

To: City Executive Board

Date: 3rd March 2010

Item No:

Report of: Communities and Partnership Scrutiny Committee

**Title of Report: NEW BUILD COMPETITION POOL - OUTCOME OF CALL
IN**

Summary and Recommendations

Purpose of report: To outline the scrutiny committee's response to the call-in request by Councillors Simmons, Benjamin, Young and Sareva.

Key decision - No

Executive lead member - Councillor Bob Timbs

Report approved by:

Scrutiny Committee Chair; Councillor Jim Campbell

Legal: Jeremy Thomas

Finance:

Policy Framework:

Stronger and More Inclusive Communities;

Improve the Local Environment, Economy and Quality of Life;

Reduce Crime and Anti Social Behaviour;

Tackle Climate Change and Promote Sustainable Environmental Resource Management;

Transform Oxford City Council by Improving Value for Money and Service Performance.

CEB is asked to consider the following and say if it:

- Agrees; or

- Disagrees and why

Recommendation(s):

The Communities and Partnership Scrutiny Committee asks the CEB to:

1. Reconsider its decision in the following 2 areas:

- Consultation with user groups;

- Funding of a new facility

2. Note that it does not support the call-in reason on the grounds of uncertainty of plans for sporting facilities on the nearby Oxford Community School

3. Consider the conclusions and observation of the scrutiny committee in making its final decision

Introduction and Background

1. The decision of the City Executive Board (CEB) to move to the final feasibility and consultation stage of this project within an outline business case and costs was called in for consideration by scrutiny. The full report and minute containing the CEB decision is attached at **Appendix 1**
2. The reasons given for the call-in were:
 - Lack of consultation with user groups;
 - Uncertainty over plans for sports facilities on nearby Oxford Community School and
 - Uncertainty over funding for the replacement pool
3. The councilors who requested the reconsideration did not provide any additional information, but a report in response to the call-in reasons was provided by Ian Brooke (Head of Leisure). This is attached at **Appendix 2**. The committee was also advised by the Chief Executive and the Cllr. Timbs (Board Member for Leisure and Sport).
4. The scrutiny committees conclusions and observations are presented below alongside the call-in reasons given

Scrutiny Committee Conclusions and Observations

Lack of consultation with user groups

5. The committee heard and accepted that more detailed consultation would now happen as part of the detailed feasibility study and was pleased to hear that the feasibility of improving Temple Cowley Pool (TCP) was also to be worked up. It was encouraging to hear that both plans would form part of the wider consultation and feature in the options considered by CEB in June/July
6. The Committee was concerned that users of Temple Cowley pool had not been adequately consulted. It was not clear to the committee how TCP users views were to be taken into account within a consultation programme that centered on the build of a new facility rather than the consequences of the closure of a current facility

Conclusions

- a) That the feasibility plans for the competition pool and the development of TCP should form part of the detailed consultation as outlined to the scrutiny committee
- b) That consultation should be broad and include all current users, potential users, local and wider community interests and school and sports clubs

- c) For CEB to say clearly if the results of consultation could cause reevaluation of this project

Uncertainty over plans for sporting facilities on nearby Oxford Community School

- 7. The committee heard no evidence to support the view that any changes in sports facilities either positive or negative on the school site could have a significant impression on this project

Conclusions

- d) Not to support the call-in in this area

Uncertainties over funding for the replacement pool

- 8. The outline business case for the competition pool was laid out in the report to CEB. The committee was not able to see the financial and asset modeling of leisure facilities overall to support the decision to go ahead with this scheme in this way and at this time. The committee wished to be convinced that looking at this scheme in isolation now would achieve best value for the council
- 9. It was accepted that TCP is in poor condition and maintenance backlog costs are significant. The outline business case demonstrates that savings on these maintenance costs would contribute to the funding of prudential borrowing. The outline proposals leave TCP open until 2013 therefore leaving the potential for this maintenance backlog gap to be funded into the medium term. The committee did not think this a significant enough financial lever to support moving forward now
- 10 The funding available for this scheme is produced by the sale of assets (confirmation of land ownership was made in the meeting), prudential borrowing, and revenue savings of circa £6m. The report suggests that this will produce a pared down, rather than world class, scheme. The committee aspires to a world class scheme, and was not convinced that this is not achievable.

Conclusions

- e) That the financial and asset modeling of the leisure portfolio is revisited to consider again if a world class facility is achievable either now or into the medium term;
- f) The City Council should not move so quickly into a decision that may compromise our longer-term and more effective development of leisure facilities (for example, the possibility of a combined pool and ice rink).

Comment from the Board Member

No comment has been received.

Comment from the Executive Director.

Concerning conclusion (f) (above), the Head of Service for City Leisure stresses that there has been a significant amount of work to date on finding a solution to the issues within the leisure facilities stock.

The maintenance issues at Temple Cowley Pool mean that if the Council does not act with a level of urgency, there is the risk of the facility closing without an agreed replacement plan in place.

Report Author:

Pat Jones on behalf of the Communities and Partnership Scrutiny Committee

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To: City Executive Board

Date: 13th January 2010 **Item No:**

Report of: Head of City Leisure

Title of Report: New Build Competition Pool

Summary and Recommendations

Purpose of report: To seek approval of the initial business case to build a new competition swimming pool joined to Blackbird Leys Leisure Centre. Request approval of funding of £200K that will be spent on the design / final feasibility work and to start the necessary consultation process.

Key decision? No

Executive lead member: Councillor Bob Timbs

Report approved by: Tim Sadler

Finance: Penny Gardner

Legal: Lindsay Cane

Policy Framework:

- Stronger and More Inclusive Communities
- Improve the Local Environment, Economy and Quality of Life
- Reduce Crime and Anti-social Behaviour
- Tackle Climate Change and Promote Sustainable Environmental Resource Management
- Transform Oxford City Council by Improving Value for Money and Service Performance

Recommendation(s):

1. CEB is asked to approve the final feasibility and design fees expenditure and note that this will be funding by a virement from another capital scheme in 2009/10 and form part of the Council's Capital Budget in 2010/11.

2. That the outline business case is approved and approval is given to further develop the business case and financial appraisal in line with different design options for the new competition pool.
3. That delegated authority is given to the Executive Director City Services to appoint the Design Team and Project Manager for the new competition pool.
4. That approval is given to start the associated consultation processes.

Introduction

1. The Council has through consultancy work, the market testing of leisure provision and the Leisure Facilities Review established that the preferred option for the reconfiguration of leisure facilities in Oxford is the construction of a new general swimming and competition pool adjoining the Blackbird Leys Leisure Centre (BLLC) followed by the closure of the Temple Cowley Pools (TCP) and Blackbird Leys Pool (BLP). These processes also established the most cost effective route of funding, building and running the new centre.
2. This report and Business Case takes the concept forward recommending that a design team is appointed to provide design and cost information from which the decision to commit to construction can be made.
3. The Business Case details the reasons why there is a need for a new competition swimming pool, its proposed location in Blackbird Leys and also the reasons behind the need to plan for the over all closure of both TCP and BLP before they close due to any unplanned ongoing maintenance concerns. It also highlights the procurement route and programme for the Design Team/Project Manager and also the Construction Contractor.
4. On the 20th May 2009, the Leisure Facilities Review was approved at City Executive Board. The report gave project approval to commence the development of a new pool at BLLC. In addition to this, the review also recommended the closure of TCP & BLP. The closure of these two facilities would be planned to follow on after the new competition pool has opened.
5. It is anticipated that the new high quality facility will consist of an eight lane Competition Pool and a Teaching Pool as the minimum facilities. Other facilities may be added but are expected to cover their capital and running costs. The facility will be developed to a

high standard in line with Sport England and the Amateur Swimming Association (ASA) facility guidance.

