 2 represents an increase of 16% on the original budget. This was mainly due to a significant number of applications with a value of above £10k
- 2.7 Investment income was £71k higher than budgeted chiefly because the Council is now lending for longer periods and getting higher returns. The current year's budget will be updated to reflect the change.

- 2.8 The Revenue Budget Contingency was not utilised, saving £100k. The Contingency has not been called upon for a number of years and in light of this was reduced from £183k to £100k in the 2016/17 budget.
- 2.9 The Council has itself benefitted from a lower number and value of Planning appeals where costs were awarded against us. This has produced a saving of £63k in 2016/17.
- 2.10 Contributions towards the Revenues and Benefits Partnership were £74k less than budgeted for. £41k was as a result of Fraud posts being transferred to DWP and £33k was as a result of using in year reserves rather than budget.
- 2.11 There was an increase in the Summons Income of £66k. This was mainly due to more recovery action being taken in the year.
- 2.12 On the adverse side we have set aside an extra £130k for bad debts provision after reviewing our bad debts ensuring that we have a realistic and accurate assessment, and there has been a lag in claiming back the benefits overpayment to private tenants (£110k). This overpayment is still being recovered.
- 2.13 Finally, there was £80k adverse variance in respect of leisure services as a result of increased expenditure on general repairs and operational equipment.

3.0 HOUSING REVENUE ACCOUNT (HRA)

- 3.1 The financial performance of the HRA is summarised in Table 3. The expected final position is a surplus of £3.234m being £839k higher than the approved budget. The surplus on the account has been added to the HRA balance which stood at £8.912m at 31 March 2017.

Table 3	2016/17		
	Approved Budget	Provisional Outturn	Provisional Variance
	£'000	£'000	£'000
HOUSING REVENUE ACCOUNT			
Repairs and Maintenance	5,258	5,000	-258
Supervision and Management	2,772	2,541	-231
Provision for Doubtful Debts	125	58	-67
Capital Financing (Depreciation, Impairment & Debt Management)	3,946	3,910	-36
Total Expenditure	12,101	11,509	-592
Less Rental Income & Service Charges	-17,842	-18,034	-192
Net Cost of Service	-5,741	-6,525	-784
Capital Financing (Principal & Interest)	3,405	3,380	-25
Investment Income	-66	-96	-30
Premature Loan Redemption Premiums	7	7	0
NET (SURPLUS) / DEFICIT	-2,395	-3,234	-839

3.2 The significant variances in respect of the Housing Revenue Account are explained below.

3.3 Reduced contribution to the Bad Debt provision of £67k as a result of continued improved rent arrears performance.

3.4 Additional rental income of £210k was achieved compared to budget as a result of a reduction in the number of days properties were empty before they were re-let.

3.5 There was a £308k under spend in respect of cyclical repairs which was largely as a result of the timetable for a contract in respect of painting being rescheduled.

3.6 There was also a £138k saving to the Housing Revenue Account in respect of corporate recharges from the General Fund for corporate support services.

3.7 The most significant adverse variance was a reduction in service charges, garage rent income, lifeline and heating charges of £61k.

4.0 SPECIAL EXPENSES

4.1 The expected final position on Special Expenses is an overspending of £25k. Table 4 below gives further details.

Table 4 Special Expenses	Original Budget £'000	Provisional Outturn £'000	Provisional Variance £'000
Special Expenses	516	519	3
Net Financing costs	-28	-24	4
Contribution to Earmarked Reserves	0	18	18
Expenditure Requirement	488	513	25
Precept	424	424	0
Localisation of Council Tax Support Grant	68	68	0
Transfer from/to Reserves	-4	21	25

4.2 The opening Special Expenses Reserves Balance was £85k and following the deficit of £21k for the year, this now stands at £64k.

5.0 CAPITAL

5.1 The Council's capital spending is detailed in Table 5.

TABLE 5 Scheme	Original	Prior Year	In Year	In Year	In Year	Revised	Provisional	Provisional
	Budget	c/f	Approvals /funding	Slippage	Acceler-ation	Budget	Outturn	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HOUSING								
Improvements and Modernisation	7,278	0	0	(1,363)	0	5,915	5,915	0
Support For Acquiring affordable housing	887	0	0	(882)	0	5	5	0
Disabled Facilities Grants	717	105	0	(371)	0	450	283	(167)
OTHER SERVICES								
Parks and Recreation Grounds	0	60	12	0	0	72	72	0
IT & Software	155	108	505	(249)	0	519	284	(235)
Transport Account Vehicles	1,333	165	20	(677)	120	961	766	(196)
Leisure Centres	415	(1)	0	0	0	414	10	(404)
Car Parks (inc Ashby Health)	84	77	620	(35)	0	746	303	(443)
Coalville Market Upgrade	0	61	0	0	0	61	31	(30)
Coalville Park-Reconfigure Depot, replace building	95	0	0	0	0	95	0	(95)
Caravan Site Appleby Magna	0	0	0	0	0	0	(5)	(5)
						0		
TOTAL CAPITAL PROGRAMME	10,963	576	1,157	(3,577)	120	9,239	7,664	(1,574)

5.2 There is always some slippage on Disabled Facilities Grant payments because approvals are given in advance of final payments being made.

5.3 The final Housing Revenue Account capital budget was under spent by £2.438m compared to the budget approved at Council in February of £7.278m plus slippage from prior year of £1.075m giving a revised budget of £8.353m. The main reason for this is the under spend and slippage £584k into 2017/18 in respect of non-decency improvements to council housing stock.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 25 JULY 2017

Title of report	LEISURE PROJECT UPDATE
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Alison Smith MBE 01530 835668 alison.smith@nwleicestershire.gov.uk Chief Executive 01530 454500 bev.smith@nwleicestershire.gov.uk Head of Economic Development 01530 454773 kay.greenbank@nwleicestershire.gov.uk
Purpose of report	To update Cabinet on the progress of the proposed outsourcing of the running of the Council's current leisure centres and the construction of a new facility on a new site to replace Hermitage Leisure Centre
Reason for Decision	To provide officers with authority to continue the project and confirm, in principle, the preferred site for a new leisure centre.
Council Priorities	Value for Money Business and Jobs Homes and Communities Green Footprints Challenge
Implications:	
Financial/Staff	See sections 3 and 4 of the report
Link to relevant CAT	None
Risk Management	None
Equalities Impact Screening	To be undertaken as part of the project

Human Rights	No implications
Transformational Government	N/A
Comments of Head of Paid Service	Report is satisfactory. The full implications for staff under TUPE will need to be assessed as part of the next stage of the project. A robust communication strategy will be implemented to ensure staff and trade unions are engaged and consulted fully.
Comments of Deputy Section 151 Officer	Report is satisfactory. The indicative affordability model is subject to further financial analysis.
Comments of Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	The Sports Consultancy report (Confidential) October 2016 Cabinet report regarding the sale of Cropston Drive
Recommendations	<p>IT IS RECOMMENDED THAT CABINET NOTE AND ENDORSE THE PROGRESS MADE ON THE LEISURE PROJECT TO DATE AND:</p> <ol style="list-style-type: none"> 1) NOTE THE CURRENT INDICATIVE AFFORDABILITY MODEL (APPENDIX 1) AND THAT A MORE DETAILED FINANCIAL APPRAISAL WILL BE PREPARED AND PRESENTED TO CABINET BEFORE ANY FINAL DECISIONS ARE MADE BY COUNCIL; 2) AGREE THAT THE A511 SITE IS THE PREFERRED SITE TO LOCATE A NEW LEISURE CENTRE AND FOR FURTHER INVESTIGATORY WORKS TO TAKE PLACE TO PROVIDE ASSURANCE REGARDING THE DELIVERABILITY OF THE SITE; 3) AGREE TO THE PROPOSED FACILITY MIX FOR A NEW LEISURE CENTRE AS SET OUT IN THIS REPORT AS A STARTING POINT FOR SUBSEQUENT NEGOTIATIONS WITH CONTRACTORS; 4) AGREE IN PRINCIPLE THAT THE PREFERRED PROCUREMENT ROUTE FOR THIS LEISURE PROJECT SHOULD BE A DESIGN, BUILD, OPERATE AND MAINTAIN (DBOM) MODEL;

