

To: City Executive Board

Date: 20th May 2009

Item No:

Report of: Head of City Leisure

Title of Report: Project Initiation Document (PID) for the Leisure Centre Investment Programme and Substantive Development Works

Summary and Recommendations

Purpose of report: To attain approval of the Project Initiation Document to progress the Leisure Centre Investment Programme and Substantive Development Works

Key decision: No

Executive lead member: Councillor Bob Timbs

Report approved by:

Finance: Chris Kaye

Legal: Lindsay Cane

Policy Framework:

Improving the local environment, economy and quality of life

Stronger and more inclusive communities

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

Recommendation(s):

That the City Executive Board gives project approval to the Investment Programme and Substantive Development Works within the Leisure Centres, in accordance with the Project Initiation Document

1.0 Introduction

- The Council has awarded a ten-year contract with a five-year renewal option to manage the Councils Leisure Centres to Fusion Lifestyle. The contract commenced on Monday the 30th March 2009.

- As part of the competitive dialogue Fusion detailed their investment plans that have now been submitted as detailed in the appendixed Project Initiation Document (PID).
- Fusion plan to complete as much of the capital works as possible within the first year of the contract.
- A development project board is now set up to oversee these works; a project structure is also included within the Project Initiation Document, (PID).
- Facility Developments will be subject to consultation prior to them being progressed.
- Due to the condition of Temple Cowley Pools and Blackbird Leys Pool there is minimal investment planned at these sites whilst a replacement site is fully investigated.
- Works will be scheduled to minimise disruption and the centres will remain open during the works.
- Full detail of the pre consultation improvements can be found in the draft PID appendixed to this report.
- The responsibilities are as shown below for each organisation;
 - Oxford City Council will fund the development works (these works are shown within the PID)
 - Fusion retains full overall responsibility for maintenance at Ferry Sport Centre, Barton Pool & Blackbird Leys Leisure Centre.
 - Fusion retains responsibility for day-to-day & planned maintenance for the Ice Rink, Hinksey Pool, Temple Cowley Pools and Blackbird Leys Pool.
 - Oxford City Council retains responsibility for the backlog maintenance at all Leisure Centres.
- The Council has sign off at key milestones within the process. These are shown below;
 - Formulation of the brief
 - Outline design
 - Detailed design

- Receipt of tender

2.0 Level of risk

- Section one of the PID details the risks. Overall this project is judged as medium risk

3.0 Climate change / environmental impact

- The contract has specific environmental targets, which are supported by the works detailed in the PID.

4.0 Equalities impact

- The leisure contract has targets to ensure concessionary usage that will ensure equitable access to improved facilities and positive steps to encourage under represented groups at leisure centres make use of the facilities.

5.0 Financial implications

- The investment programme budgets have been created and agreed upon as part of a consultative process between Oxford City Council & Fusion. Priority has been given to essential works including health and safety issues, and issues which could impact on facilities operations. This will ensure that the Council makes the best use of the limited funds available to support Leisure investment in 2009-10.
- Oxford City Council will provide funding for both the substantive and development work in 2009-10 up to a maximum amount as shown in the table below.
- These funds have been included in Oxford City Council's Leisure Services budget for 2009-10 and previously approved by the City Executive Board. Any additional expenditure in excess of the budgeted amounts will need to be agreed by both parties.
- As part of the legal agreement with Fusion, Oxford City Council is contractually obliged to provide this financing for leisure related expenditure.
- The Council will have to borrow to fund the expenditure, and will be committed to paying off this debt for the next 19 years.

	2009-10 Leisure Maximum Expenditure		
	Capital	Revenue	Total
	£	£	£
Substantive Works (R&M Backlog)	1,465,345	268,550	1,733,895
Facilities Development	2,210,000	-	2,210,000
Total	3,675,345	268,550	3,943,895

6.0 Legal Implications

- The market testing exercise included the option to progress the maintenance backlog and development works. The investment programme will be delivered as detailed within the Fusion submission & PID. Section 1 of the report details the contractual responsibilities.
- The City Council now has a contractual obligation with Fusion and as such there would be no satisfactory alternatives to the recommendation.

7.0 Recommendation

- That the City Executive Board gives project approval to the Investment Programme and Substantive Development Works within the Leisure Centres, in accordance with the Project Initiation Document.

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List of background papers:

The Leisure Facilities Review 2009

Version number: 1.4



Oxford City Council

&

Fusion Lifestyle

Leisure Services

Investment Programme & Councils
Substantive Works

Project Initiation Document (Draft 20.04.09)

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1. Copy of Schedule 1 Part E - Repairs Maintenance and Capital 090114 - LEISURE MARKET TESTING TEN YEAR FINANCIAL PLAN - SCENARIO TWO: RATIONALISATION OF FACILITIES INCLUDING NEW FACILITY
2. Barton Pool - Buildings Surveys Inspection Report
- 3 Barton Pool Electrical
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- 4a. Blackbird Leys - Buildings Surveys Inspection Report Appendix 4
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11. Hinksey Pool - Electrical
12. Oxford Ice Rink - Buildings Surveys Inspection Report
13. Oxford Ice Rink Electrical
14. Temple Cowley Pool
- 15a Substantive Works Responsibilities BBLSP, Hinksey & Temple Cowley
- 15b Substantive Works Responsibilities Ice Rink
16. Risk Log Barton Pool
17. Risk Log Blackbird Leys Leisure Centre
18. Risk Log Ferry Sports Centre
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23. Priced Activity Schedule.
24. Councils Priorities for the Substantive Works
25. OCC Procurement

Explanatory Notes

The Council is Oxford City Council

“Best and Final Offer (BAFO)” means proposals from Fusion that have been accepted by the Council

“Building Contractor(s)” an organisation(s) appointed by the Authority to carry out the Investment Programme or the Councils Substantive Works.