6. The new facility is currently labelled throughout this report and business case as “the new competition pool” due to the need for it to reach the higher standard of design required for competitive swimming and hosting of Galas. However, the facility will be extremely accessible to the general public and promote good flexibility of usage, with the potential of adding in a moveable pool floor to enable variable depths. This will help to ensure the widest range of community usage, from learn to swim programmes right the way through to providing a home and training venue for the City’s competitive swimming club, the City of Oxford Swimming Club.
7. Within the business case it details the following key reasons and benefits for a new competition pool and the need to close TCP and BLP. A benefits map is also shown in appendix two of the business case.

Improve the quality of leisure facilities in the City

- a. The need to improve the quality of Leisure facilities that we have within the City to meet customer expectations, increase participation and to meet the Councils vision of “A World Class City for Everyone”. The current facilities at both TCP and BLP are now showing significant signs of age both visually and structurally. Both facilities no longer meet facility guidance standards from Sport England and the ASA. The new competition pool will be a high quality facility of which the residents in the City can be proud of.

High maintenance costs of TCP & BLP

- b. Both TCP and BLP have a high level of maintenance backlog, which total circa £2.6M. This sum would just keep the sites operational and customers would not see any service improvements, as it is all structure and plant related. The closure of the above two facilities would remove this maintenance pressure from the capital program. A new facility would have minimal maintenance concerns over the initial period of operation and it is proposed, in line with our Leisure Management Contract, that the operator would take a full repairing and maintenance lease for the new facility.

Reduction in sport centre revenue costs

- c. The closure of both facilities and the opening of a new facility would equate to a £330K saving that would be used to support prudentially borrowing capital for the build.

Improved energy efficiency and reduction in carbon footprint

- d. The new facility will have energy efficient plant equipment and aspire to be BREEAM¹ rated as Very Good. The closure of both TCP and BLP will reduce both the carbon footprint and energy consumption of the Council.

Improved accessibility

- e. The new facility will be fully Disability Discrimination Act (DDA) compliant and will also have significantly more parking access for bicycles, cars and coaches.

- f. **Strategic provision of swimming pools within the City**

The provision of a new facility meets the Council priorities listed on the front page of the report and also the priorities of key partners and stakeholders such as the ASA, Sport England and the City of Oxford Swimming Club. There is a high provision of swimming pool water space in the City, albeit that some is of poor quality, with almost double the amount of the national average, evidenced by Sport England's Active Places Power².

- 8. This is a major project for the Council with overall costs of building the new competition pool anticipated to be between £5.5M - £8M, depending on the final model design that is used. Current estimates on affordability for the Council show that there is a financial envelope of approximately £6M for the project based on prudential borrowing of £4.4M, developer contributions of £140K and the capital receipt from the sale of TCP of approximately £1.5M. Design options will be taken to CEB in June 2010 where options will be given to either freeze the design at a cost of no more than £6M or to pursue more aspirational designs, where additional external funding will need to be sought.

¹ BREEAM (BRE Environmental Assessment Method) is the leading and most widely used environmental assessment method for buildings. It sets the standard for best practice in sustainable design and has become the de facto measure used to describe a building's environmental performance.

² Sport England's Active Places Power is a planning tool for sports facilities. It is designed to assist in investment decisions and the development of infrastructure improvement strategies for sport.

9. The project has been broken down into three key phases

Phase 1

- a. Procurement and appointment of the project design team and project manager. This includes design work, project management and final feasibility.
- b. Final design options, financial envelope and approval gateway (anticipated for CEB June 2010).
- c. Procurement and appointment of the construction contract for the build

Phase 2

- d. Delivery and management of build phase

Phase 3

- e. Planning for the closure of TCP and BLP

10. The Council will need to identify and commit up to £200K to pay for the services shown in 9a to 9b. This is broken down into £70K within 2009/10 and £130K within 2010/11. This expenditure will complete all the necessary final feasibility work and design work. It will also provide the Council with a decision point (anticipated for CEB June 2010) on whether the project moves to the build phase. It should be noted that this may be abortive expenditure should the project not go ahead at the approval stage (9b). If the project does continue past the decision point, then the fees would rise to an estimated £830K on completion. This would be funded as part of the approved capital scheme. The contract with the design team will be set up in a way that it avoids paying additional costs beyond 9b if the project does not proceed.
11. It is important for the Council to effectively consult with users, stakeholders and partners regarding this important new facility and also the closure of both TCP and BLP. Consultation will also help shape the designs of this exciting project.

Level of Risk

12. In accordance with most such projects, there is a high risk of abortive expenditure of up to £200K if the project does not go ahead at 9b. However, this risk needs to be considered in the light of the extensive work to date and the previous decisions of the Council in respect of the review of leisure facilities. Risks for the project as a whole have been highlighted in the risk register shown in appendix three of the business case. The risks that relate directly to the approvals process for this report are shown as appendix one.

Risks are monitored fortnightly at meetings of the Competition Pool Board.

Climate change / environmental impact

13. Both TCP and BLP are very energy inefficient and have a significant carbon footprint. Carbon dioxide emissions from energy consumption at both sites contributed to well over 10% of the Council's core CO2 emissions baseline total in 2005/06, with TCP contributing just under a thousand tonnes of CO2 omissions per year. The new pool will have much more efficient plant & energy systems in place and look to achieve a BREEAM rating of Very Good as a minimum. Consideration will also be given to future climate change related risks and to try and ensure future proofing of the new build elements of the building.

Equalities Impact

14. The existing facilities cannot, at reasonable expense, be adapted to facilitate access to the pools by the disabled. The new facility will be fully accessible and be compliant to the Disability Discrimination Act. The flexibility of the facility will help to ensure increased participation, especially from Council target groups. A full equalities impact assessment will be conducted.

Financial Impact

15. This is a major project for the Council with overall costs of building the new competition pool anticipated to be between £5.5M - £8M, depending on the final model design that is used. It will be funded by a mix of prudential borrowing, capital receipts and developer contributions. A financial breakdown has been provided in appendix four of the business case. Any external funding opportunities will also be pursued.
16. Based on the current estimates and timescales it is projected that the Council will be able to prudential borrow approximately £4.4M against the £330K per annum savings made from the closure of TCP and BLP, which would be over a 19 year period. This would currently give the Council a financial envelope of approximately £6M for the project. If the Council wanted a more aspirational design towards the top end of the anticipated project costs, then it would need to look for additional external funding. To prudentially fund a £7.3M net project, an additional £250K of revenue funding per annum would need to be found. The gateway for necessary approval of the financial envelope will be CEB in June 2010.
17. The Council will need to identify and commit capital expenditure of approximately £200K to pay for the services needed to take the Council to a decision point on whether it wants to progress to the

build stage. There is currently no unallocated capital funding within the Council's budget. The capital programme is being reviewed for slippage as part of the quarter three budget monitoring. The Head of Finance anticipates that the required £70K can be vired from another scheme for the current year and a verbal update will be given to the committee. The £130K required for 2010/11 will form part of the new Capital Budget to be approved in February 2010.

Legal Implications

18. A lease will need to be secured for the land at Blackbird Leys and negotiations with the County Council are sufficiently advanced, with a draft lease being in circulation. Should the project not proceed at the approval stage (9b), then the land would still be the City Councils concern. This would have minimal implications.
19. Within the Leisure Management Contract Fusion are effectively put in the position of being the "first choice" operator of this new facility, on the basis of the Council's stated preference for having only one leisure operator. On request from the Council they are obliged to provide us with their financial and operational proposals for running the facility. Only if the Council does not accept these proposals will the Council be required to go out to tender.

Recommendations:

- CEB is asked to approve the final feasibility and design fees expenditure and note that this will be funding by a virement from another capital scheme in 2009/10 and form part of the Council's Capital Budget in 2010/11.
- That the outline business case is approved and approval is given to further develop the business case and financial appraisal in line with different design options for the new competition pool.
- That delegated authority is given to the Executive Director City Services to appoint the Design Team and Project Manager for the new competition pool.
- That approval is given to start the associated consultation processes.

