

Report of: Executive Director, City Services

To: City Executive Board

Date: 3rd September 2008

Item No:

Title of Report: Project Approvals – Refurbishment and New Play Areas

Summary and Recommendations

Purpose of report: To seek approval of the Business Case to commence the project to refurbish Play Areas

Key decision? Yes

Executive lead member: Councillor Antonia Bance

Report Approved by:

Finance: Mark Jones

Legal: Lindsay Cane

Policy Framework:

Transform Oxford City Council by improving value for money and service performance.

Stronger and more inclusive communities.

Recommendation(s):

That the business case in respect of the refurbishment of Play Areas and the commencement of the project be approved.

That Project approval be granted for the refurbishment as specified in the Business Case attached to this report after consultation with the Area Committees on the programme.

1. Introduction

- 1.1 The budget for 2008/09 and subsequently Council in June 2008 approved additional resources to refurbish and improve play areas across the city.
- 1.2 This report proposes the business case for this project and seeks approval to commence the project.

2. Financial Implications

- 2.1 The business case assumes that the following lines in the budget are applied to this project.
- 2.2

9MBCW02	Playgrounds	£50,000 p.a.
9MBCW04	Playground equipment	£57,000 p.a.
9MBCW09	Playgrounds refurbishment/ play schemes	£100,000 in 2008/09 & 2009/10
- 2.3 The business case assumes that at least £2.4m of expenditure will be capital works funded through Prudential Borrowing. Arrangements for Prudential Borrowing are already in place in the Council's Financial Strategy. The section 151 Offices confirms that finance have examined the Capital Investment plans outlined in the Business Case, and are satisfied that they are affordable, prudent, and sustainable.
- 2.4 The project will deal with the current backlog as well as those play areas likely to fall into disrepair over the next 3 years (a total estimated to be around 63 play areas) and will lay the foundations for a sustainable programme in the future. The exact programme is yet to be agreed and will be reflect the outcome of procurement exercise, the availability of contractors and the views of residents, parish councils where applicable and Area Committees.

3. Risk Management

- 3.1 A risk assessment is set out in the business case.

4. Equalities Issues

- 4.1 The Council is aiming for Oxford to be "World Class for Everyone". The identification of schemes to be included in the refurbishment programme has reflected areas of relative deprivation, demographics and the condition of the existing play facilities. Consultation during the detailed planning stage will assist in reflecting local priorities and needs.

5. Climate Change

- 5.1 Thought has been given to whole life cycle emissions for the programme. It is therefore proposed to install equipment, which will provide a fifteen year life with minimal maintenance. Consideration will also be given in utilising natural features wherever possible.
- 5.2 Environmental issues will be included in the selection criteria for the procurement exercises.

6. Legal Issues

- 6.1 Appropriate procurement processes will need to be followed for the programme.

7. Recommendations

- 7.1 That the business case in respect of the refurbishment of Play Areas and the commencement of the project be approved
- 7.2 That Project approval be granted for the refurbishment as specified in the Business Case attached to this report after consultation with the Area Committees on the programme.

Name and contact details of author:

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Background papers: None

Version number: 2

Project Brief/ Outline Business Case

Reference number: *Non assigned until approved by the Programme Board*

Project Title: *Refurbishment and New Play Areas*

Date: *4/8/2008*

Responsible Board:

City Executive Board Member: *Councillor Antonia Bance*

Links to OCC Priority: *Improve the local environment, economy and quality of life*

Sponsor: *Executive Director City Services*

Project Manager: *Parks Operational Manager*

Project Administrator:

Version No: 2..0

Approvals: 1.
2.
3.

Distribution: 1.
2.
3.

Project Brief/ Outline Business Case

1. Background *There are 90 equipped play areas across the City. Many are modern and well maintained. However, currently there are around 50 that will require complete refurbishment in the near future some having not been refurbished since the 1970s. 2 are currently in such a poor condition that they are closed. A further 12 may have to be closed soon for safety reasons if improvements are not made. This project will deliver the refurbishment of those areas assessed to be a high priority by looking at condition and demographics of the area. The project will lay the foundations for a programme to maintain all play areas in a reasonable condition in the future with play areas having on average a 15 year life.*

2. Project definition

- **Project objectives** *Refurbish 50 play areas*
- **Project scope** *The project includes all consultation, design and implementation works. The project may include the upgrading of a facility to a “neighbourhood” or “City” level dependent and resources available. The project does not cover play areas on land owned by the City Council outside of the City Play areas owned by Parish Council’s may be included in the project. The project does not cover the question of longer term funding for the refurbishment of play areas.*
- **Project deliverables** *The refurbishment of 50 play areas identified to being in need or refurbishment by reference to condition and demographics. What is delivered to reflect the needs and views of residents and stakeholders. The play areas provided to have design life of not less than 15 years with low maintenance costs.*
- **Project desired outcomes**
 - a) To develop enriching play environments
 - b) To provide a balanced range of outdoor play and leisure opportunities within the general environment, neighbourhoods and in designated spaces and facilities
 - c) To provide play environments that appeal to the child’s senses, natural aesthetic appreciation, keen interest in nature, imagination, and physical development (rather than simply a play equipment approach).
 - d) To engage children and young people’s need for challenge and risk taking;