	<p>5) NOTE THAT A FURTHER OPTIONS APPRAISAL WILL BE COMPLETED OF THE EXISTING HERMITAGE LEISURE CENTRE SITE (AS SHOWN IN APPENDIX 5) TO DETERMINE THE MOST APPROPRIATE USE OF THAT SITE ONCE THE NEW FACILITY IS OPERATIONAL; AND</p> <p>6) NOTE AND ENDORSE THE NEXT STEPS FOR THE PROJECT TOWARDS AN EVENTUAL DECISION OF COUNCIL IN NOVEMBER 2017</p>
--	--

1.0 BACKGROUND

- 1.1 As has previously been reported to Cabinet, Hermitage leisure centre is now reaching the end of its useful and viable life. The centre is approaching 40 years old and was built incrementally over that time period. As such the centre is not efficient and it is inflexible in that it does not allow for the ability for operational change / growth in order to meet current and future demand. This means that the centre and the service already find it hard to accommodate the growing demand for leisure facilities and with the projected housing growth in the area, further investment either in the site or into a new site is inevitable.
- 1.2 Cabinet will be aware therefore that in 2016 the Council commissioned 'The Sports Consultancy' (TSC) to undertake an assessment of the Leisure and Cultural options for the Council. The work of TSC was to pay particular regard to how the Hermitage Leisure Centre options might also contribute to the aims of the Coalville project and improve the regeneration prospects of the town centre whilst also reducing the current subsidy paid towards leisure services which is in the region of £800,000, inclusive of a contribution to internal management costs, per annum.
- 1.3 The conclusions of TSC were that by outsourcing the leisure centres at Hermitage and Hood Park the Council could afford to deliver a new leisure facility in Coalville by leveraging the operational savings and using its prudential borrowing powers.
- 1.4 The anticipated cost of building a new leisure facility in Coalville would be approximately £18 million with the Council able to borrow to pay for the capital spend and in revenue terms not spend any more money than is currently spent on leisure services. The figures will vary depending on the final specification of the building. The type of facility that this would pay for would be regarded as Hermitage-plus, i.e. the new facility will provide an increased provision to not only accommodate current demand but also future-proof the expected increased demand. The facilities projections for the district are already showing a need for increases due to the growing population, therefore this project presents an ideal opportunity to respond to that greater demand.
- 1.5 TSC also considered the potential options available to the Council for building a new leisure centre and concluded that the Bridge Road Car Park should be the preferred location because it was owned by the Council and the potential contribution it could make towards the wider regeneration of Coalville Town Centre.

- 1.6 Cabinet therefore considered a report in July 2016 and agreed to set aside £150,000 towards the project to be spent on exploring the feasibility of the project further, including a period of consultation on the proposals for a new leisure centre. The project has been formally established, a copy of the Project Execution Plan is attached as Appendix 6. To date, £38,804 has been spent on the project. At this stage, given the current recommendations to Cabinet and progress with the project, any further projected costs for delivering a new leisure centre it is anticipated can be met from the existing budget provision.
- 1.7 Since the Cabinet decision in July 2016 the consultation and engagement on the proposals has been focused on the preferred location of Bridge Road car park.
- 1.8 The engagement that has taken place has included;
- Meeting with Whitwick, Hugglescote and Ellistown & Battleflat Parish Councils;
 - Discussing with members of the public at the Christmas in Coalville event;
 - 3 separate 'drop-in' sessions for Hermitage Leisure users during December and January; and
 - Meetings with Hermitage Leisure Centre user groups
 - Open discussion and feedback from the market, i.e. sports and leisure specialists; operators; architects etc.
- 1.9 The feedback can be categorised as follows:
- Strong feedback from Whitwick Parish Council and residents to leave the facility in Whitwick;
 - Strong support from the market in that the scheme presents a real opportunity to not only create a commercially viable facility but also, will act as a catalyst for a wider public health agenda;
 - Many would rather see the Council invest in Hermitage in its current location;
 - Strong support, particularly amongst user groups, for a new, improved leisure facility
 - Strong objection to the selection of Bridge Road as the preferred site;
 - Criticism that the Bridge Road site will be too difficult to access;
 - Lack of conviction that the Bridge Road site will assist with town centre regeneration;
 - There are other, more preferable sites that should be looked at, namely:
 - o Snibston; and
 - o Land off the A511
- 1.10 Therefore, taking account of this feedback, the project has focused on exploring other site options for the leisure centre. This report therefore sets out the current position of the project from a number of different perspectives and re-opens consideration of potential site options.

2.0 FINANCIAL IMPLICATIONS

- 2.1 The original financial modelling that informed the inception of the leisure project was completed by The Sports Consultancy who were then advising the Council on the potential viability of building a new leisure centre for the district. Further work has since been done by the Council and tested by independent experts to refine the affordability model. The updated affordability model is therefore attached as a confidential Appendix to this report

(Appendix 1). Cabinet should note that at this stage, this model is still indicative as some of the costs, such as ongoing pension liabilities are still unknown. As the project progresses and before Cabinet and Council make any final decisions, a more detailed financial model will be developed to ensure that any decisions are taken based on the most robust and accurate information.

- 2.2 Bearing in mind that the affordability model is intended to show what might be regarded as the 'worst case' scenario, it shows that from year 1, based on a number of assumptions built into the model and provided a minimum saving of £200,000 was made from internal corporate recharges, that the project would at least 'break even'. In the context of this project, 'break-even' means the Council spending no more on its leisure centres than it currently spends, albeit the majority of costs under the new project would be directed towards servicing internal borrowing for the financing of the new leisure centre. The affordability model currently does not include any projections in respect of profit share arrangements.
- 2.3 The affordability model also assumes the total cost of the project will be £18 million. £4 million of that cost would be funded from capital receipts, including the sale of key assets such as Cropston Drive and, at this stage, the sale of the existing land for the Hermitage Leisure Centre. Cabinet determined to sell the land at Cropston Drive in October 2016. The site at Hermitage to be disposed is shown on Appendix 5 but any sale would be limited to the site that currently comprises the existing leisure centre only. Furthermore, before any decision on the sale of the existing Hermitage site can be taken, an options appraisal, looking at all potential future options needs to be completed. It is then assumed that the remaining £14 million would be 'borrowed' through the use of internal borrowing. This means that the Council would be using its capital reserves to fund the 'borrowing' and over the lifetime of the project those reserves would be paid back, with interest. The professional advice from the Council's treasury advisers is that this would be the cheapest and most cost effective way of the Council funding this project. It is intended that the next report to Cabinet and the subsequent report to Council will set out in full detail the definitive financial strategy for the project.
- 2.4 At the time of writing this report, whilst requests for detailed pension information have been made to Leicestershire County Council, detailed information regarding additional pension liabilities remain unknown and therefore only assumptions have been built into the financial model. It is possible that a response from LCC is received in between the writing of this report and the actual Cabinet meeting. If so, a verbal update will be provided to Cabinet.

3.0 STAFF IMPLICATIONS

- 3.1 In the event of the Leisure Project proceeding, the directly-employed workforce at both Hood Park and Hermitage Leisure Centres would transfer to a new provider of the Council's leisure service. Typically this would be an existing Leisure Trust or private sector company under the Transfer of Undertakings (TUPE) employment legislation.
- 3.2 Under a TUPE transfer, the employment contracts of the existing employees would be protected and would transfer to the new external provider. Their existing terms and conditions of service would be protected, together with any locally-determined agreements. There would be significant consultation requirements around the transfer

process. It is anticipated that the employee transfer would take place in advance of the opening of the new sports facility to enable a smooth transfer of the Hermitage staff. The transfer would involve 259 employees as detailed in the table below:-

Category	Headcount
Administration	8
Management (including relief managers)	18
Bar people	4
Catering	12
Cleaning	8
Reception	21
Sports and Fitness Delivery	50
Casual workers (all occupational areas above)	138

- 3.3 Some current “Leisure” employees would remain in the employment of the Council, notably those engaged in the provision of Leisure activities in other Centres (such as Castle Donington Community College), the grounds maintenance service and employees engaged in Sports Development work in the communities. The Council will also retain a client/contractor role in managing a new relationship with a new provider. The exact split of those employees directly affected would be determined prior to any transfer to an external provider.
- 3.4 The project team have developed a robust and comprehensive communications and engagement plan which, amongst other matters, is expressly clear in terms of workforce engagement. The team will engage and consult with all impacted staff throughout the entire project and will work to allay any fears that may arise as part of any TUPE process.
- 3.5 TUPE arrangements are governed by law and a defined process will be followed in collaboration with the incoming operator; our HR team and our legal / technical advisors.
- 3.6 It is the duty of the Chief Executive under section 4 of the Local Government and Housing Act 1989 to report to all Members of the Council on proposals relating to:
- (a) the manner in which the discharge by the authority of their different functions is co-ordinated;
 - (b) the number and grades of staff required by the authority for the discharge of their functions;
 - (c) the organisation of the authority's staff; and
 - (d) the appointment and proper management of the authority's staff.

and for the Council to consider that report within three months of that report being issued. Cabinet should note that if (at its meeting on 19 September) it does recommend this

project to Council, the report considered by Council in November in respect of this project shall constitute the reports required by the legislation mentioned above.