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List of background papers:

Version number: 1.3

Appendix 1 – Risk Register

Risk Management

Last update: Jan 10 vs 1.1

Risk Register Relating to:

CEB Report – New Competition Pool

Date: Jan 2010

No.	Risk Description Link to Corporate Obj	Gross Risk	Cause of Risk	Mitigation	Net Risk	Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness	Current Risk
Risk Score Impact Score: 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain								
1	<ul style="list-style-type: none"> There is a risk of not being able to proceed to the build stage for the project if the outline business case is not financially viable 	5	<ul style="list-style-type: none"> Under-developed Business Case Prudential borrowing not agreed Financial errors in the business model Insufficient finance to meet world class aspirations 	<ul style="list-style-type: none"> Develop a fully costed business case HL (Dec 2009 & Jun 2010) Confirmation of Prudential Borrowing SF (Dec 2009) Head of finance to sign off figures SF/PG (Dec 2009 & Jun 2010) 	5	Action: Reduce Further feasibility to be completed with design team. Final project sign off in Jun 2010 HL Action Owner: Ian Brooke / Penny Gardner Mitigation Control Owner: Ian Brooke / Hagan Lewisman		5
2	<ul style="list-style-type: none"> TCP and /or BLP close before the planned closure date due to building or equipment failure that is not VFM to rectify Reputational 	3	<ul style="list-style-type: none"> Facilities are well passed their recommended life span 	<ul style="list-style-type: none"> Effective operating systems within the centres Fusion A planned approach to open the new facility before either site closes HL (Dec 2009 & Jun 2010) 	3	Action: Accept: Action Owner: Ian Brooke Mitigation Control Owner: Ian Brooke / Hagan Lewisman		3
						Outcome required: Final business case Milestone Date: June 2010 Outcome required: Achieve case business benefits. A planned approach to open the new facility before either site closes		3

No.	Risk Description Link to Corporate Obj	Gross Risk	Cause of Risk	Mitigation	Net Risk	Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness	Current Risk	
Risk Score Impact Score: 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain									
	damage					Milestone Date: Feb 2010			
3	<ul style="list-style-type: none"> The new facility combined with the planned closures does not lead to a net increase in participation Reputational damage 	5	<ul style="list-style-type: none"> Lack of community understanding that the new pool is a community pool and not just a competition pool Limited research 	<ul style="list-style-type: none"> Effective business case developed. (Dec 2009 & Jun 2010) Regular communication (new pool board) IB (Dec 2010 Every two weeks) Develop consultation and communication plans to proactively market the benefits for the local community LD/HP/HL (Feb 2010) 	5	Action: Accept Action Owner Mitigation Control Owner: Ian Brooke		5	1
4	<ul style="list-style-type: none"> £200K for design team costs are abortive costs 	4	<ul style="list-style-type: none"> Project does not proceed to build stage in June 2010 due to insufficient finance, planning consent, or priorities have changed 	<ul style="list-style-type: none"> Effective business case developed. HL (Dec 2009 & Jun 2010) Regular communication (competition pool board) IB (Dec 2010 Every 	4	Action: Accept Action Owner: Mitigation Control Owner: Ian Brooke / Hagan Lewisman		4	2

Business Case

Reference number:

Project Title: New Build General Swimming and Competition Pool

Date: 4th January 2010

Responsible Board: Transformation Board

Portfolio Holder: Councillor Bob Timbs

Links to OCC Priority:

- Tackle Inequalities and Support Communities
- Improve the Local Environment, Economy and Quality of Life
- Reduce Crime and Anti-social Behaviour
- Tackle Climate Change and Promote Sustainable Environmental Resource Management
- Transform Oxford City Council by Improving Value for Money and Service Performance

Sponsor: Tim Sadler

Project Manager: Ian Brooke and Hagan Lewisman

Project Administrator: Hagan Lewisman

Version No: 5.0

Approvals:

1. Transformation Board (Project Brief)
2. Tim Sadler
3. Ian Brooke
4. Penny Gardner
5. Sarah Fogden
6. Lindsay Cane

Distribution:

1. Competition Pool Board
2. Helen Rowlands
3. CEB

Business Case

1 Background

The Leisure Facilities Review carried out in 2008/2009 was presented to CEB in May 2009. The key findings from the review were a need to:

- improve the quality of leisure facilities
- reduce the maintenance costs across the portfolio
- reduce the revenue costs for running the facilities
- increase energy efficiency and reducing carbon footprint
- improve accessibility

The recommendations of the Leisure Facilities Review were the closure of Temple Cowley Pools (TCP) and Blackbird Leys Pool (BLP), and replacement with a high quality modern facility at Blackbird Leys Leisure Centre (BLLC).

The City Executive Board approved the findings and recommendations of the review on the 20th May 2009, giving project approval to commence the development of the new pool and permit controlled closure of TCP and BLP after opening the new facility.

Further details on the findings of the Leisure Facilities Review are outlined in sections 1.1 to 1.6 below, and should be seen in the context of how they impact on the Councils key priorities:

- Tackle Inequalities and Support Communities
- Improve the Local Environment, Economy and Quality of Life
- Reduce Crime and Anti-social Behaviour
- Tackle Climate Change and Promote Sustainable Environmental Resource Management
- Transform Oxford City Council by Improving Value for Money and Service Performance

1.1 Improve the Quality of Leisure Facilities in the City

There is a need to improve the quality of the Leisure facilities within the City, which will also improve the quality of experience for customers. The Councils vision is for a world class Oxford, but neither TCP or BLP can meet this vision. Both facilities are over 25 years old, exceeding the Sport England recommended lifespan of 21 years, and are showing serious signs of age both visually and structurally.

Usage at TCP has steadily declined from 220,000 visits in 2003/4 to 160,000 visits in 2008/9, which is significantly under capacity. A new gym was added to the centre to try and reverse this decline in December 2008, which has now virtually paid for itself and given the centre a short term boost. This gym equipment, which was the bulk of the

expenditure from the development, will be at the end of its estimated five year life by 2013. Although the decline has been halted over the past 12 months, the worsening condition of the centre strongly indicates that this is a temporary position.

Both TCP and BLP no longer meet facility standards from Sport England or those of the Amateur Swimming Association (ASA). This is a particular issue at TCP where, as a result, the facility cannot hold County Championship swimming competitions and is therefore no longer fit for purpose for use by the City's only competitive swimming club, the City Of Oxford Swimming Club.

1.2 High Maintenance Costs of TCP and BLP

TCP and BLP would need a minimum of £2.6M invested in both of them to meet the maintenance backlog. These works would result in no visible improvement to the customer as they are both plant and structure related. The roof at TCP is currently being propped up by a special support pillar, which is only a temporary short term fix. The diving pool has also not been open since 2002, with concerns that draining the facility may lead to major structural failure.

Due to the age of the facilities any works to the building are likely to uncover additional issues that require additional works and significantly inflate maintenance costs for the future. The closure of these facilities and the replacement with a high quality, 'fit for purpose' facility will remove this ongoing maintenance liability from the Council's capital program.

Although it is planned to close both TCP and BLP after the opening of the new facility, there is still a risk that, due to on-going maintenance concerns, the facilities may have to close sooner.

1.3 High Revenue Costs of TCP and BLP

The revenue costs at both facilities are very high. In 2008/9 both TCP and BLP jointly had a cost to Council tax payers of £640K.

Fusion Lifestyle now manages both facilities on the Council's behalf. Despite efficiencies, they project that for 2012/2013 both sites will still be expensive to run at a joint figure of £510K. Due to their age and inefficiency, the cost to the Council of running these facilities and the maintenance liability would only increase if they remained open.