- e) To create equal opportunities for disabled children, young people and parents and shared play environments.
- f) To provide inclusive play that addresses the needs and wishes of an ethnically diverse community and promotes social inclusion and good race relations.
- g) To improve satisfaction with play areas
- h) To improve satisfaction with area where people live

- **Constraints**

- ***The ability of providers to deliver within our timeframes. Rapidly rising costs. Unrealistic expectations in respect of what is reasonable to be provided.***

3. Initial business case

The number of play areas refurbished in recent years has averaged 4. If play areas have an average life expectancy of 15 years 7 will fall into disrepair each year. There is already a substantial backlog. Members have considered a programme of rationalisation and have rejected this. In view of this major investment is required. It is proposed to carryout a major procurement exercise and set up an accelerated programme to meet the backlog for play areas assessed as requiring refurbishment within 24 months. Those currently assessed as "poor" to be dealt with first. The procurement will include – consultation, design, build and maintain over a 15 year period. The bulk of this will be capital funded through Prudential Borrowing.

4. Risks and Uncertainties

Risk & Description	Likelihood	Impact (High/Medium/Low)	Counter Measures
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Under estimate costs due to rising steel prices, Playbuilder funding swamps market etc.	Possible	Medium	Effective procurement scheme, making as attractive as possible over medium term. Decision gateway when have tenders back. Opportunity to re-profile project, reduce specification etc.
Poor project management	Possible	High	Clear project management internally. Appoint specialist project manager to oversee delivery as part of procurement
Costs drift upwards as expectations for schemes grows during design and consultation	Likely	Medium	Careful cost and budget control. Tradeoffs between sites. Look for ways to reduce costs at design stage. E.g. only install fencing where required.
Funding in future years is not found to maintain the progress made	Possible	Medium	Outside scope of this project. Decision to be made by a future Council.

<p>Turnover of staff in parks leaves insufficient experience and management time to manage a scheme of this size and complexity.</p>	<p>Likely</p>	<p>Medium</p>	<p>Appoint external project manager.</p> <p>Clear responsibility for project management internally.</p> <p>Organisation provides sufficient support to that individual.</p> <p>Maintain project board with senior management representation.</p>
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5. Timescales

Milestone	Start	Finish	Milestone/ decision point	Project Termination Point
Business case approval			3 rd September 08	
Bring forward existing revenue schemes	October 08	April 09		
Procurement	August 08	January 09		
Commence capital schemes for poor sites	February 09	February 10		
Wider capital scheme	February 10	February 11		April 2010

6. Acceptance Criteria

- **Short term scheme to improve sites designated poor**
- **All sites needing refurbishment completed**
- **Delivered within allocated budget**
- **Schemes designed in consultation with local communities and Area committees**
- **Effective procurement and good value for money**

7. Costs See attached financial plan. The current funding allows us to meet the target to refurbish the target number within two years. However, as on average play areas have a 15 year life each year a further 6 will need attention. The exact amount in each year will depend on the activity in the past, maintenance levels and vandalism. After this project it is proposed to carryout an annual review and assessment and feed that into the Council's budget process with a programme to be funded by external funding, Section 106 monies and capital or revenue budget in accordance with the Play Area Refurbishment Framework. It can be seen from the model that to maintain around 90 play areas in reasonable condition a on-going budget commitment of £600k per annum is required.

Significant project management resource needs to be built in to the project to steer successful delivery particularly at a time when the Parks Manager and other staff are leaving.

Play Area Refurbishment figures**Final version approved by Finance for Business Case**

Total number play areas 90
 Assumed to be ok in 2008/9 39
 Assumed cost of refurbishments £ 50k

2008/09

	Y-4	Y-3	Y-2	Y-1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15
Existing Programme	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Capital Programme			25	24	2														
Additional revenue programme to maintain 15 y life			0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Total refurbished in year			29	28	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
number that ok assuming 15y life if do nothing			39	33	27	21	15	9	3	-3	-9	-15	-21	-27	-33	-39	-45		
Total refurbished cumulative			29	57	63	69	75	81	87	93	99	105	111	117	123	129	135		
Total that are ok			68	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90
Budget requirement assuming £50k per site																			
Capital Programme	1250	1200	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2550
Revenue Funding																			
Cost of prudential borrowing			116	244	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Revenue existing and additional programmes			200	200	200	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Total Revenue Cost			316	444	500	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Less any external and 106 funding available			200																
Less Play Builder monies			77	77	77														
Existing revenue budget			357	357	257	257	257	257	257	257	257	257	257	257	257	257	257	257	257
Revenue -Surplus/defecit			-318	10	166	343	343	343	343	343	343	343	343	343	343	343	343	343	343
Cumulative Revenue budget Shortfall			-318	-308	-142	201	544	887	1230	1573	1916	2259	2602	2945	3288	3631	3974		

8. Interfaces *This project interfaces with the funding held by Area Committees and the activities of Friends Groups who may be able to pull in external funding.*

9. Whole Life Cost/Sustainability *[The project must take into account what the likely environmental impacts might be, e.g. pollution, waste, resource use. What the likely economic impacts might be, e.g. strengthening the local economy, meeting local needs locally, local employment opportunities. What the likely social impacts might be, e.g. encouragement of opportunities to be part of the community, access to informal provisions. Think about any hidden costs that may need to be considered as part of the project, e.g. running costs, storage or handling costs, administrative costs, maintenance costs, spend to save, disposal costs. It also needs to consider what the return on investment will be].*