“Business Case” means the financial justification of and the public value derived from the investment in undertaking the Capital Works and the Substantive works.

“Investment Programme” means the proposed customer-facing improvements and facility development works identified within Fusion’s BAFO.

“Competitive Dialogue” is a procurement procedure set out within the Public Sector Procurement Directive (2004/18/EEC)

Councils Substantive Works are those works identified by the Building Surveyors & Inspection Report provided by Ridge Property & Construction Consultants in September 2008

“Customers” are the users of the Leisure Centres

“Project Manager” is The Clarkson Alliance Ltd. (TCA)

“Design Consultant” is an organisation appointed by the Project Manager responsible for design.

“Facility” means Leisure Centre

“Fusion Lifestyle” is the Leisure Management Contractor

“Leisure Centres” are Barton Pool, Blackbird Leys Leisure Centre, Blackbird leys Pool, Ferry Sports Centre, Hinksey Pool, Oxford Ice Arena, Temple Cowley Pool and the proposed new facility

“Leisure Management Agreement” is the agreement between Oxford City Council and Fusion

“Product” is an out put of the project.

“Project” means the design, procurement, execution and completion of the Capital Works.

“Project Assurance” means the Project Board’s responsibilities to assure itself and the Members of the Authority that the project is being conducted correctly.

“The Development Project Board” comprises of the Project Sponsor, representatives of functions held by members and officers of the Council, Fusion and The Clarkson Alliance Ltd.

“Project Brief” is a full statement of the Council’s and Fusion’s functional and operational requirements for the completed Project.

“Project Cost Plan” is a breakdown of the forecast cost of the works.

“Project Management Team” comprises of those responsible for delivering the investment programme and the substantive works.

“Project Organisation Structure” is an organisational structure indicating the various parties involved in delivering the Project and their contractual links and communication and co-ordination links.

“Project Sponsor” is the individual with ultimate accountability for the success of the project. The Sponsor has to ensure that the project represents value for money and follows a cost conscious approach whilst balancing the needs of the business, users and suppliers. The Sponsor owns the projects Business Case.

“Project Programmes” bar charts indicating the start and completion date of each project within the programme of works, the dependencies and planned sequence of activities to achieve the planned completion date

“RIBA” Royal Institute of British Architects

“Senior User” is accountable for ensuring that the requirements are fully and accurately specified, making sure that what is delivered is fit for purpose and that the solution meets the users needs within the constraints of the business case.

“Senior Supplier” represents the resources providing design, development, facilitation, procurement and implementation of the projects products.

“Stage” is a part of the Project

“Tolerances” are permissible deviations from the Project Cost Plan, project timetable and the pre-stated performance of the completed facility.

1. Introduction:

1.1 Oxford City Council has recently employed Fusion Lifestyle (Fusion) to manage their leisure facilities. Within the contract there is a suggested programme of works to improve several of the leisure facilities within the Oxford City Council Leisure portfolio.

1.2 The programme, to carry out substantive works and capital works to the leisure facilities, is structured to support the Councils vision to provide *“a world class city for everyone” and to support the council in delivering to the Local Area Agreement and Corporate Plan.*

This programme of works identified in Scenario Two specifically incorporates:-

- The **Investment Programme** identified in the Financial Invest to Save Proposals submitted by Fusion as part of their BAFO in January 2009.
- The **Councils Substantive Works** identified by the Building Surveyors & Inspection Report provided by Ridge Property & Construction Consultants in September 2008

1.3 The purpose of this document is to set out: -

- The reasons for undertaking the project
- The key improvements the project will deliver
- How, when and at what cost
- The scope of what is to be done
- Any constraints which apply to the improvements that are to be delivered
- How the quality will be achieved
- What risks are faced
- How the project is to be controlled
- How the progress will be reported.

1.4 It is intended that this document shall be the basis on which the Project Board and Project Manager can assess progress, project issues and ongoing viability ensuring Oxford City Council and Fusion receive the predefined benefits from investing in the proposed scope of works.

2. Project Brief - Background

2.1 Oxford City Council decided to undertake a market testing of leisure facilities. Expressions of interest were invited from several companies and as part of a competitive dialogue procurement route two candidates succeeded in making the final dialogue. The Council sought proposals to achieve the following needs within its leisure management sector: -

1) Provide leisure facilities which support the Council's vision to provide a "World Class City for Everyone"

2) To support the Council in delivering the Local Area Agreement and Corporate Plan and in particular the current targets in respect of:-

- To improve satisfaction with leisure services by more than 5% in the next bi annual place survey by 2010.
- Increase participation in adult sport by 1% a year from a base of 20.6% in 2007/8. Target (for 2008/9 is 21.7%. This will be measured through Sport England's, Active People survey.
- To increase total usage of the Council's leisure facilities by 1.75% per annum (local indicator)
- Increase Bonus Slice card membership by 1.75% a year.
- Increase the total number of Slice card members by 5% a year.
- To contribute to the delivery of the Council's targets of reducing carbon emissions from Council buildings by at least 25% by 2011 compared with the 2005 base
- To provide leisure facilities which provide excellent value for money measured by subsidy per user that reduces year on year.
- To achieve Quest accreditation and score of a minimum of 70% at all centres by September 2010 and a minimum score of 76% by the third re assessment.

2.2 The selected preferred bidder Fusion is to take over the management of the facilities as of 30th March 2009 for a 10yr contract through to 29th March 2019. Contract details within the "Leisure Management Agreement"

2.3 During the competitive dialogue process between the Council and Fusion, Fusion highlighted a number of areas which should be the focus when deciding upon the priority for capital works. Works which could assist in addressing the needs highlighted by the Council - as detailed above - are suggested as follows.