In contrast to this picture of escalating running costs, Fusion Lifestyle projects a significant reduction in running costs to £150K p.a. for a replacement swimming pool adjoining BLLC. Closing both TCP and BLP and then replacing them with a new high quality facility at Blackbird Leys would therefore present the Council with a £330K p.a. revenue saving. This figure would then be used to support prudentially borrow against circa £4.4M of the main capital build cost.

1.4 Energy Inefficiency and Carbon Footprint

Both TCP and BLP are very energy inefficient and account for a significant proportion of the carbon footprint within the Council. The new facility will have efficient plant and energy systems in place and will enable the Council to look to achieve a BREEAM¹ rating of Very Good as a minimum. Consideration will also be given to future climate change related risks and ensure future proofing of the new build elements of the building (e.g. preparing for hotter, drier summers and warmer, wetter winters and extreme weather events such as flooding and heat wave). For example, this would mean consideration being given to aspects of building design, such as provision of adequate shading and use of appropriate materials in the building fabric as well as ensuring adequate drainage systems are in place to cope with potential more intense, larger volumes of rainfall.

1.5 Accessibility and Transport

TCP and BLP are not Disability Discrimination Act (DDA) compliant, and the necessary modifications to the buildings would be very costly. The new facility will be designed to be fully DDA compliant.

A fully DDA compliant pool will increase accessibility and flexibility and enable better quality of experience and usage by target groups including young, old, disabled (including the Oxford Swans club), ethnic minority groups and others not currently participating.

TCP and BLP have extremely limited parking for bicycles, cars and coaches. The new facility will have adequate relevant provision to cope with the number of bicycles, cars and coaches.

1.6 Strategic Provision of Swimming Pools in the City

Sport England data shows that Oxford has over double the average pool space provision for England². To have such over provision of swimming pool space whilst running at high cost, failing to achieve DDA compliance or facility standards set by Sport England or those of the ASA clearly does not meet the Council's requirement for World Class services or Value for Money services.

¹ BREEAM (BRE Environmental Assessment Method) is the leading and most widely used environmental assessment method for buildings. It sets the standard for best practice in sustainable design and has become the de facto measure used to describe a building's environmental performance.

² Sport England's Active Places Power survey

Business Case: New Build General Swimming and Competition Pool

"The City has an extremely high provision of water space. There is 42.78 sq metres per 1000 population. This is also compared to the national average of 18.72 and the County average of 29.66³. The wards of Hinksey Park and St Margaret's have the highest provision, with Cowley Marsh and St Mary's next highest."⁴

Average Swimming Pool Space by Population.	m2 per 1000 population
England	18.45
South East Region	22.49
Oxford City Council (current portfolio)	42.10
Oxford City 2013: Option 1 – Do nothing (TCP & BLP close)	36.89
Oxford City 2013: Option 2 – Bring current portfolio to World Class retaining both TCP and BLP	42.10
Oxford City 2013: Option 3 – Close BLP only and build new facility	45.26
Oxford City 2013: Option 4 – Retain current and build new facility a) 25m b) 50m	45.80 49.5
Oxford City 2013: Option 5 – Build new facility co-located with new ice-rink	<i>As for 2,3,4 & 6 dependant on sizes of new and closures</i>
Oxford City 2013: Option 6 – Build new facility to replace TCP and BLP	40.60

1.7 Additional Background Information

The strategic re-modeling of facilities within the City by building a new swimming pool adjoined to BLLC and closing both TCP and BLP is a major project for the Council. The overall capital costs of building the new competition pool is anticipated to be between £5.5M to £8M pounds depending on the final model design that is used.

As part of the competitive dialogue process for the leisure management market testing carried out in 2008, different options for bringing Oxford's leisure facilities to a World Class standard were explored. The market testing provided an opportunity for the bidders to offer variant responses that included PFI (private finance initiative) options. The overwhelming response from the market was that PFI was not a viable option.

The lack of availability of commercial credit has not changed since the tender was carried out. It is extremely unlikely that this could provide the route to funding the Council's new pool facility. Various options for funding, building and managing the project in partnership with another provider, or by another provider, were also explored, but it was concluded that these would be both more costly to the Council and not provide the level of control over the project that the Council required.

³ There is a slight variation in figures provided in the Sport England Power Survey and the Leisure Facilities Review as they were based on population estimates from different years. On-line Power Survey data is periodically updated for the latest population estimates and now differs slightly from that contained within the original report.

⁴ Oxford City Council Leisure Facilities Review, Strategic Leisure, 2009

Business Case: New Build General Swimming and Competition Pool

The contract awarded at the conclusion of the competitive dialogue process allowed Fusion Lifestyle preferred operator status for management of the new facility. This was to give the Council the option to smoothly integrate the management of the new pool with that of the rest of the portfolio but retains the Council's right to go back out to the market if Fusion cannot provide this within acceptable financial and performance parameters. This agreement therefore precludes and further consideration of tendering for PPP (public private partnership) as an option at this stage.

The project is anticipated to be funded from a mix of prudential borrowing, grant funding (including Developer contributions) and the capital receipt from the sale of land at TCP. The projected completion for the build of the new facility is the same year as the Olympics in 2012, with the planned closure of both TCP and BLP following shortly after.

The facility will be developed in line with Sport England and The ASA facility guidance. Minimum requirements will be an eight lane competition pool and a larger teaching pool than that currently available at TCP. Other facilities may be added, but must be cost neutral. The facility will be designed to be extremely flexible and with the potential for a moveable floor to ensure the widest range of community usage will be explored. This will provide a facility that supports learn to swim programmes right the way through to providing a home competition and training venue for the City's competitive swimming club, attracting swimming galas to a minimum standard of County level competition.

2 Project Definition

2.1 Project Objectives

- To provide a modern world class competition swimming pool facility, with a minimum of eight lanes and a teaching pool, that is open in the year of the Olympic Games in 2012 and within agreed budget.
- Managed decommissioning and closure of TCP and BLP once the new facility is open and by end 2013.

2.2 Project Deliverables

- A design team procured and appointed by Feb 2010.
- Report with full business case, funding and design proposals for new build to CEB by June 2010.
- Procurement and appointment of build contractor by November 2010.
- Final design and full project plan for build prepared by September 2010.
- Effective management of build project to project plan (by time, cost and quality).
- Plan in place by December 2011 for managed decommissioning and closure of TCP and BLP by 2013.
- Effective management of decommissioning and closure of TCP and BLP to plan (by time cost an quality).

2.3 Project Benefits

The key benefits are shown in the table below. A full benefit map is provided at Appendix one.

Benefits	Direct	Indirect	Financial	Non-financial
Improved quality of swimming pools in Oxford	✓			✓
Revenue Savings	✓		✓	
Disability Discrimination Act Compliant	✓			✓
More Energy Efficient	✓		✓	
Reduced Carbon Emissions	✓			✓
Increased Usage	✓			✓

2.4 Project Scope and Exclusions

The project excludes:

- Any planned maintenance work to TCP and BLP prior to decommissioning.
- Any unplanned closure of TCP or BLP due to further major maintenance requirements emerging.

2.5 Constraints

- The aspiration is for the facility to open before the end of 2012.
- TCP and BLP will need to close irrespective of whether the new facility is built.
- There remains a level of residual risk that, due to the condition of TCP and BLP, either site could suffer a major high cost failure that leads to the facility closing prior to the planned managed closure
- The amount of capital that the Council can prudentially borrow.

2.6 Assumptions

- The revenue and capital released by closure of TCP and BLP is allocated to fund the costs of the new facility.
- On submission of a suitable business case, Fusion will operate the new facility in accordance with the leisure facilities management contract.
- Successful completion of current lease negotiations with County Council.

2.7 Interdependencies

This project is part of a programme of work to improve the Council's leisure provision and has specific interdependencies with:

- The leisure facilities development and substantive works programme⁵
- Blackbird Leys Wider Regeneration project.