Pension Considerations

- 3.7 Approximately 150 of the transferring employees are members of the Local Government Pension Scheme. The Council will be required to comply with the “Fair Deal 1999 and 2004 and The Best Value Authorities Staff Transfers (Pensions) Direction 2007” (the “Direction”) in relation to any of the existing employees transferred to a new provider. Under the Local Government Act 2003 a “best value authority” is under an obligation to have regard to guidance issued by the Secretary of State on matters relating to the employment and pensions of existing staff. In compliance with current guidance, the Council will seek during the procurement process to ensure that all transferring employees continue to have access to the LGPS after they have transferred to the leisure operator.

The Council’s future pension liabilities.

- 3.8 The TUPE transfer of such a large proportion of the Councils’ workforce to an external service provider will have a future impact on the Council’s employer’s pension costs. The exact implications of the transfer are complicated and will involve an assessment by the actuaries of the Local Government Pension Fund to produce. It is estimated that such a transfer could lead to a material effect (increase) on the Council’s employer contribution. This would amount to an estimated additional cost to the Council of £150,000 per annum and as referred to above, this is the amount currently assumed in the indicative affordability model (Appendix 1).

4.0 PROCUREMENT

- 4.1 All of the options for procuring a new operator and building a leisure centre have been fully considered. In doing so both specialist procurement and legal advice has been obtained. A copy of the detailed assessment provided to the Council by external advisors is attached as Appendix 2. There are a number of delivery options but in essence those options can be distilled to two choices:

- i) Twin Track – This is where the Council designs and builds the leisure centre having procured its own design and build teams. Separately, under this option, the Council would procure an operator to run the leisure centres and they would have some, albeit limited, involvement in the design development of the new centre. Therefore there would be two separate procurement exercises (twin track). This option has the potential to be more cost effective but it does mean the Council carries a higher degree of risk in relation to the construction of the new leisure centre. It would also not necessarily maximise the operational effectiveness of the facility as it would be designed in isolation to the operator that will be contracted to run it.
- ii) DBOM – Design, Build, Operate and Maintain is the other option. This involves a single procurement exercise to procure an operator who will also design and build the new leisure centre to suit the agreed operational outputs. The market for this is more limited, given the specialist skills and required size of the operator in order to respond to this type of project. However it is the route recommended by Sport England; it is the preferred route as assessed by the project team, and it also

means that almost all of the delivery risk is carried by the operator rather than the Council.

- 4.2 Having fully considered all of these options with input and advice from our external advisers (see attached appendix 2) and consultation with the market, the project team recommend DBOM as the preferred procurement route. The procurement of a leisure operator to carry out a DBOM contract will be undertaken using the Competitive Dialogue procurement process as set out in the Public Contracts Regulations 2015.
- 4.3 The market for public sector outsourcing of leisure services is a mature one, with Sport England providing a standardised procurement toolkit and template contractual documentation. These contain market standard commercial positions which flow from central government guidance on large-scale public sector outsourcing projects but have also been refined for the leisure sector in consultation with local authorities and leisure operators. The resulting documentation contains a risk profile that the industry considers as striking the most appropriate balance between cost and risk allocation. Areas of risk covered include, design, construction, service delivery, responsibility for pre-existing buildings, responsibility for new buildings, surplus sharing, ground conditions, insurance costs and risk of premium changes, pensions, TUPE, termination and its consequences and intellectual property.
- 4.4 The standard Sport England structure includes standard ancillary documents which sit below the main DBOM contract. Most notably, the structure involves the grant of a lease of each leisure centre to the successful leisure operator that is tied to the main DBOM contract.
- 4.5 It is proposed that the Sport England template documentation is used as the basis for the Council's procurement subject to project specific terms being incorporated as required following legal advice.

5.0 PREFERRED SITE

- 5.1 As referred to earlier in this report, feedback to date on the Council's preferred Bridge Road site has been almost unanimously negative. The principal concerns have been:
- Access into and out of Coalville town centre, particularly at peak times;
 - Access and egress to the site;
 - Very little room for potential future expansion of a leisure centre; and
 - Limited value to the town centre of linked trips to / from the leisure centre
- 5.2 As a result of this feedback, other potential sites have been examined.
- 5.3 This report therefore revisits the sites previously considered by The Sports Consultancy as well as two others sites now suggested for inclusion through the engagement that has taken place. Those additional two sites are: Snibston and land off the A511.
- 5.4 Each of the sites has been re-evaluated although this time the evaluation has primarily focused on the merits of the sites for delivering a leisure focused project rather than trying to assess each site's potential contribution to the Coalville town centre regeneration. The table setting out the evaluation of the sites is attached as Appendix 3.

- 5.5 What this table shows is that the A511 site scores better across the range of criteria comparison to all other sites.
- the site is in the ownership of the Council with no acquisition costs;
 - the site has significant capacity for the required facilities and also future potential for expansion if required;
 - it is very accessible for cars, coaches and service vehicles with significant space for car parking;
 - it is in a very visible location off a major arterial route, close to Stephenson's College with potential for dual use opportunities; however
 - access by bus, walking and cycling would need to be considered/enhanced.
- 5.6 Members should be aware that as this exercise shows, whilst the A511 site is clearly the next preferred location, the site is not entirely straightforward. The site is currently allocated in the adopted Local Plan as Green Wedge and is proposed for inclusion in the emerging Local Plan as part of the Area of Separation (AOS) between Coalville and Whitwick. However, the AOS policy does include a provision to allow leisure uses and therefore having consulted with the Council's Head of Planning and Regeneration, Cabinet is advised that in principle a new leisure centre on the AOS is permitted by policy.
- 5.7 In order to fully establish the suitability of the A511 site, a detailed assessment of the site will need to be undertaken. It will be necessary to conduct a series of intrusive ground investigations; ecological assessments; traffic surveys and other investigatory works to help inform the design development process moving forward. At this stage, before any final decision is made, it will be important to understand any site challenges / opportunities before we commit the Council to this site. Therefore should Cabinet agree the recommendations of this report, those additional investigations will be undertaken ahead of a further report to Cabinet in October and a final report to Council which is scheduled for November 2017.
- 5.8 In order to establish that a leisure centre can be accommodated on the site, an initial assessment has already been conducted including a review of historic planning matters that may impact on site viability. In summary:
- As part of the design development process we would need to liaise closely with the coal authority
 - A financial contribution and/or some considered tree planting would be required given its National Forest status. Suitable mitigation measures will need to be implemented as part of the project
 - The areas of the site within close proximity to the A511 are at risk of flooding. This is not unexpected and the designs will need to accommodate this accordingly, in consultation with the County Council (as lead flood authority)
- 5.9 It is not considered that any of the factors mentioned above are insurmountable. An indicative plan to show how the leisure centre may be configured on this site is attached at Appendix 4.
- 5.10 As a result of the further investigations, Cabinet are now advised that the most suitable site to accommodate a new district leisure centre is that of land on the A511 (Appendix 5). Whilst this site sits within the Area of Separation between Coalville and Whitwick, the planning position is clear that in principle a leisure use would be permitted. Furthermore,

much of the feedback already received about this site suggests that there would be considerably more support for such a community lead use on the site than on the previously preferred site at Bridge Road car park.