- Most of the facilities require investment in key customer-facing areas, such as receptions, changing rooms and circulation areas;

- There are opportunities within some of the existing leisure facilities to undertake “invest to save” schemes or, at least, to undertake schemes which will deliver value for money by making a significant positive impact on the customer experience;
- Blackbird Leys Swimming Pool and Temple Cowley Pool are in need of considerable investment and are arguably beyond reasonable repair;
- There is an opportunity to consolidate some of the existing facilities and provide a single new multi-functional centre which would offer a higher quality and coherent range of facilities.

2.4 Focusing on the requirements of the Council and the opportunities within the leisure centres under the management of Fusion, the outline scope of the works has been defined and will be taken forward as the basis of this project. OCC have stated that the Leisure Strategy will be developed on the basis of “Scenario 2” as submitted in the BAFO.

In order to manage the execution and satisfactory completion of the works it is proposed to manage the programme under the direction of a Project Board who will instruct and guide the Project Team, lead by the Project Management of The Clarkson Alliance, who were part of the BAFO submitted by Fusion.

2.5 The Leisure Management Agreement overarches the programme and any projects within the programme.

2.6 Included within the business case the estimated costs exclusive of VAT are: -

The Investment Programme	£2,210,000
Substantive Works a) (Barton Pool, Ferry Sports Centre, Blackbird Leys Leisure Centre)	£919,865
Substantive Works b) (Ice rink, Hinksey Pool, Blackbird Leys Pool)	£819,900
New 25 m x 8 lane Competition Pool	TBC

2.7 Timescales

The aim is to complete as much of the Capital Works as possible within the first 52 weeks of the contract. The Councils priorities around the programme need to be ascertained at the first Project Board Meeting in order to derive a detailed timetable for the works.

It is intended that the Substantive works will follow the timescales defined in the Building Surveyors & Inspection Report provided by Ridge Property & Construction Consultants in September 2008, unless agreed otherwise by the Council and Fusion.

If Oxford City Council decides to construct a new competition pool, the plan would be to have the new pool completed within 3 yrs. At which point the opening of the new pool would enable the proposed closure of Temple Cowley Pool and Blackbird Leys Pool. The current proposal is to build the new competition pool along side the existing Blackbird Leys Leisure Centre to form a combined ‘wet’ and ‘dry’ leisure centre. At present this new facility does not form part of the

programme of projects; however should this project receive approval then the structure of the programme is designed to allow this project to be included at a later date.

3. Project Brief – Definition

3.1 Objectives

Fusion submitted within their BAFO a proposed programme of Capital works, which if undertaken will provide the following benefits: -

- Increase revenue to allow a reduction in the management fee, the saving of which will go towards funding the Capital Investment.
- Improve leisure provision and increase participation in health and fitness activities within the Wards Oxford City Council serve.

3.2 Scope

3.2.1) The Investment Programme includes works identified in the “Financial Invest to Save Proposals” as customer facing improvements and facility developments, submitted by Fusion as part of their BAFO in January 2009 are to be undertaken at: -

- Barton Pool
- Blackbird Leys Leisure Centre
- Blackbird Leys Pool
- Ferry Sports Centre
- Oxford Ice Arena
- Hinksey Pool
- Temple Cowley pool

3.2.2) The **Councils Substantive works** to be carried out within the project involve the rectification of patent defects identified by the Building Surveyors & Inspection Reports provided by Ridge Property & Construction Consultants in September 2008. The following locations are within the scope: -

- Barton Pool
- Blackbird Leys Leisure Centre
- Ferry Sports Centre

3.2.3) The **Councils Substantive works** to be carried out within the project involve the rectification of patent defects identified by the Building Surveyors & Inspection Reports provided by Ridge Property & Construction Consultants in September 2008. The following locations are within the scope: -

- Hinksey Pool
- Ice Arena
- Blackbird Leys Pool
- Temple Cowley Pool

The responsibility for the risk on the two substantive works programme is defined in appendix 15 a & b. The above works will follow the RIBA stages as outlined below, the substantive works will require limited design and survey works, however the information collated for the Investment Programme works element of the project can be utilised for the maintenance works e.g. surveys wherever possible.

3.2.4 RIBA Stage A - Appraisal and business justification

Some elements of this Stage have already been undertaken during the competitive dialogue procurement process.

- Completion of first version and approval of the Project Initiation Document including the Project Brief.
- First Development Project Board Approval Gateway: Authorisation of funds to take the project to the end of Stage D. See appendix 23 TCA Priced Activity Schedule

3.2.5 RIBA Stages B to C - Design Brief and Concept

- Further development of the Project Initiation Document (PID)
- Define the priorities for the Investment Programme.
- Select and procure the design team
- Ensure access to 4Projects and set up database
- Collating all available as built information and already available site information
- Technical review of the available Ridge Survey information to confirm validity, timescale for works, defines risk against service and revenue, determine the priorities.
- Survey of existing facilities where relevant including asbestos Type 3, building survey dimensions, noise, flooding, DDA, archaeological, traffic and ecological.
 - o Asbestos register to define the areas needed to survey
 - o Noise to be undertaken at Barton
 - o Flood information to be requested from the Council before any surveys undertaken
 - o Traffic survey will be required at Ferry, Blackbird Leys and Barton
 - o DDA review to be undertaken at Ferry, Blackbird Leys and Barton
 - o Building Dimensional surveys at Ferry and Blackbird Leys
 - o Geo technical at Ferry and the Blackbird leys for the new facility
- Review the survey results and allow for any asbestos removal
- Review environmental and energy options, and any other obligatory reports which have been prepared and approved by the Council
- Clarify and instigate discussions with local authority statutory bodies identified as interested parties, including the access and ownership of Ferry Sports Hall.
- Take the initial outline design proposals to the RIBA stage C concept design before consultation with the general public is undertaken
- Approval from Senior User for the outline proposals
- Public consultation
- Final agreement and understanding of the procurement method
- Prepare planning application
- Design review to incorporate those suggestions to be taken forward following the consultation process.
- Review of the business case
- Outline cost plan
- Update of designs to reflect the results of the public consultation.