3 Project Options

The options have been evaluated on the basis of their contribution to Council priorities, community benefits, value for money and environmental impact. The advantages and disadvantages of each are outlined below. They are informed by and should be read in conjunction with the Leisure Facilities Review and the leisure facilities and development market testing report.

3.1 Option 1 - Do Nothing

This option looks at continuing with the current provision and not proceeding with the new facility. This option will ultimately lead to no provision as both facilities close due to on-going maintenance concerns.

3.1.1 Advantages

- Established existing facilities
- Good public awareness of the locations of the current facilities.
- Established user group at TCP.
- Some core users of the facilities with 160,000 visits in 2008/9 for TCP.

3.1.2 Disadvantages

a) Low Quality Facilities

- Oxford City has the lowest percentage of adults (68.5%) out of the districts within Oxfordshire, who are very or fairly satisfied with sports provision in their local area⁶
- The usage of TCP has declined from 220,000 visits in 2003/4 to 160,000 visits in 2008/9, which is significantly under capacity. (Fusion Lifestyle has indicated that the new high quality facility at BLLC would yield an approximate 10% increased usage.)
- TCP and BLP no longer meet facility standards from Sport England and the ASA and are no longer fit for County Championship competitions.
- There is a threat to the reputation of the Council in providing poor quality facilities.

⁵ This is the agreed programme of maintenance works to the existing portfolio and it includes only minimal works to TCP & BLP to maintain reasonable standards in customer facing areas between now and closure.

⁶ Sport England Active People Survey

b) High Maintenance Costs

- The concrete within the structure at TCP is starting to crumble and the pool roof is currently being propped up by a special support pillar, which is only a temporary short term fix.
- TCP would need a minimum of £2.3M over the next four years to keep it operational.
- BLP will need a minimum of £300k to replace its plant which is no longer fit for purpose.
- Any works to the building may also uncover additional necessary works that could significantly inflate these figures.
- Either facility could close at anytime if there was a major maintenance concern.

c) High Revenue Costs

- The revenue costs at both facilities are very high. (2008/9 TCP £540k p.a. and BLP £100k p.a.).
- Due to the age of the facilities and their inefficiency, it is likely that the cost of running these facilities will increase over time.
- A replacement swimming pool co-joined with BLLC would cost significantly less to run at £150k per annum. As part of Fusion's leisure management contract with the City Council, Fusion would effectively guarantee that the revenue costs of operating the new facility would not exceed this level of £150k per annum.
- Replacing TCP and BLP with a new high quality facility at Blackbird Leys would present the Council with a £330k per annum saving for year one.

d) Energy inefficiency and carbon footprint

- Carbon dioxide emissions from energy consumption at BLP were 155t CO₂ in 2008/09
- TCP emissions in 08/09 were 973t CO₂
- These two sites form over 10% of the Council's core CO₂ emissions baseline total (10,000t CO₂ in 2005/06).
- Replacement of TCP and BLP with a new pool modern, efficient plant and energy systems in place will significantly reduce the Council's CO₂ emissions.

e) Accessibility and Transport

- TCP and BLP are not Disability Discrimination Act (DDA) compliant.
- Necessary modifications to the buildings are very costly.
- Inadequate parking for bicycles, cars and coaches at TCP and BLP.
- Issues with coach access for swimming galas.

f) Strategic Provision of Swimming Pools in the city

- There is a high provision of pool water space in the City, with over double the average provision within England. Attempting to maintain and support two Council owned swimming facilities within two miles of each other is neither realistic nor in-line with the Council's strategic priorities.

3.1.3 Conclusion of Option 1

Retaining the current swimming facilities was considered, but would expose the Council to increasing risk and increasing revenue and capital demand providing a high cost/low value service so cannot be recommended. Ultimately this option would mean that both TCP and BLP close for good due to on-going maintenance concerns.

3.2 Option 2 – Bring existing facilities at TCP & BLP to “World Class”

3.2.1 Advantages

- Established existing facilities.
- Good public awareness of the locations of the current facilities.
- Established user group at TCP.
- Some core users of the facilities with 160,000 visits in 2008/9 at TCP.
- Facilities brought up to world class standard.
- Reduction in carbon footprint with more efficient plant.

3.2.2 Disadvantages

- TCP and BLP are built on very small footprints, with poor accessibility. The sites are very compact with limited development potential for a new, ‘fit for purpose’ competition pool. The site borders the Temple Cowley Conservation areas making the necessary planning approvals more complicated.
- TCP has extremely limited parking for bicycles, cars and coaches and this could not be significantly changed within any new development.
- There would be increased capital build costs due to demolition or difficult internal re-modelling.
- There would not be a significant revenue saving shown and as such there is no funding available.
- There would not be a reduction in pool water space as the City currently has approximately double the average within the country.

3.2.3 Conclusion Option 2

Both the TCP & BLP site are inadequate for development of a new facility as they are too small, have insufficient road access and are likely to be subject to planning constraints and public objections due to location. Option 2 is not therefore a realistic proposition.

3.3 Option 3 - Build the new facility and keep one of TCP or BLP open

The advantages and disadvantages within option 3.1 would apply. Additional disadvantages would include:

- If BLP were to remain open, then the new facility would be a one minute drive just 482 metres from BLLC.

3.3.1 Conclusion Option 3

The option would not be viable from either a capital or revenue perspective and as such would not be recommended.

3.4 Option 4 - 50m Swimming Pool plus existing portfolio

3.4.1 Advantages

- Facility size links very well with the Olympics (it is the official Olympic size).
- Would be the City of Oxford swimming clubs favoured option as most of their training could then be conducted at just one facility.
- Would be a regional competition venue.
- Greater pool space to help improved programming.

3.4.2 Disadvantages

- Facilities of this nature cost £11M to 13M to build. The Council does not currently have these funds available or the ability to prudentially borrow for this amount.
- There are currently very limited opportunities for external funding.
- Rather than decreasing revenue costs this option would increase revenue demand by up to £200k p.a.
- An additional facility would significantly increase the carbon footprint and energy consumption of the Council.
- The revenue and capital risks outlined at 3.1 would still apply.

3.4.3 Conclusion Option 4

Option 4 is not financially feasible for the Council and runs counter to the Council's key priorities, particularly in value for money terms and carbon reduction.

3.5 Option 5 - Develop a combined pool with a new ice rink

3.5.1 Advantages

- Attractive option as there are both carbon and energy efficiencies obtainable by using the heat produced from making the ice to heat the building and swimming pool.
- Good facility and activity mix would be attractive to customers.
- Good practice examples around the country such as Guilford Spectrum

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3.5.2 Disadvantages

- Build costs would be £21M to £25M.
- Land purchase costs would be an additional £7M to £8M.
- The Council does not have funds available or ability to prudentially borrow the £28M to £33M this option would require.

3.5.3 Conclusion Option 5

This is an attractive option because of the revenue and carbon efficiencies obtainable through heat exchange as co-location of the facilities allows the heat generated from cooling the ice-pad to be transferred to heating the pool. Unfortunately, the capital costs and availability of land mean that it is not a viable option for the Council at this time. However, it remains an option if a suitable site and funds could be found before the Council commits to the new center, although this is unlikely.

3.6 Option 6 - Build new facility joined to BLLC and close TCP and BLP

3.6.1 Advantages

- Provides a high quality facility that is fit for purpose and meets relevant industry standards.
- Reduces the under used water space within the City.
- Improved economy of scale by co-locating a pool with a dry facility.
- Mitigates the maintenance backlog of £2.6M.
- Shows a revenue saving of approximately £330K that will be used to prudentially borrow for the scheme.
- Reduces the Councils Carbon footprint and be more energy efficient.
- Improved accessibility within the site. The new facility will also be particularly well served by public transport and easily accessible on foot by residents in one of the most deprived wards in the City.
- Efficient strategic provision of swimming in the City.
- Fusion Lifestyle support the option.
- Within two miles of the existing facility at TCP.