6.0 FACILITY MIX

- 6.1 The Sports Consultancy in their report, through a comprehensive assessment of current and likely future demand, proposed a suggested facility mix for a new centre in Coalville. Following consultation and engagement, this has been revised to include:

- 8 court sports hall
- 8 lane x 25m pool
- 15m x 8.5m learner pool with moveable floor
- 150 station health and fitness suite
- Multi-activity studio, large enough to be sub-divided to 2 x separate rooms
- 1 spin studio
- 3 squash courts
- Vending area(s)
- Café / bar
- External area for 250 car park spaces

- 6.2 The project is therefore currently proceeding using this suggested mix as a starting point for negotiations with contractors although the exact facility mix may be amended as part of those negotiations with the preferred operator to help ensure the leisure centre is fit for purpose and is operationally as effective as possible

7.0 THE EXISTING HERMITAGE SITE

- 7.1 As referred to earlier in this report, the affordability model for delivering a new leisure centre for the district currently assumes that the Council would dispose of the existing Hermitage site. When referring to the existing site, this means the site containing the existing leisure centre and associated car parking. However before a decision can be made to dispose of the site, there are a number of considerations for the Council. For example, the Council could choose to dispose of the site and specify the uses that it could only be used for in the future. Equally the Council could retain some of the land for community uses or car parking. Obviously all of these options would come at a cost and potentially impact on the affordability of the overall project.

- 7.2 At this stage in the project, it is too early to recommend what the eventual use of the existing Hermitage site should be. Instead a full options appraisal, including a financial appraisal, will be completed and reported back to Cabinet at the next reporting stage of the project. In the meantime, the Council will use the forthcoming consultation and engagement, over the coming months to engage with local communities to ensure their input into the options appraisal.

8.0 PUBLIC HEALTH / SPORTS INCLUSION

- 8.1 Public leisure facilities and their operation have a key role to play in supporting the Council to deliver its public health objectives, directly supporting action to address health and

wellbeing in Coalville and the wider District. The provision of a new, modern and future-proofed facility is intended to broaden and widen participation in sport and leisure, particularly amongst children and families who might not otherwise participate in structured forms of sport and leisure.

- 8.2 This project has an opportunity to address social challenges, promote active lifestyles, increase physical activity, reduce isolation and improve outcomes for individuals and communities. Alongside this project there will be a programme of inclusive engagement to help maximise the opportunities for engaging in sports / activity generally and, in concert with the prospective operators, the project team will ensure health equality / sports inclusion is a key driver behind the project.
- 8.3 The latest Health Profile for Leicestershire as a County, prepared by Public Health England, suggests the following:
- 8.3.1 the proportion of adults in North West Leicestershire who are classed as obese is 25%; this is slightly higher than the national average of 24%
- 8.3.2 The level of obesity in children within the District (16.2%) is lower than the national England Average of 18.7%
- 8.4 There is a real opportunity as part of this project to establish a Health and Wellbeing Strategy to help focus the Council's approach to tackling inequalities that will improve the health, wellbeing and life chances of North West Leicestershire people.
- 8.5 It is anticipated that the provision of the new facility will further contribute to widening and increasing participation in sport and active recreation, thereby also contributing to health and wellbeing outcomes for local people.
- 8.6 The project team will:
- keep all stakeholders well informed about the process and progress with the project
 - allow stakeholders to have input into the process
 - ensure accurate and timely information is provided to stakeholders and the wider public
 - raise awareness of the council's role and leadership as we look at future options for leisure provision, to support the local economy with a centre that is affordable and accessible for all
 - engage with key partners and stakeholders to ensure their positive support and contribution to the work, such as Sport England and NGBs
 - ensure that the new leisure centre is promoted as part of the wider offer for Coalville and North West Leicestershire
 - be clear that there will be no loss of provision as the new centre is being built; Hermitage Leisure Centre will remain open until the Coalville centre is built

9.0 NEXT STEPS

- 9.1 This report is placed before Cabinet as an update to the overall leisure project and to seek the agreement of Cabinet to continue with the project. Subject to Cabinet endorsement of

this report, additional work will be undertaken over the next 2-3 months to look at the suitability of the A511 site for accommodating a new leisure centre. During that same period, additional public engagement will also take place to ensure that the final Council decision takes account of all stakeholders' views and opinions where appropriate.

9.2 It is therefore proposed, subject to Cabinet agreement that a period of consultation will include:

- Further meetings of the cross-party Member Reference Group;
- A special meeting of Policy and Development Group in August 2017;
- Attendance at relevant Parish Council meetings;
- Media and social media discussions and debates on the proposals.

Following this consultation, Cabinet will be asked to make their final recommendations to Council on 17 October 2017. Assuming Cabinet are content at that point, Council will be presented with the proposals for final decision on 21 November 2017.

9.3 Subject to Council agreement, procurement works will commence immediately thereafter via an OJEU (Official Journal of the European Union) compliant tender process with an appointment of a 'preferred bidder' by November 2018. It is likely that, once contracts are signed, works will start on site early 2019 and whilst the completion date is subject to the size / complexity of the building, it is suggested that an 18 month build programme be allowed with a new centre completed by mid 2020.

Likely to contain exempt information under paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

North West Leicestershire District Council
Proposed New Sports and Leisure Centre (“Project”)
Procurement Evaluation Approach

1. Background

Martin Vickery has prepared a very helpful paper (“Original Paper”) setting out some of the advantages and disadvantages of the three main routes to delivering this project:

- Option A: Procurement of a building contractor through the traditional route, and separate procurement of a contractor to provide operation and maintenance services (O&M)
- Option B: Procurement of a building contractor through a design and build (D&B) process, and separate procurement of O&M. For simplicity, and because it appears clearly more advantageous, we have assumed for the purposes of this paper that a “two stage” (rather than one stage) Option B is being considered. The differences between these options are set out in more detail in the Original Paper
- Option C: Procurement of one contractor to deliver the design, build, operate and maintain obligations under one contractual arrangement (DBOM).

Using the Original Paper, the Council has considered its priorities and the extent to which each option addresses them. The Original Paper sets out in more detail the key features of each Option, and we have not sought to repeat them here.

2. Method of scoring

a. The Council has set out each of its key Priorities below:

- i. value for money
- ii. linked to value (and also to the number and quality of, and innovation demonstrated by the bids received), market appetite for and familiarity with the proposed Option

- iii. costs and time involved in the relevant procurement(s)
- iv. reduction of the risks retained by the Council, including integration risk
- v. retention of control over the Project, including input into design and method of service delivery

b. Each Option will be allocated a score between one and ten for each Priority, where a score of:

- i. ten indicates that the Option will completely address, and deliver upon the Priority;
- ii. a score of one indicates that the Option entirely fails to deliver on that Priority; and
- iii. a score of five indicates that the Option addresses and delivers upon the Priority, but with some material concerns,

with appropriately graduated scores for interim positions.

c. This will produce a score out of 50 for each Option. This will inform the Council's decision making process, and the Council's ultimate decision will take this into account matters "in the round", along with the recommendations of officers, views of stakeholders, and any strong input gleaned from the market engagement day.

d. For the purposes of this scoring exercise the Council has assumed that, whichever option is used, a process involving some dialogue is likely to be required between the bidders and the Council. This assumption is informed by both internal and external legal advice. Accordingly, the competitive procedure will be used and the scores have been awarded on this basis. The Council recognises that many of these Priorities, and advantages/disadvantages, are closely linked. Accordingly, this numerical scoring process can be a guide only (albeit a useful one) and is by its nature somewhat subjective.

e. There are additional options that have not been actively considered, and which would encompass inclusion of Council land as part of a wider regeneration. However, subject to comments to the contrary during market engagement, these will not be included. Moreover additional options, such as establishing a mutual entity to deliver the services, have not been considered for the purposes of this paper.

f. Finally, Annex A indicates the ways in which each advantage and disadvantage highlighted in the Original Paper have been taken into account in the scoring.

3. Executive summary and conclusion

- a. Option A is unlikely to be the best solution for a project of this complexity, largely due to integration risk, the need for successive procurement and resulting internal Council time and cost, and lost opportunities to drive value and innovation across the Project.
- b. Options B and C are viable choices. However, the “single procurement” approach, which integrates the risk and obligation in relation to design, build, operate and maintain under a single contract, is a significant upside to Option C and is the key reason that this route has been favoured.