- Outline planning submission for discussion with the planning authority
- Update risk register
- Issue Stage C report for Project Board approval at the second development project board approval gateway.
- Next Stage plan

3.2.6 RIBA Stages D - Design Development

- Development of the concept design into detailed design to include structural and building services systems, updated outline specifications and cost plan.
- Utilise public consultation feedback where relevant.
- Complete package of Substantive works defined and ready to commence
- Completion of the project initiation document
- Application for detailed planning permission.
- Updated cost plan +/- 10%
- Prepare list of possible contractors and submit for approval by the Council
- Submit Pre qualification questionnaire to the selected contractors
- Update Risk Register
- Third Development Project Board Approval Gateway: Submit Stage D Report detailed design to Project Board for approval. Also see Appendix 23 TCA Priced Activity Schedule.

3.2.7 RIBA Stages E to H – Technical Design, Production Information and tender process

- Preparation of detailed information for construction
- Application for all statutory approvals
- Further preparation of information required for the construction following inputs from building authority
- Procurement to follow the OCC constitution (procurement section)
- Prepare tender documentation
- Analyse prequalification questionnaires and select Building Contractors for interview
- Interview Building Contractors and select final list
- Prepare and issue tender documentation
- Receive tender, analyse tenders, interview Building Contractors
- Fourth Development Project Board Approval Gateway: Submit recommendations to the Project Board for approval

3.2.8 RIBA Stages J to L - Construction

- Carry out the Improvement Programme Works
- Manage compensation events
- Carry out payment assessments and certify payments to Oxford City Council
- Prepare Reports to Project Board in respect of progress seeking, if necessary approvals for any variance to previous reports submitted
- Engineering services commissioning
- Manage practical and final completion.

See Appendix 19 - RIBA Outline Plan of Work 2007

3.3.1) Invest to save proposals were submitted by Fusion as part of their BAFO in January 2009. These consisted of Customer facing Improvements and facility developments, collectively referred to in this document as the Investment Programme. **The Investment Programme is to** be delivered with the budgets outlined in the **LEISURE MARKET TESTING TEN YEAR FINANCIAL PLAN - SCENARIO TWO: RATIONALISATION OF FACILITIES INCLUDING NEW FACILITY** (File named as "Copy of Schedule 1 Part E Repairs Maintenance & Capital 090114") and delivered to a programme which needs to be drawn up once the priorities of the programme have been established by the Project Board.

Secondly the Councils Substantive works as identified by the Building Surveyors & Inspection Report provided by Ridge Property & Construction Consultants in September 2008, scheduled as defined within the Ridge report.

3.3.2 Barton Pool – Investment Programme of £660,000

- *Creation of a new fitness suite by means of a first floor extension of the building over the ground floor offices and changing rooms;*
- *Conversion of part of the existing wet change facility to create designated dryside changing.*

Minimal Substantive works of an additional £20,895, to include items identified in appendix 24 Councils Priorities for the Substantive Works.

3.3.3 Blackbird Leys Leisure Centre – Investment Programme of £750,000

- extension of the existing gym into the adjoining Well-Being office area;
 - relocation of the Well Being team into the office space/bar area on the first floor;
 - conversion of the existing first floor snooker room into a spin studio;
 - upgrade of the existing dryside changing rooms for gym and studio use and use of the outdoor changing rooms for school use;
 - remodelling of the reception area to create a central island reception facing the main customer entrance;
 - resurfacing and refurbishment of the existing outdoor courts adjacent to the Centre to enable five-a-side and other activities, following consultation with the Oxford Cherwell Valley College who are also undertaking development of the adjacent outdoor sports facilities
- The long term aspiration for the centre to be considered when instigating improvements.

Substantive works of an additional £734,465 identified in appendix 24 Councils Priorities for the Substantive Works

3.3.4 Blackbird Leys Pool – Investment Programme of £25,000

A small amount of capital has been set aside to carryout short term improvements to the entrance and changing rooms.

Substantive works for first year only of £44,410, to include works identified in the appendix 24 Councils Priorities for the Substantive Works.

3.3.5 Ferry Sports Centre – Investment Programme of £600,000

- Creation of a 100-station fitness suite, by extension into the adjacent corridor and car park area (with associated reorientation of the disabled car parking and cycle shelter areas); (NB. If this extension is not possible due to planning constraints, we have considered an alternative solution involving the creation of a mezzanine floor in the fitness suite area);
- reorientation of the existing dry changing rooms to allow access from the far corridor;
- creation of school access to the sports hall via the end of the existing spectator seating;
- installation of entrance turnstiles and ease customer flow around reception;

Substantive works of an additional £164,505, including items identified in the appendix 24 Councils Priorities for the Substantive Works

3.3.6 Hinksey Outdoor Pool – Investment Programme of £50,000

Improvements to the

- ticket kiosk and entrance
- Changing cubicles
- Toilets
- Lockers, and
- signage

Substantive works of an additional £178,090 including items identified in appendix 24 Councils Priorities for the Substantive Works.

The prioritised items will be completed as soon as is possible bearing in mind the pool will be opening for the summer season on 1st May 2009. Any items not possible either before the summer season or whilst open, will be completed once the pool closes for the winter break.

Please note that the above figure for Substantive Works does not include repairs to the Marbaline Pool of £120,000 spread over the 10 year contract. We understand that the pool is leaking water and would recommend a full survey of the pool tank and filtration system to be undertaken by a specialist Pool Engineer to establish a scope of works to prevent the pool losing water.

3.3.7 The Ice Arena – Total for Investment Programme is £100,000

It is envisaged that this allowance will be combined with some of the works within the Substantive works to improve

- the sense of arrival
- the entrance into the building
- the reception

- the toilets
- café and bar
- Stairs and 1st floor viewing gallery
- Boot Change area and Lockers
- Skate Hire store, and
- Signage

Substantive works of an additional £597,400

Items of Substantive works to be addressed are identified in Appendix 24 Councils Priority for the Substantive Works.