3.6.2 Disadvantages

- Established existing facilities.
- Good public awareness of the locations of the current facilities.
- Established user group at TCP.
- Loss of a facility within the Temple Cowley area.

3.6.3 Conclusion Option 5

This is the recommended option as it is both viable and aligns with Council priorities. It also addresses the issues discussed earlier and has the advantages highlighted above.

3.7 Options Summary

The table below shows a summary of the advantages and disadvantages of each option both in the short term (present to 2012) and in the longer term (2012 onwards).

Option	Corporate Priorities					VfM Revenue	VfM Capital	
	Stronger & more inclusive communities	Improve local environment, economy & quality of life	Reduce crime & ASB	Tackle climate change & promote environ'l resource mgt	Transform to World Class			
SHORT TERM								
1				x	x	xx	x	-5
2			x	x	x	xx	x	-6
3	x	x	x	x	x	x	x	-7
4				x	x	xx	x	-5
5				x	x	xx	x	-5
6				x		xx	x	-4
LONGER TERM								
1	x	x	x	✓		✓	✓	0
2		✓	✓	✓	✓		xx	+3
3	✓	✓	✓	✓	✓		x	+4
4	✓	✓✓	✓	xx	✓	xx	x	0
5	✓✓	✓✓	✓✓	✓✓✓	✓✓	✓✓	xxx	+10
6	✓✓	✓	✓✓	✓✓	✓✓	✓		+10

3.7.1 Blackbird Leys Site Selection

A number of potential sites were looked at in 2008 to find the best location for the new competition pool. Joining the new facility to the existing Leisure Centre at Blackbird Leys was the option that gave the most benefits and best fitted the Council's priorities:

- Blackbird Leys is among the 10% most deprived Super Output Areas in England and is the most deprived area in the City of Oxford⁷. It shows high levels of deprivation for income, employment, health and disability, education, skills and training, barriers to housing and services, crime, and living environment.
- The area has a very large proportion of young adults, in particular those aged 25-29. There are also a large number of young parents, with a high percentage of young children.⁸
- Life expectancy in Blackbird Leys is, at 75.0, statistically significantly lower than the Oxford average of 79.5 years.⁹ Health deprivation in Blackbird Leys is already high and is increasing¹⁰.

⁷ Super Output Area Profile Report for South East Area Committee. Oxford City Council. July 2008.

⁸ Information on the Wards of Blackbird Leys and Northfield Brook – Health and Social Statistics. Oxfordshire County Council. Nov 2009.

⁹ Cited in: Economic and health trends in areas of multiple deprivation. Oxford City Council. April 2009.

¹⁰ Health inequalities trends in Oxfordshire, 2001 to 2007. Department of Health South East. Unpublished.

Business Case: New Build General Swimming and Competition Pool

- Blackbird Leys Ward has over twice the levels of unemployment compared to Oxford as a whole.¹¹ In some areas of Blackbird Leys, the proportion of working age residents claiming main out of work benefits is as high as 20%¹².
- The local plan 2001-2016 designates the area as a regeneration zone, and policy SR3 relating to indoor and open air sports facilities says that 'planning permission will be granted for the provision and improvement of indoor and outdoor sports facilities, subject to the appropriateness of their scale, siting, design and location'. The project compliments the work surrounding the wider regeneration of Blackbird Leys.
- The South East Plan (2009) requires a selective review to consider the appropriateness of the development of some additional 4,000 homes and complimentary infrastructure adjacent to Blackbird Leys, which would also strongly support this development.
- The new facility will be within close proximity to the two facilities that will close, (TCP 1.6 miles, BLP 482 metres). BLLC to Temple Cowley is 1.6 miles (6 minutes by car), there are also dedicated regular bus services that go directly along the route within the TCP catchment area (Cowley Road) and directly to the site at BLLC these are Oxford Bus Company's City number 5 and Stagecoach number 1. These run typically every 5-10 minutes. It is proposed that existing customers, programs, clubs and community bookings will transfer from TCP and BLP on closure to the new facility.
- In addition to the reasons already described for closure of TCP and location of the new facility in Blackbird Leys, there is an operational business case: TCP already has substantial local competition as is shown in the table below.

Competing Sites showing access and proximity to TCP.

Competing Site	Car journey	
	Distance	Time
David Lloyd Oxford Business Park North Garsington Rd, OX4 2JY	0.6 miles	2 minutes
Barton Pool Waynflete Road Barton, OX3 9NU	3.4 miles	8 minutes
Ozone Leisure Park Grenoble Road, OX4 4XP	3.7 miles	10 minutes
Oxford University Sports Centre Iffley Road, OX4 1EQ.	1.8 miles	6 minutes
Headington School Headington Road Headington, OX3 0BL	2.2 miles	6 minutes
Lord Nuffield William Morris Close Cowley, OX4 2JX	0.5 miles	2 minutes

¹¹ Targeting young people not in education, employment or training: South East. Leading Learning and Skills. June 2009.

¹² Briefing Paper Series: Oxfordshire Quarterly Economic Briefing. Oxfordshire Economic Observatory. April 2009

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1

4 Risks and Uncertainties

Risks and issues are being actively managed according to best practice for managing risk in a project environment. Key risks are shown below.

Risk & Description	Likelihood	Impact	Counter Measures
Reputational damage regarding proposed closure of TCP and BLP	5	3	Consultation and Communication Plan to engage with stakeholders users and non-users
Business case not accepted for new facility – TCP and BLP close without replacement	2	5	Competition Pool Working group formulate fully costed options
Unable to secure planning approval	2	5	Engage with planning officers and ensure the application meets the planning framework
Limited internal capacity and experience to deliver internal project management on a project of this scale.	4	4	Ensure appropriately skilled and experienced project manager allocated to project.

5 Project Plan – High Level Milestones

A high level timeline for the initial phase of the project is shown at the end of this section, at page 17. Some of the key milestones are shown in the table below.

Milestone	Start	Finish	Milestone/ decision point	Milestone Termination Point
Outline Business Case and approval of £200k revenue funding for design team work & consultation	Nov 09	Jan 09	CEB 13 th Jan 2010	Jan 10
Appointment of Project Design Team	Oct 09	Feb 09	6 th Feb 2010	Feb 10
OJEU ¹³ Notice for Competition Pool Build	May 10	May 10	22 nd May 2010	May 10
Decision to progress to build stage (yes/no)	June 10	June 10	CEB June 10	June 10
Appointment of Competition Pool Build contractors	Nov 10	Nov 10	Nov 2010	Nov 10

The project will be structured into controlled stages:

¹³ Official Journal of the European Union

5.1.1 Phase 1.1: Procurement and Appointment of Project Specialists

Due to the nature and size of the project a Project Design Team incorporating a lead designer will be appointed to assist the Council through this process. We will be looking to appoint the Project Design Team on the 6th February 2010 and as such will be asking for delegated authority for the Director of City Services to award this contract. The Project Design Team will take the project through the final feasibility and design elements inclusive of the necessary planning approvals and assist with relevant consultations. The City Council will seek to appoint the lead designer, who will act as the focal point for the liaison between the City Council and the remainder of the Project Design Team for which they will be responsible.

The Project Design Team will include the following areas/disciplines (although this may not be an exhaustive list);

- Project Manager
- Architecture
- Quantity Surveying
- Mechanical and Electrical Engineering - Full Design
- Structural Engineering
- CDM (construction - design and management) Co-ordinator

The Project Design Team will be responsible, working in partnership with the City Council and consultation/communication with our other stakeholders, for the full range of services as incorporated in the RIBA (Royal Institute of British Architects) work stages and will assist the City Council in the selection and management of the Contractor to build the new pool.