4. Scoring table

OPTION A - SEPARATE PROCUREMENTS OF A DESIGN TEAM, BUILDING CONTRACTOR AND OPERATOR			
<u>Priority</u>	<u>Advantages</u>	<u>Disadvantages</u>	<u>Score and comments</u>
VfM	By greatly reducing the risk to be passed to the building contractor, build costs should be reduced when compared to Options B or C.	<p>A greater risk is potentially retained by the Council in relation to the interface between services and operations. We will be requiring the operator to “build this”, and this might present opportunities to seek additional payment - rendering the greater value derived from this Option somewhat illusory.</p> <p>It may also be that lack of integration between the design team, builder and operator will lead to increased costs.</p> <p>The “wrap” of a DBOM which encompasses both O&M and D&B may stimulate market interest and allow bidders greater opportunity to drive value across the whole package of D&B and O&M.</p>	<p>4/10</p> <p>There are both advantages and disadvantages to this method in terms of value, so a slightly below average score is appropriate.</p>

		The scope for contractor innovation is also reduced by separating these elements into discrete packages.	
Market appetite ¹	<p>There is likely to be appetite both for traditional building contracts, and for provision of O&M. The market will be familiar with forms of building contract and O&M agreements.</p> <p>By approaching the market separately for building works and O&M, access to these markets may be maximised.</p>	There may be equal or greater appetite amongst the leading players in the leisure market for providing these services under the “wrap” of a DBOM. Although the aggregate pool of building and operating contractors may theoretically be greater, the pool of experienced leisure operators which the Council hopes to interest in the Project may be enhanced by a DBOM approach.	<p>3/10</p> <p>In the Council’s view, the disjointed nature of Option A is unlikely to be the most appealing to the market, and a below average score is therefore appropriate.</p>
Procurement costs and time	None.	<p>A major disadvantage of Option A is the “sequential” nature of the procurements (that is, the Council must procure a design team, then a builder, and also an O&M contractor).</p> <p>It is unlikely to be the speediest route or most cost effective in terms of internal management time or external fees.</p>	<p>1/10</p> <p>As there are no clear advantages to this Option, a score of 1 is the best fit.</p>
Retention of risk	The key advantage to this option is that the build price will be based on completed designs, and should be certain subject to employer retained risks.	A significant disadvantage of this route is that “integration risk” between the design team, building contractor and O&M contractor must be managed and largely retained by the Council. As set out in the Original Paper, there are	<p>2/10</p> <p>As the only clear advantages to this Option may be undermined by increased integration costs</p>

¹ Scores for market appetite should of course be refined during market engagement

		ways to mitigate (but not eliminate) this risk. This compares unfavourably with Option B (which brings much of the design and building risk together) and Option C (which brings design, build, and O&M risk together).	and reduction in scope for driving value and innovation across the Project, a score of 2 is the best fit.
Retention of control	Under this Option, the Council retains the greatest level of control over the design process and can manage quality control through direct relationships with the professional team. The Council will be fairly sure that it has the design it requires before going to market for a builder.	None.	8/10 Control of design will be retained, although this is undermined slightly by the impact this may have on later phases of the Project.
TOTAL FOR OPTION A			18/50
OPTION B - SEPARATE PROCUREMENTS OF A DESIGN AND BUILD CONTRACTOR, AND OPERATOR			
VfM	Relative to Option A, the decision to proceed is made with firmer knowledge of final cost.	By passing risk to the building contractor, build costs may be increased when compared to Option A. It may also be that lack of integration between builder and operator will lead to increased costs. The “wrap” of a DBOM, which encompasses both O&M and D&B, may	2/10 As there are few clear advantages in terms of VfM over either Option A or C, a low score is appropriate.

		<p>stimulate market interest and allow bidders greater opportunity to drive value across the whole package of D&B and O&M.</p> <p>The scope for contractor innovation is also reduced by separating D&B and O&M into discrete packages.</p>	
Market appetite	<p>There is likely to be appetite both for D&B, and for provision of O&M. The market will be familiar with forms of D&B and O&M agreements.</p> <p>By approaching the market separately for D&B and O&M, access to these markets may be maximised.</p>	<p>There may be equal or greater appetite amongst the leading players in the leisure market for providing these services under the “wrap” of a DBOM. Although the aggregate pool of D&B and operating contractors may theoretically be greater, the pool of experienced leisure operators which the Council hopes to interest in the Project may be enhanced by a DBOM approach.</p>	<p>6/10</p> <p>In the Council’s view, there will be appetite for this opportunity, but the opportunities of a DBOM may be at least as attractive. An average score is therefore appropriate.</p>
Procurement costs and time	<p>By avoiding a separate design phase and then procurement, the overall time and cost of delivering the Project - relative to Option A - will be reduced.</p>	<p>The requirement for two procurements - one of a D&B and one of an O&M contractor - might result in greater costs and time between inception and operation of the Project relative to Option C.</p>	<p>6/10</p> <p>An average score is appropriate given that this may not be the optimum route.</p>
Retention of risk	<p>A key advantage of this model is the integration of risk between design and build responsibilities - with a single point of contact for addressing any of these issues following negotiation of the professional appointments to the</p>	<p>A significant disadvantage of this route is that “integration risk” between the design and build contractor and O&M contractor must be managed and largely retained by the Council.</p> <p>This compares unfavourably with</p>	<p>6/10</p> <p>An average score is appropriate given that this may not be the optimum route.</p>

	contractor.	Option C (which brings D&B and O&M risk together).	
Retention of control	Under this Option, the Council will retain control over appointment of a D&B and, separately, O&M contractor.	Less control over the design is possible than under Option A.	7/10 This Option leads to a high level of control
TOTAL FOR OPTION B			27/50
OPTION C - DBOM			
VfM	Cost certainty across the Project can be achieved, and economies of scale, efficiencies and innovation may be employed to drive value.	By passing risk to the building contractor, build costs may be increased when compared to Option A. Risk of integration between D&B and O&M elements may also result in an additional "risk premium" being paid by the Council.	5/10 There are both advantages and disadvantages to this method in terms of value, so an average score is appropriate.
Market appetite	There may be a smaller pool of contractors to draw from in relation to this option, when compared to either Option A or Option B.	Despite this, there is a bidding community which is both experienced in, and familiar with, the DBOM model for leisure procurements.	6/10 In the Council's view (again, this can be assessed further during market engagement) this model is capable of forming an appealing offer to the market, but is not clearly superior in this respect to Option B. A score of 6 is

			therefore awarded.
Procurement costs and time	A single procurement process, and the implications for reduced time and costs, is a considerable advantage of this model.	None.	10/10 This model appears to be the optimum solution for the Council in this regard, and so full marks have been awarded.
Retention of risk	A key advantage of this model is the ability to transfer “integration risk” between design, build and operation to the contractor. Moreover, the Sport England standard form transfers, or shares, a number of key risks with or to the contractor.	None.	10/10 The integrated DBOM model presents greater opportunities for optimum risk transfer and allocation than either Option A or B.
Retention of control	Under this model, the Council has a series of contractual rights over the design, build and operation of the facilities. By framing the contract and procurement appropriately (including PQQ standards and award criteria) a significant level of control over the Project can be delivered.	However, there is less control in this model than under the separate procurement approaches of Option A or B, and the Council is sacrificing some level of control in order to obtain VfM, ease of procurement, and risk transfer.	4/10 This option represents the greatest transfer of control to the operator, and so a below average score is appropriate.
TOTAL FOR OPTION C			35/50

Initial Criteria (Pass / Fail)		Bridge Road Car Park	Cropston Drive	Grieves Site	Land Adjacent to the A511	Stenson Square	Snibston
Site capacity							
Does the site have adequate capacity to accommodate the building and car parking required? (Yes = Pass. No = Fail)		Pass	Pass	Pass	Pass	Fail	Pass