Footnote 1) it is important to note that the allowance within the Ridge Condition Surveys for the Substantive works is insufficient in respect of replacement of the ice plant refrigerant equipment. This was pointed out within the BAFO.

A quotation has been obtained for a containerised Refrigeration unit to be positioned at the rear of the Ice Arena, thus avoiding the need to take down existing wall panels to remove the current refrigeration plant. The circulation pipe work can then be connected up to the existing through the external envelope of the building. The cost of this we estimate at **£410,000**, which is in addition to the above £597,400

3.3.8 Temple Cowley Pool – Investment Programme allowance of £25,000

If OCC decide to progress the scheme to build a new competition pool possibly at Blackbird Leys Leisure Centre, the Temple Cowley Pool is planned to close before the end of year 3, i.e. March 2012,

£25k identified for the Investment Programme – Decision to be taken on scope of works when the long term future is confirmed. It is our recommendation to retain this amount so that if any re-active maintenance works arise as a result of not attending to the Substantive works identified within the Treloar Property and Construction Consultants Condition Survey Report this amount can be used as a contingency.

3.3.9 Note:

The costs submitted in the Ridge reports are budget costs and are given for indicative purposes only and are not based upon detailed specifications of the work required or builder's estimates. Budget costs **EXCLUDE** value added tax, professional fees, legal fees, Planning and other Local Authority charges, finance charges, any costs caused by 'Third Party Rights' and statutory utility infrastructure charges or any upgrading of the off-site services.

3.4 Exclusions

1. PPM and reactive maintenance
2. Any works outside the demise of the site
3. Training of staff located at the facilities
4. Furniture fixtures and fittings
5. Sports equipment
6. Marketing of the upgraded locations
7. Any works to Oxford Academy currently known as Peers Sports Centre
8. Rectification of any latent defects at all sites
9. Asbestos removal
10. Clearing of any contaminated land
11. Continuing to operate the facilities beyond the timescales outlined within **LEISURE MARKET TESTING TEN YEAR FINANCIAL PLAN - SCENARIO TWO: RATIONALISATION OF FACILITIES INCLUDING NEW FACILITY**

3.5 Constraints

1. All sites are being used daily and are required to remain open during the works
2. Long term future of certain locations
3. Obtaining the available site information within the programme constraints
4. Procurement in line with Oxford City Council Constitution.
5. Delegated levels of authority
6. Budget for Capital.
7. Timescales for undertaking Capital works
8. Town and Country Planning restrictions
9. Leases and any restrictive covenants
10. Title to land

3.6 Interfaces

Resident associations
Current users in the General Public
Members of the facilities
Staff of all locations
Oxford City Council internal departments – Communication Dept for the public consultation
Fusion
Fusion maintenance department
Local Schools – Cherwell and Barton
Car users
Pedestrians
Public Transport
Public transports users

Societies
Sports Clubs
Sports Teams
City of Oxford Swimming Club
Events using the facilities – galas etc
Local residents
Project Board
Project team
Statutory Authorities – Planning - Building Regs- HSE
Emergency Services
Legal
Insurance
Environmental bodies
Sport for England
Amateur Swimming Association (ASA)
Oxford Sports trust
Representatives of the City Council

3.7 Tolerances

To be decided by the Project Board, divided into the following phases

- Up to the end of Stage D
- Stages E – H (Tender)
- Stages J – L (Construction)

The Project Board will advise on a tolerance for each of the following criteria, information in the risk logs will provide assistance in defining the scope: -

- Cost
- Time
- Quality

3.8 Assumptions

1. The proposal is that Temple Cowley Pool and Blackbird leys Pool will close at the end of year 3, March 2012.
2. Oxford City Council will have title to the land on which the extension to the Ferry Sports Centre will be built
3. There is no right of access for Cherwell School across the reception area
4. Architects Design Partnership who supported The Clarkson Alliance within the development of the outline designs for Fusion's BAFO are retained for the architectural design input required on the programme of works.
5. The council funding the facilities will be able to recover 100% of the VAT liability
6. As built information will be available for Barton Pool
7. Building Regulation Part L will only apply to the extended areas of the scheme.
8. The asbestos register giving type 2 level of information is available from the 1st April 2009
9. All the facilities have up to date and available statutory compliance certificates
10. The existing ground floor of the Barton Pool can support the proposed first floor extension

11. Oxford City Council will be the applicant in the planning application
12. Current facilities as they stand, comply with DDA requirements
13. The Councils sustainability policy will be incorporated into the Capital Works where relevant.
14. Oxford City Council communications department will own the public consultation strategy. Fusion will support the process on operational and logistical requirements; TCA will provide the technical information.
15. The Leisure Management Agreement overarches the projects within the programme.
16. OCC are happy with the concept designs submitted in the BAFO, and these will be taken forward into outline design. However the design team are not limited to making further ideas should they wish to do so.

4. Project Approach

4.1 The Council has appointed Fusion Lifestyle to manage the execution and completion of the Investment Programme and the Councils Substantive Works.

The services needed to undertake these works will be appointed in a format which has been defined to accommodate the specific group of works i.e. the type of appointment differs depending on the group of works. The outline for the Investment Programme type of appointment is detailed in paragraph 4.2 and for the Councils Substantive Works in paragraph 4.3.

4.2 Investment Programme

The Council will enter into a Design and Project Management Appointment directly with The Clarkson Alliance Ltd. (TCA), for the provision of the Design and Project Management Services for the Investment Programme, Fusion will act as the Council's agent in administering and managing the Design and Project Manager Appointment between the Council and TCA.