Key stakeholders are shown below:

- Facility users / user groups at BLLC, BLP and TCP
- Leisure Services Partnership Board (Including Fusion Lifestyle)
- Current non-users/potential future customers
- Blackbird Leys Residents
- Clubs and Community groups at BLP and TCP
- Sport England
- County Sports Partnership (CSP)
- Amateur Swimming Association (ASA)
- Community Safety
- Oxfordshire County Council
- Oxford and Cherwell Valley College (OCVC)
- Primary Care Trust (PCT)
- The strategic partnership group who are working of the BBLs regeneration framework

5.1.2 Phase 1.2: Final Design Options and Approval Gateway

A further report will be presented to CEB to approve designs and to also seek approval for the financial envelope for the project. This will also take on board any relevant

scrutiny committees as well as the member advisory board as required. It is anticipated that the report will go to CEB in June 2010.

5.1.3 Phase 1.3: Ongoing Planning Stages and Procurement of Construction Contractor

A suitably qualified and experienced contractor will be appointed to build the facility. The contractor is programmed to be appointed in November 2010.

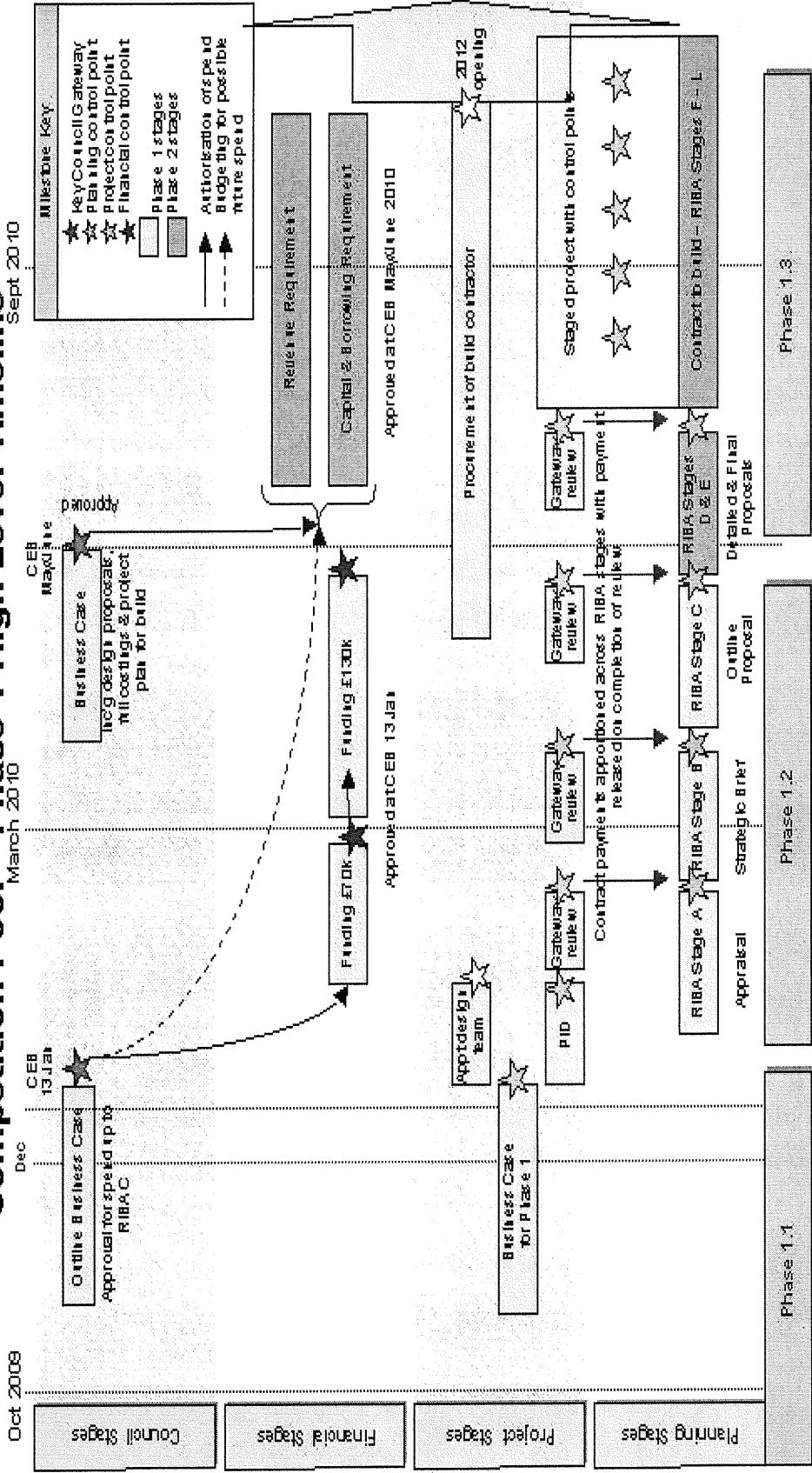
5.1.4 Phase 2: Delivery and Management of Build Phase

This will include all construction work. It is envisaged that the build time will take up to 1.5 years with a completion date of 2012.

5.1.5 Phase 3: Closure of Temple Cowley Pools and Blackbird Leys Pool

It is anticipated that the closure of both Temple Cowley Pools and Blackbird Leys Pool will follow shortly after the opening of the new facility. The bookings and programmes at the two existing facilities and the proposed new facility will be under constant review to ensure that they continue to best serve the Council's strategic objectives. As such, proposed bookings and programmes in the new facility will be considered as part of the annual service planning process overseen by the Leisure Services Partnership Board

Competition Pool – Phase 1 High Level Timeline



6 Whole Life Cost / Sustainability

By closing TCP and BLP and developing the new facility, the Council will reduce its carbon footprint and become more energy efficient. The project will help engage communities within the city, aid social cohesion and help tackle social issues such as health and well-being and crime and anti-social behaviour in and around Blackbird Leys. The project will form part of the wider regeneration of Blackbird Leys. It may also bring customers from elsewhere within the city providing regeneration opportunities within the area.

The capital and revenue costs of the project are provided at Appendix two.

7 Equalities Impact Assessment

The new facility will be fully accessible and be compliant to the DDA. The flexibility of the new facility will help to ensure increased participation, especially from Council target groups, for example by enabling better provision for women only use. A full equalities impact assessment for the project will be conducted to ensure that these objectives can be achieved.

8 Business Case (Costs and Benefits)

See Appendix two.

The overall costs of building the new competition pool is anticipated to be between £5.5M to £8M pounds depending on the final model design that is used. Current estimates on affordability for the Council show that there is a financial envelope of approximately £6M for the project based on prudential borrowing of £4.4M and the capital receipt from the sale of TCP of approximately £1.5M. Design options will be taken to CEB in June 2010 where options will be given to either freeze the design at a cost of no more than £6M or to pursue more aspirational designs

The £330K per annum savings made from the closure of TCP and BLP would be used to prudentially borrow against the £4.4M. This would be over a 19 year period. If the Council wanted to pursue more aspirational designs then external funding would need to be found. Or to prudentially fund a £7.3M pound net project then an additional £250K of revenue funding per annum would need to be found over 19 years. The gateway for necessary approval of the financial envelope will be CEB in June 2010.

Developer contributions have a confirmed figure of £140k against the project.

The total design team and project management costs for this contract from start to completion would be approximately £830k. However, the contract will be set up to ensure that abortive costs are minimised if the new build facility is no longer feasible. This will be achieved through staging the necessary works with a decision point on the actual build for the project expected through City Executive Board (CEB) in June.

Initial feasibility work, procurement of a design team, design options and proposals, consultation and initial planning stages to prepare a design specification with fully costed business case is anticipated to have costs in the region of £176k. This will take the project to a stage where the Council can make a properly informed choice on whether to complete

the planning process, enter into the prudential borrowing necessary and go to the build stages of the project.