Scored criteria (0=no score, as not possible to meet the criteria, low fit = 1, medium fit = 2, high fit = 3)	Weighting (% based on relative importance)	Bridge Road Car Park	Cropston Drive	Grieves Site	Land Adjacent to the A511	Stenson Square	Snibston
1 - Council ownership							
Is the site in the ownership of the Council (the site is owned by the Council = 3, the site is not in Council ownership = 0)	25%	3	3	0	3	0	0
Score	Sub Total	25%	25%	0%	25%	0%	0%
2 - Relative cost and difficulty of acquiring the site							
What is the relative cost and deliverability of the site (No acquisition costs = 3, relatively high cost and owner unlikely to sell the site for leisure development = 1)	25%	3	3	1	3	0	2
Score	Sub Total	25%	25%	8%	25%	0%	17%
3 - Accessibility (Private Car)							
How well is the site served by road access for cars & coaches including parking? (very accessible with good on site parking capacity = 3, access is difficult with restricted parking = 1)	5%	2	2	3	3	0	3
Score	Sub Total	3%	3%	5%	5%	0%	5%
4 - Accessibility (Public Transport)							
How easily accessible is the site by public transport, cycling and walking? (very accessible in close proximity to public transport stops = 3, remote from public transport stops = 1)	5%	3	1	3	2	0	3
Score	Sub Total	5%	2%	5%	3%	0%	5%
5 - Planning Issues							
Impact of planning issues likely to affect/restrict the proposed development (planning policy and issues are generally supportive of development = 3, planning policy and issues are generally not supportive of development = 1)	20%	2	1	2	1	0	2
Score	Sub Total	13%	7%	13%	7%	0%	13%
6 - Visibility of the site / potential frontage							
Is the site in a visible location that will help attract new users to the site (site located in a very visible location = 3, site not located in a visible location = 1)	10%	2	1	3	3	0	1
Score	Sub Total	7%	3%	10%	10%	0%	3%
7 - Contribution to 'Confidence in Coalville' Objectives							
The extent to which use of the site will help deliver the Council's aims for regeneration of the town centre and the Council's Confidence in Coalville vision (the site is located in an area where it can contribute directly to the 'Confidence in Coalville' objectives = 3, site not able to make a significant contribution to 'Confidence in Coalville' objectives = 1)	10%	3	1	3	1	0	2
Score	Sub Total	10%	3%	10%	3%	0%	7%
Total Score		88%	68%	52%	78%	0%	50%
Ranking		1	3	4	2	6	5

Site	Total Score	Ranking				
Bridge Road Car Park	88%	1				
Land Adjacent to the A511	78%	2				
Grieves Site	52%	4				
Stenson Square	0%	6				
Cropston Drive	68%	3				
Snibston	50%	5				
Scored Criteria	Bridge Road Car Park	Cropston Drive	Grieves Site	Land Adjacent to the A511	Stenson Square	Snibston
1 - Council ownership	25%	25%	0%	25%	0%	0%
2 - Relative cost and difficulty of acquiring the site	25%	25%	8%	25%	0%	17%
3 - Accessibility (Private Car)	3%	3%	5%	5%	0%	5%
4 - Accessibility (Public Transport)	5%	2%	5%	3%	0%	5%
5 - Planning issues	13%	7%	13%	7%	0%	13%
6 - Visibility of the site / potential frontage	7%	3%	10%	10%	0%	3%
7 - Contribution to 'Confidence in Coalville' Objectives	10%	3%	10%	3%	0%	7%
Total	88%	68%	52%	78%	0%	50%
Ranking	1	3	4	2	6	5

APPENDIX 4

Notes

Do not scale from this drawing. For discrepancies or omissions contact the issuer.

Copyright reserved. This drawing and all design information within must not be copied or disclosed to any third party without the prior written consent of Coventry City Council.

This drawing is to be read in conjunction with all relevant specifications and drawings issued by the architect, consultants and other specialists.

All working dimensions are to be checked on site by the contractor prior to work commencing to include levels and sewer invert heights where applicable.

Materials and workmanship are to comply in all respects with current British Standards and Codes of Practice and Building Regulations.

Building Control Ref.	
Revision	Date

ALL DIMENSIONS TO BE CHECKED ON SITE



Place Directorate
 Project Delivery Team
 Property Asset Management Services
 Fifth Floor, Civic Centre 4
 Much Park Street
 Coventry CV1 2PY
 Tel: 024 7683 Ext: 2144
 Fax: 024 7683 1895