Under the requirements of this appointment, TCA will design, manage and co-ordinate the Investment Programme. TCA shall procure the appointment and management of all members of the project team; they are permitted to use sub-consultants of their own choice. The Design & Management services have already been competitively procured as part of the Fusion bid, so will not be subject to the OCC constitution.

TCA will procure on behalf of the Council, in accordance with the Council's Constitution, Building Contractor(s) to carry out the Improvement Works as part of the Investment Programme. The proposal is to procure the works on a site by site basis, which will give flexibility to the programme should one location be delayed when obtaining statutory approvals e.g. planning permission. This will not preclude any one contractor bidding on all locations as this might be the most cost effective route. The NEC3 Engineering & construction contract is accepted as appropriate.

4.3 Councils Substantive Works

Fusion will enter into a Design & Project Management appointment with The Clarkson Alliance Ltd for the provision of the Design & Project Management services for the Councils Substantive Works.

TCA will procure on behalf of the Council, in accordance with the Council's Constitution Building Contractor(s) for the Councils Substantive Works. The proposal is to procure the works under a Term Service Contract valid over a time (say 10years) to allow the identified works to be programmed in on an annual basis over the contract period. The NEC3 term service contract is accepted as appropriate.

4.4 The procurement strategy will be in line with the Oxford City Council Constitution as detailed on the OCC web site

<http://www.oxford.gov.uk/council/contract>. The values which dictate the procurement route have very recently been amended and the updated strategy is now available (OCC Staff News) and has been included within Appendix 25. The use of the OCC procurement service will be available to the project team.

See appendix 25. OCC Procurement – for contract rules and the latest thresholds for tendering and quotations.

4.5 The document management system will be 4Projects. TCA will manage the access to the site and create a folder structure suitable for the administration of this programme.

The approach to the Project is set out as defined in the scope of works and prior to each approval gateway the Development Project Board will be required to review progress and approve commitment to the next Stage within the prior authorised limits set by members.

5. Project Organisation Structure

5.1 In order to deliver the benefits of the Investment Programme it is proposed to organise the project as set out on the organisation chart appendix 22

It is proposed to manage the project with a Project Board, whose responsibility will be to drive the project forward and deliver the benefits of the capital investment.

The Project Board will receive regular reports from the Project Management Team who will be directly responsible for the day-to-day delivery of the Improvement Works.

5.2 Project Board – to be known as The Development Project Board.

The purpose of the Project Board is to steer and guide the project to ensure that the pre-stated business objectives of the investment are achieved in accordance with the Project Initiation Document, including the Business Case. It is intended that The Project Board will be chaired by the Project Sponsor, and comprise of the senior users and the senior supplier. The Senior User is to

be a joint body between OCC and Fusion and the Senior Supplier is to be a joint body between Fusion and The Clarkson Alliance Ltd.

The terms of reference of The Project Board, are as follows

- To deliver the Project based on the approved Project Initiation Document including the Business Case to achieve the reduced management fee detailed by Fusion within their BAFO
- To ensure that the project is delivered in such a way as to minimise disruption on the Councils provision of leisure services.
- Approve all major plans and authorises any major deviation from agreed stage plans
- Ensure that there is an adequate system of risk management in place
- To ensure that there is adequate stakeholder involvement and communication.
- Ensure that there is an adequate system of change control
- Ensure that there is an adequate system of financial and resource management in place.
- Receive regular progress reports from the Project Manager on performance against the pre-agreed Project objectives.
- Decide, if appropriate, to appoint specific additional resource to the Project assurance role.

The role of the Project Sponsor is to ensure that the Project is focused throughout its life cycle on achieving its objectives and delivering a Product that will achieve the projected benefits. The Project Sponsor has to ensure that necessary Member approval is obtained; the Project gives value for money ensuring, at all times, a cost conscious approach to the Project, balancing the demands of the Council, Fusion and Customers.

5.3 Project Sponsor

Throughout the Project, the Project Sponsor 'owns' the Business Case.

The Project Sponsor's responsibilities are

In consultation with the Project Board:

- Commission reports to Members for the purposes of gaining approvals to proceed with the proposed programme of projects, authorisation of funding for projects, consultation with Members about building improvement proposals and updating Members on the progress of projects etc..
- Presents reports to Members
- Sign off the Project Brief, Business Case, Cash flow, Project Cost Plan, Project Organisation Structure and Scheme Design for proposed Capital Works and Maintenance Backlog Works in accordance with scheme approvals
- Authorise expenditure and set stage Tolerances
- Identify any other advisors that may assist the Project Board or Project Management Team in delivering the Project
- Approve an end of Project report including lessons learnt and ensure that any outstanding issues are documented and passed on to the appropriate body

- Ensure that the benefits have been realised by holding a post-project review and forward the results of the review to the appropriate stakeholders
- Monitor and control the progress of the Project at a strategic level, in particular reviewing the Business Case continually (e.g. at the assessment of each Stage).
- Ensure that any proposed changes of scope, cost or timescale are checked against their possible effects on the Business Case.
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief Members about Project progress
- Organise and chair Project Board meetings
- Recommend future action on the Project to Members if the Tolerances are exceeded

The Project Sponsor is responsible for the overall business assurance of the Project – that is, that it remains on target to deliver the expected business benefits, and that the Project will be completed within its agreed Tolerances for time and cost. This involves:

- Validation and monitoring of the Business Case against external events and against Project progress
- Monitoring the business risks to ensure that these are kept under control
- Monitoring Project finance
- Monitoring any supplier and contractor payments
- Monitoring changes to the Project to establish whether there is any impact on the needs of the Project business case
- Assessing the impact of potential changes on the Business Case

The Project Sponsor may delegate some or all of these responsibilities, as he/she feels fit.

5.4 Senior User

The Senior User represents the interests of all those who will use the final products of the project, those for whom the products will achieve an objective or those who will use the products to deliver benefits. This role commits user resources and monitors products against requirements. The Senior User is to be a joint body made up of representatives from Oxford City Council and Fusion. OCC and Fusion will put forward representatives for this role.