Project
Leisure Development at Stephenson Way Coalville

Title
Sketch Proposal

Drawn by AC **Scale** 1:1250 @ A3

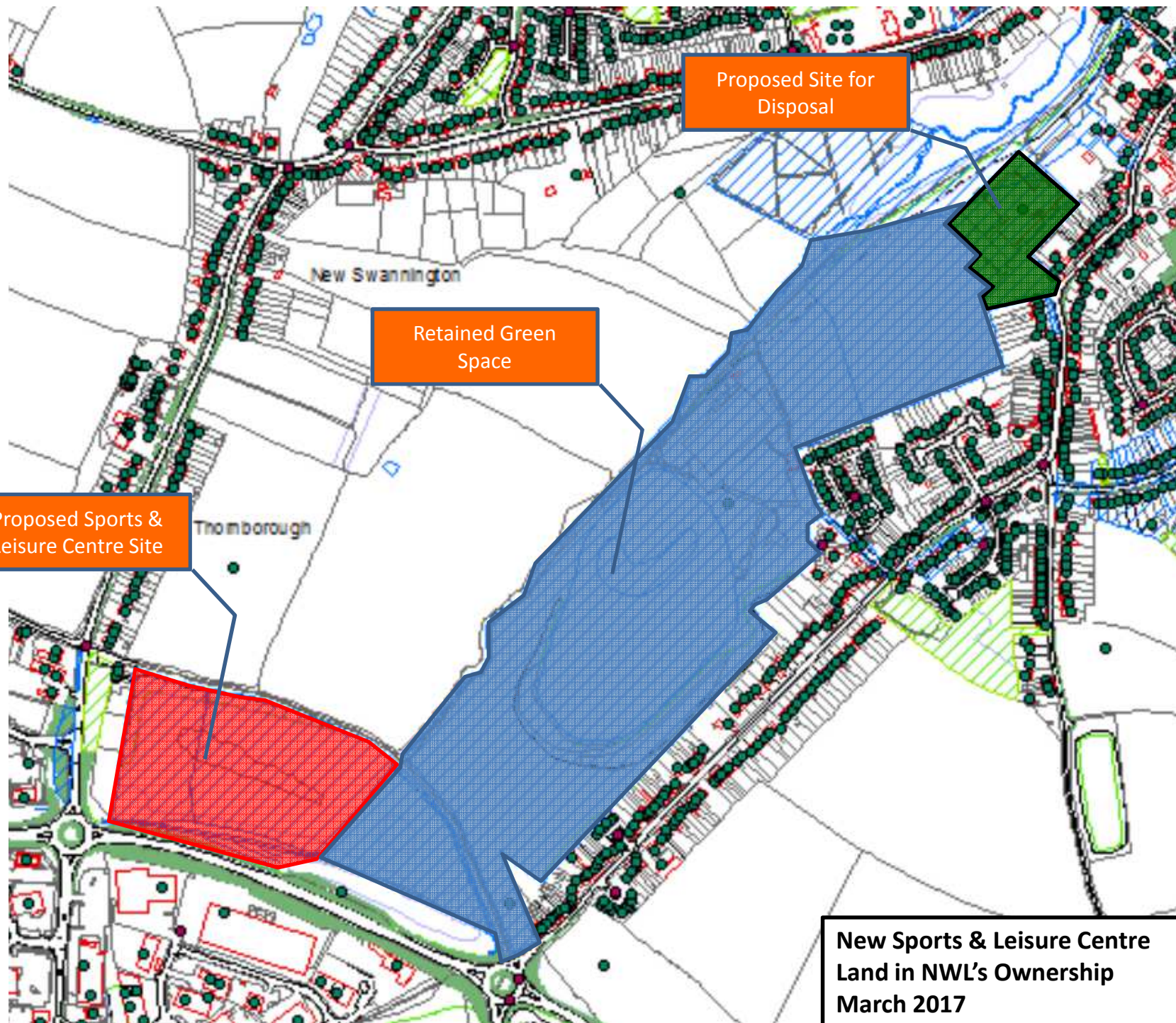
Checked MV **Date** 6.02.17

Project No. NWLDC **Drawing No.** P.NWC.LC.P04 **Rev.** -

45



This page is intentionally left blank



This page is intentionally left blank

Proposed New Sports and Leisure Centre
Coalville

Project Execution Plan

May 2017

1.0 Background / Information

- 1.1 This Project Execution Plan (PEP) is intended to outline how North West Leicestershire District Council ('NWL') will deliver a proposed new sports and leisure facility. It is specifically intended to set out how the Council will procure the varying disciplines and how it will manage risk from inception to completion.
- 1.2 NWL intend to replace the existing Hermitage Leisure Centre on a new site adjacent to the A511 with a new sports and leisure facility ('the Centre').
- 1.3 The Centre will, once fully operational, result in the closure of the existing Hermitage site with a subsequent demolition in readiness for disposal.
- 1.4 The key drivers behind the project are as follows:
- The provision of a long term solution to the identified current and future sporting needs of Coalville and the wider district.
 - The provision of a high quality new centre that provides a commercially viable sports and leisure offer for the District.
 - A step change in the quality of provision for the community, enhancing leisure facilities for the next 40 years.
 - A high quality design in line with the Council's aim to improve the quality of the built environment across the wider portfolio.
 - The delivery of wider health and wellbeing benefits for the local community, through increased participation
- 1.5 The Centre needs to be financially viable within the affordability envelope and generate additional income through an increased customer base and participation – which is reliant on the design and construction of an efficient building in terms of layout, flow, staffing and environmental controls.
- 1.6 The procurement strategy and delivery model will need to take account of NWL's desire for a high quality facility together with the overall budget to help minimise risk – especially in respect of programme and cost overrun.
- 1.8 Careful cost, programme and risk management will be required by all involved in the scheme.
- 1.9 The Council will deliver the new facility via a DBOM delivery approach.
- 1.10 This PEP is intended to be a live document and will be used by all, amended to suit the appropriate stage of the project

2.0 Design Requirements

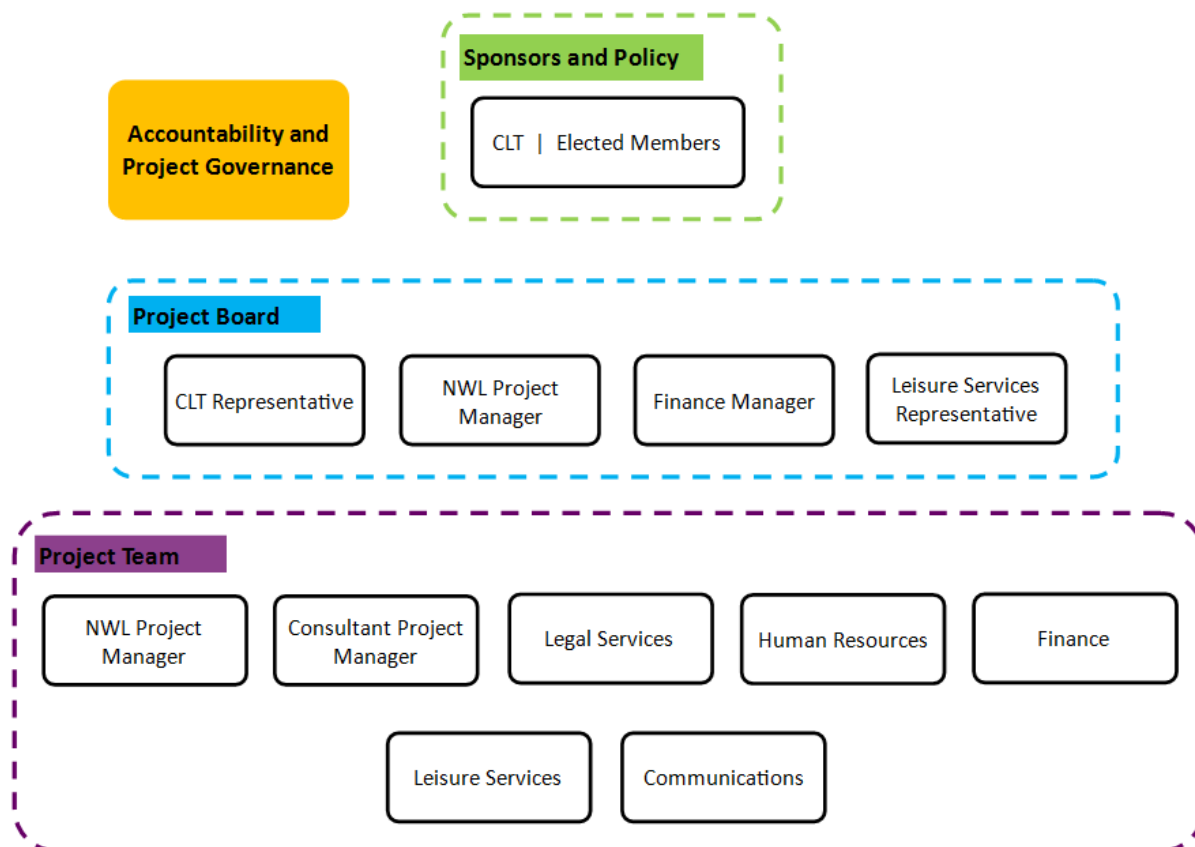
- 2.1 NWL, through The Sports Consultancy, have worked to establish an overarching business case together with a suggested mix of facilities.

- 2.2 The proposed facilities for the Centre are as follows:
- 8 court sports hall
 - 8 lane x 25m pool
 - 15m x 8.5m learner pool with moveable floor
 - 150 station health and fitness suite
 - Multi-activity studio, large enough to be sub-divided to 2 x separate rooms
 - 1 spin studio
 - 3 squash courts
 - Vending area(s)
 - Café / bar
 - External area for 250 car park spaces
- 2.3 Where relevant, all designs will accord with and meet criteria set out by their associated representative body, i.e. Amateur Swimming Association (ASA), Sport England etc.
- 2.4 An Outline Design Brief has been prepared to help encapsulate NWL's requirements; this should not be seen as exhaustive and will be developed as the project progresses.
- 2.5 The centre must be specified and designed to best-meet the current and future needs of the District.

3.0 Governance / Delivery Structure

3.1 NWL are clear that properly established governance is paramount to the success of the project. Clear accountability is to be established from the outset and NWL, working alongside CBRE as their project managers, will be keen to ensure that all parties buy-in to and recognise the importance of the agreed delivery structure.

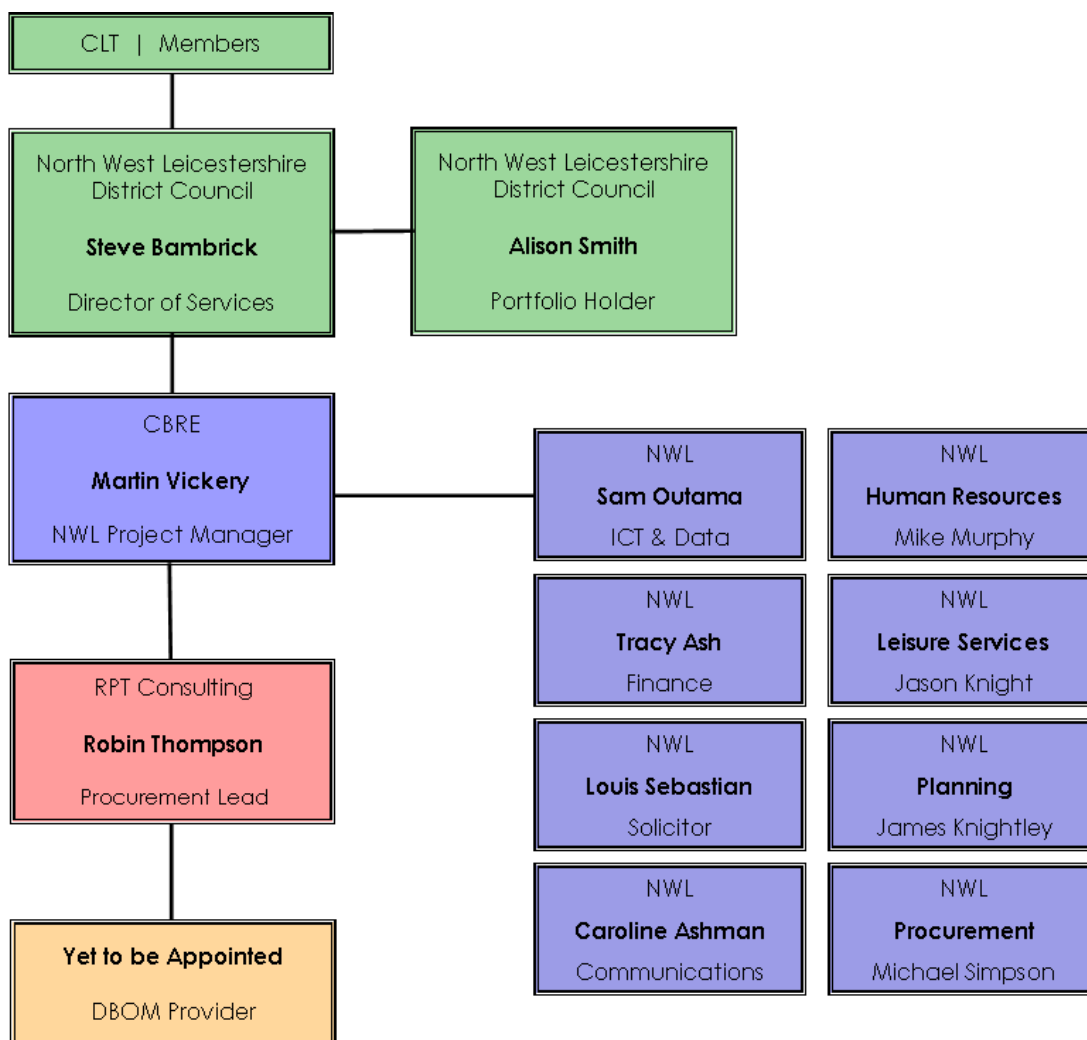
3.2 The intended governance is as follows:



- 3.3
- | | |
|---------------------|--|
| Sponsors and Policy | <ul style="list-style-type: none"> • Approve the overall project together with the proposed procurement strategy and development principles. • Approve the funding of the project and accept it as a line within the NWL’s capital programme. • Delegate approval to the Project Board in respect of the procurement strategy; appointment methodologies; spend approval and the project delivery structure. |
| Project Board | <ul style="list-style-type: none"> • Consider and manage the strategic context of the project in relation to other aspirations within Coalville and the wider area. • Approve the processes of procurement; appointments and capital spend through the delegated authority from CLT and Members. • Provide strategic project guidance in relation to the broader context of wider Coalville Project and other key developments. |

- Approve key milestones in terms of budget and ongoing spend together with variations throughout the life of the project
 - Receive programme and budget reports from the Project Team.
- Project Team
- Provide strategic input to the project and provide the link to the Project Board.
 - Champion and lead the delivery of the project against the agreed milestones and budget parameters.
 - Provide the interface between the consultants and contractor and NWL's internal team.
 - Continually monitor the progress of the project against the agreed deliverables and the expectations of the wider Coalville Project.
 - Provide connection into other external consultants and Council resource as required and coordinate the interface of this resource into the Project Team as and when required.
 - Ensure that the project is suitably and appropriately resourced.
 - Make budget and resource recommendations to the Project Board
 - Provide sign off for the project at key stages and against key milestones.
 - Manage and oversee the development and progress of the project at a detailed level.
 - Work directly with the Consultant Team to monitor the progress of the project and 'manage out' issues and challenges.
 - Manage and recommend all variations and applications for payment throughout the project.

3.4 The operational project structure, which is also intended to reflect communication lines, is to operate as follows:



- 3.5 Project Owners
- Manage and coordinate the presentation of the project to CLT and Members for approval.
 - Overall responsibility for the delivery of the project in accordance with the agreed strategy and the associated approvals.
 - Oversee and manage the involvement of the Project Board throughout the duration of the project.
 - Define the overarching project management structure, responsibilities and associated processes.
 - Make budgetary decisions relating to changes / variations as part of the project where such variations should exceed a defined cost threshold.
 - Report the performance and provide regular updates to CLT and organisation-level programmes as required.
 - Have overall responsibility of NWL's interests and investment in the

project.

- | | |
|------------------------------------|--|
| <p>NWL
Project
Manager</p> | <ul style="list-style-type: none"> • Oversee and provide the day to day management of NWL’s interests and investment in the project. • Own and manage the overall programme including the contract and construction timelines. • Ensure that all key stakeholders are kept informed as to progress and issues and be a point of contact for day to day communications. • Manage and coordinate the involvement of other Council departments and advisors as and when required throughout the delivery of the project. • Work with the Project Owners and NWL’s Solicitor to develop and implement procurement strategies as required. • Manage the Risk Register for the project and ensure that significant risks are reported to the Project Board. • Continually update the Project Execution Plan, in concert with the Project Owners, to reflect any key changes. • Establish and own a clear change control process for the approval of variations and change requests. • Ensure that all Consultant, Contractor and Sub-Contractor warranties and collateral warranties are produced and executed. • Attend all site meetings with the Consultants and Contractor to monitor the progress, quality and budget of the project and report to the Project Board accordingly. |
| <p>Finance
Manager</p> | <ul style="list-style-type: none"> • Ensure that all options and proposals are financially modelled to demonstrate viability against the available capital resource and future operational revenue requirements. • Manage NWL’s resources and contribution to the project including ongoing financial management and monitoring. • Ensure that the capital budget and profile of expenditure is available within NWL’s capital budgets. • Receive detailed project budget and cash flow updates from the Lead Project Manager and report these to the Project Board as required. |

4.0 Procurement Route

- 4.1 The new sports and leisure centre, including the outsourcing of the associated service, will be delivered via a DBOM delivery route.

5.0 Consultation and Engagement

- 5.1 A detailed and robust communications and engagement strategy has been produced as part of the project. This identifies the methodology for stakeholder engagement and ongoing involvement with key partners and is intended to be a live document for the duration of the project.

6.0 Cost Management

- 6.1 An overarching cost management tool will be prepared and used by NWL's Project Manager for regular updates to the Project Owners.
- 6.2 Cost plans will be prepared at specific stages of the design development process and updated as the design advances.
- 6.3 Once the initial cost plan is agreed, it will be updated on each occasion that changes to the brief are approved and instructed. Where appropriate, a full cost benefit analysis will be carried out of proposed changes before implementation.
- 6.4 All cost plans will make allowances for design risk and include a NWL contingency for any unforeseen circumstances. This will then be reviewed as the design progresses and specific risks have been identified or mitigated.
- 6.5 A strict change control system will be implemented to ensure that any changes to the works are fully costed and the programme implications identified prior to instruction. The cost consultant will normally agree the cost of any changes with the contractor prior to instruction.
- 6.6 A similar approach will be adopted pre-contract once the Outline Design Brief has been signed off by the Project Board and the final design options have been clarified.

7.0 Risk Management

- 7.1 A project risk register has been prepared and is included in Appendix A. The schedule identifies risks and states the probability of occurrence, the likely extent of impact on cost, programme or quality, and the parties who will be liable should the event occur.
- 7.2 The risk register deals with project-level risks only although they will need to be augmented with the Council's wider risk management strategy.
- 7.3 There must be an acceptance that not all risks can be mitigated / designed-out and instead, they need to be retained and managed by NWL.
- 7.4 The risk register will be a live document and must be updated regularly throughout the duration of the project.

8.0 Programme

- 8.1 A project programme has been prepared which highlights the key decision gateways; procurement timeframe and critical path items for which the project team will be responsible.

Phase 1 - Outline Feasibility / Viability Study (complete)

Sports Consultancy engaged; site / needs analysis carried out; out line affordability model prepared

Phase 2 - Stakeholder Engagement (ongoing)

Cabinet approval in principal; Comms & Engagement strategy agreed; workforce engagement commenced; local ward Councillors group established

Phase 3 - Business Case Approval (planned September 2017)

Project team established; legal and technical advisors engaged; detailed funding strategy agreed; HR implications understood

Phase 4 - Procurement and Operator Negotiation (planned September 2018)

Procurement process; supplier interest; negotiation; contract & operator agreements; site surveys and investigations; TUPE implications

Phase 5 - Operational (Q2 2020)

Once new facility opens NWL will close and decommission Hermitage site; service continuity to be maintained; soft-landing intent with careful transition required

This page is intentionally left blank

Likely to contain exempt information under paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Agenda Item 8.

Document is Restricted

This page is intentionally left blank

Likely to contain exempt information under paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Agenda Item 9.

Document is Restricted

This page is intentionally left blank

Likely to contain exempt information under paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Likely to contain exempt information under paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Agenda Item 10.

Document is Restricted

This page is intentionally left blank