Specific Responsibilities:-

- Ensure the desired outcomes of the project are specified
- Making sure that what is delivered is fit for purpose
- Ensuring that the solution meets the needs of the user community
- Ensuring that the solution meets the needs within the constraints of the business case
- Approve Product descriptions for the products from the supplier function or those that will affect them directly.
- Ensure that the products are signed off once completed
- Resolve user requirements and priority conflicts
- Prioritise and contribute user opinions on Project Board decisions, on whether to implement recommendations on proposed changes.
- Brief and advise user management on all matters concerning the project.
- Agree the brief for each project.

5.5 Senior Supplier

The senior supplier represents the interests of those designing, developing, facilitating, procuring, implementing, operating and maintaining the project products. The senior supplier must have the authority to commit or acquire supplier resources required.

The senior supplier is to be a joint body formed by a member of Fusion and a member of TCA. This body will represent the interest of those managing the design, procuring the improvement works and operating and maintaining the facilities for the term of the sports, leisure and community services agreement.

Specific responsibilities

- Agree objectives for supplier activities
- Provide materials and finishes specifications for the Works.
- Advise on selection of development strategy, design and methods.
- Make sure that progress towards the outcomes required by the users remains consistent from the supplier management perspective
- Promote and maintain focus on the desired Project outcomes
- Ensure that any supplier resources required for the Project are made available
- Ensure that Capital Works to the properties are signed off once completed
- Contribute to Project Board discussions and assist the members of the Project Board to make decisions on whether to implement recommendations on proposed changes
- Resolve supplier requirements and priority conflicts
- Brief and advise Fusion's own operational staff on all matters concerning the Project
- Certify Suppliers invoices for payment by the Council.
- Ensure that procurement is undertaken in accordance with the Councils Tenders and Contracts regulations

5.6 Project Assurance responsibilities

- the specification is accurate, complete and unambiguous and meets the needs of the Business Case
- Development of the solution at all stages is monitored to ensure that it will meet the Authority's needs and is progressing towards that target
- Impact of potential changes is evaluated from the customer's point of view
- Risks to the Authority are constantly monitored
- Quality checking of the Product at all stages is monitored to ensure that the Product will meet the requirements of the Business Case
- Quality control procedures are used correctly to ensure that the product meets the requirements of the Business Case
- Customer liaison is functioning effectively

5.7 Project Manager - The Clarkson Alliance

The roles and responsibilities of The Clarkson Alliance are to act as Design and Project Manager and manage the stakeholder consultation.

The Project Manager has the authority to run the Project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board.

The Project Manager's prime responsibility is to procure that the Project produces the required Product, to the required standard of quality and within the specified constraints of time and cost. The Project Manager is also responsible for the Project producing a result that is capable of achieving the benefits defined in the Business Case.

Specific Responsibilities

- Manage the production of the required products
- Direct and motivate the project team
- Plan and monitor the project
- Procure the Capital Works in accordance with the Councils standing orders
- Co-ordinate the execution of the Capital Works with the carrying out of Backlog Works
- Establish an appropriate system of communication and document control for the Project.
- Agree any delegation and use of Project assurance roles required by the Project Board
- Produce the Project Initiation Document
- Prepare Project Plans in conjunction with the Project Management Team and Fusion and agree them with the Project Board.
- Manage the risks, including the development of contingency plans
- Take responsibility for overall progress and use of resources and initiate corrective action where necessary
- Be responsible for implementing an effective mechanism for change control. Prepare and report to the Project Board on any changes to the signed-off Business Case and seek appropriate authorisation from the Project Board before implementing any changes which could affect the outcome of the Project in line with the Business Case.
- Liaise with the Project Board or its appointed project assurance roles to assure the overall direction of the Project
- Agree technical and quality strategy with the appropriate members of the Project Board
- Prepare lessons learned report
- Prepare any follow-on action recommendations required
- Prepare the end Project report
- Identify and obtain any support and advice required for the management, planning and control of the Project
- Be responsible for the Projects administration
- Maintain and analyse Project Risk Log
- Liaise with the Head of Legal Services to put in place appropriate contractual documentation for all contractors, sub contractors and professional advisors who are involved with the Project
- Carry out the duties of The Project Manager and Supervisor under the terms and conditions of the NEC 3 Engineering and Construction Contract between the Authority and the Building Contractor(s).
- Make payment assessments in accordance with the building contract and certify all Building Contractors invoices for payment by the Council

5.8 Project Management Team

Schedules of the services provided by the Project Manager and Designer are given in Appendix 21

5.9 Team Manager

Required to provide teams of different skills when needed; the project manager will delegate authority and responsibility for planning the creation of certain products and managing a team of specialists to produce those products. The public consultation is deemed to be suitable for this approach.

The prime responsibility is to ensure production of those products defined by the project manager to an appropriate quality in a timescale and a cost acceptable to the project Board.

6. Project Communication Plan

6.1 Information Flow

Project Board

Direct and manage the Project through the Project Manager

Fusion / Oxford City Council

Reports to the Project Board on the progress and outcome of the project from an operators point of view.

Reports to the Project Management Team meetings on design concept and operational impact of construction

Liaison with Customers,

Project Manager

Reports to the Project Board on the progress of the project and achievement of the project objectives.

Chairs the Project Management Team meetings

Design Consultants

Report to the Project Management Team meetings

Produce designs for the facilities so tenders can be obtained

Liaison with functions within the Council

Issues designs for approval

Issues design information for construction

Other Consultants

Provide information to the Designers and Project Manager

Building Contractor(s)

Receive design information for construction

Issues information to subcontractors

Reports to the Project Management Team Meetings

Environmental /Others

Liaison with Designers

Approval of Building Regulations

Issue Planning Approvals

Provide necessary consents and approvals to designers

6.2 Reporting Structure

Chair of the Project Board (Project Sponsor) reports to Members

Project Management Team reports to Project Board

Project Management Team report to each other

6.3 Meetings

Project Board Meetings - To reflect the dates of the agreed milestones

Project Management Team Meetings - Monthly - Architects office

Design team Meeting Monthly

Agendas for meetings to be advised however we would recommend that Health & Safety and Customer matters are dealt with first as these are people issues and must therefore be regarded as high priority.

6.4 Reports

Reports for meetings shall be written and prepared by the Project Manager and issued as follows.

Project Board Meetings Issued 1wk prior to meeting

Project Management Team Meetings Issued 1wk prior to meeting

Members of the Project Management Team shall each prepare their own reports and submit these to the Project Manager by midday of the Wednesday prior to the Project Management Team meetings.

Agendas for meetings and format of reports to be advised.

6.5 Customers

Users of the facilities, swimming clubs and sports groups, local residence groups and neighbours will need to be kept informed with regards to what is happening, when and how it may affect them. It is proposed that the Council's Communications team manage the customer liaison process with assistance and information provided by the Project team.

The Oxford City Council communications team are to own the public consultation strategy. Fusion will provide operational and logistical support, TCA will provide the technical information.

During the consultation process it is suggested that frequent liaison meetings are held so Fusion the Project Manager and Design Team can benefit.

Pre-planning consultation will need to be undertaken in advance of a Planning Applications at Ferry Sports Centre and Barton Pool only. The steps this process will follow are: -

- Oxford City Council Communication team and project team members to be identified who have responsibility for defining the persons to be consulted and the material for consultation
- The selected persons to be invited to the consultation events, all leisure facility members to be informed via Fusion.
- The Project Brief is approved by Fusion
- The architect will produce sketch designs of the proposed schemes
- Fusion to sign off the designs
- Presentation material created and approved by Fusion who will represent the Council
- Pre Planning public consultation undertaken managed by OCC Communications Dept.
- Feedback collated by TCA and presented to Fusion. The senior user on the project to decide if any suggestions are within the scope of the business case and should be incorporated into the designs.
- Architect to amend design if appropriate
- Revised designs to be presented at the end of the Stage for Project Board approval.

7. Project Plan

7.1 The specific dates for each project within the programme of works need to be established within Stage 1 of the programme. The focus will be on what can be delivered within the first year of the project; consequently the importance of defining the Project Board, approval of the PID and clarifying the scope of the backlog works within the very early weeks of the project is critical.

7.2 Key Dates

Task	Dates	Completed by week no:	
Drafting of the PID	23.03 > 09.04	Wk1	
Project Board meeting - Sign off Project Initiation Document	17.04	Wk2	
Appoint Design & Project Manager	27.04	Wk5	
Appoint design team		Wk9	
Commence outline designs	27.05	Wk10	
Investigations and surveys undertaken by	13.07	Wk16	
Conduct Consultation	04.06 >19.08	Wk22	
Project Board Meeting - Approval of final design brief and concept design (RIBA Stage C)	04.08	Wk20	
Outline planning proposals submitted	03.09	Wk24	
Produce detailed designs.	29.09	Wk28	
Project Board Meeting to approve final Detailed Design Proposals (RIBA Stage D)	06.10	Wk29	
Submit planning application	04.09>26.11	Wk25	
Plan the decant strategy	10.12	Wk33	
Production of Works Information Stages E -G	10.12	Wk33	
		BBLLC	Barton & Ferry
Tenders Issued		Wk33	Wk37
Tenders Reviewed		Wk37	Wk45
Project Board Meeting - Approval of the recommended contractor and authorisation to proceed into construction (RIBA Stage H)	11.02.10		Wk47
Appoint Contractor		Wk39	Wk48
Mobilisation		Wk45	Wk53
Asbestos removal		Wk44	Wk52
Construction		Wk45 > wk58	Wk54 >wk70
Commissioning & Testing BBLLC	02.05.10	Wk59	
Commissioning & testing Ferry & Barton	29.07.10	Wk72	

Practical Completion BBLC	03.05.10	Wk60
Practical Completion Ferry & Barton	29.07.10	Wk72

8. Quality Expectation

- Fusion Design Manual
- Oxford City Councils environmental standards
- Planning approvals for new buildings
- Planning criteria for parking spaces
- DDA requirements
- Building Regulations
- CDM regulations
- Oxford City Council Standing Orders
- Ofsted guidelines governing Crèches
- Sport England
- Amateur Swimming Association

9. Risk Management

9.1 The client needs to gain certainty regarding the capital costs as soon as possible. With each development proposal there is a risk matrix prepared for the three facilities being considered for Facility Development works. The matrix outlines: -

- the risk involved
- initial allocation of the risk to the party in the best position to manage the risk
- the potential impact of the risk and the likelihood of the risk.
- the likelihood of the risk;
- where possible the best and worst case scenarios regarding the cost implications of the risk
- Details of actions to be taken to mitigate the risk.

9.2 The OCC risk table specifically identifies and allocates a risk depending on the particular phase of works being undertaken. The principles of which are: -

- Fusion takes the risk on the estimated cost defined in the Ridge survey for Ferry, Barton and Blackbird Leys Leisure Centre
- OCC take the risk on the timing of when these works should be carried out, the timings will be as suggested in the Ridge survey for Ferry, Barton and Blackbird Leys Pool, subject to a review of appendix 24. Councils Priorities for the Substantive Works
- OCC take the risk on Latent defects on all locations.
- OCC take the risk on the backlog works for Ice Rink, Hinksey Pool, Blackbird leys Pool & Temple Cowley

See appendices

15. Substantive Works Responsibilities

16. Risk Log Barton Poll

17. Risk Log Blackbird Leys Leisure Centre
18. Risk Log Ferry Sports Centre

Investment & Substantive Works: Project Organisation Structure