The project will be broken up into phases to ensure that abortive costs are minimized.

8.1 Design Costs

Phase 1.1 – Design Team costs to reach project decision point at June CEB	Capital funding to request at CEB in January 10
RIBA Stage	Approximate Cost
RIBA Stage A (5%)	£40k
RIBA Stage B (5%)	£40k
RIBA Stage C (12%)	£96k
Total	£176k
Phase 1.2 – Design Team costs up to start of build.	Design costs for funding request at CEB June 2010
RIBA Stage D (12%)	£96k
RIBA Stage E (15%)	£120k
Total	£216k

The anticipated design team costs up to and including RIBA stage C will be approximately £176k. Additional ground costs may take the figure to £200K. CEB authority for this spend will be requested on January 13th 2010.

8.2 Build Costs

Costs will only be applicable if the build / project is given final approval. Some of the funding will come from prudential borrowing with the £330k saving on closure of TCP and BLP. The Fusion contract delivers savings in future years beyond the budgeted £700k and these could be used to finance some borrowing costs. The total net capital costs of the project are estimated be up to £8.8m.

8.3 Closure and Decommissioning Costs

There may be some costs attributed to demolition and clearance of the facilities and releasing the associated capital. These may be incorporated into the disposal contract with TCP. BLP is owned by the County Council and costs in respect of this should be minimal.

8.4 Internal Costs

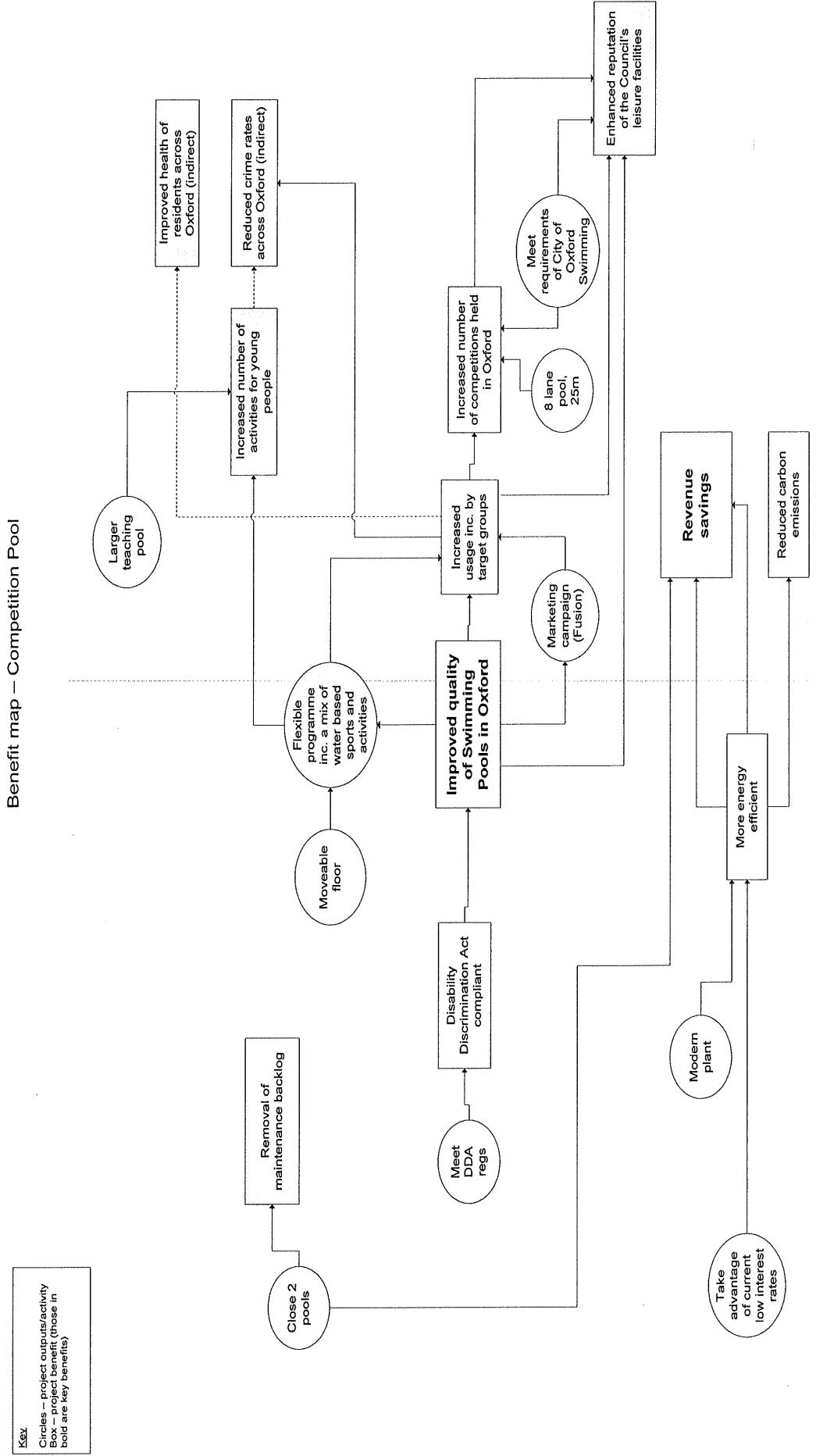
There will be some internal costs to the project. In addition to the design and build project team the Council will require internal project management. Advisors have suggested that this would need input of 2-3 days per week. Given that the Council is relatively inexperienced for such a large, high profile project it is recommended that three days of officer time is allowed for. Officer support services of 0.5 days per week will also be required.

9 Procurement Route

There are two main procurement elements to the project:

- Procurement of the project design team / project management (OGC framework)
- Procurement of the build contractor.

Appendix 1 - Benefits Map



Appendix 2 - Project Costs

Cashflow	Years																						
	Total	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Loan over 19	Revenue	228	114	114	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Initial Costs	Capital	(1,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refined Design Costs	Capital	200	0	0	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Build Costs	Capital	8,080	0	3,520	4,320	240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale Proceeds	Capital	(1,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decommissioning costs	Capital	200	0	0	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue savings	Revenue	(2,109)	0	0	(57)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)
BBLP	Revenue	(6,660)	0	0	(180)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)
Temple Cowley	Revenue	2,813	0	0	113	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
Revenue costs	Revenue	(1,381)	0	0	0	(100)	(168)	(156)	(170)	(100)	(87)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
New Pool	Additional revenue savings in Fusion contract																						
Loan Receipts	Revenue	(8,959)	0	(3,995)	(4,490)	(474)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayments-capital	Capital	8,927	0	0	(62)	1,764	277	291	306	322	338	356	374	393	413	434	456	479	503	529	556	584	614
Loan Repayments-interest	Revenue	4,839	0	94	360	445	371	358	344	329	313	297	279	261	242	222	201	179	156	132	106	79	51
Net Cash Flow		5,157	114	208	360	258	211	143	155	141	211	224	261	261	261	261	261	261	261	261	261	261	261
Maintenance foregone	costs	(2,600)	0	0	(1,075)	(325)	(385)	(275)	(230)	(170)	(100)	(40)	0	0	0	0	0	0	0	0	0	0	0
Cashflow net of maintenance foregone	net of maintenance foregone costs	2,557	114	208	(715)	(67)	(174)	(132)	(75)	(29)	111	184	261	261	261	261	261	261	261	261	261	261	261
Discounted cashflow		767	109	193	(624)	(52)	(134)	(97)	(52)	(19)	68	107	143	135	127	120	113	107	101	95	89	84	80
Revenue Capital		(2,270)																					
		4,827																					

EXTRACT FROM CEB
MINUTE 13/1/2010

122. NEW BUILD COMPETITION POOL

The Head of City Leisure submitted a report (previously circulated, now appended) seeking the Board's approval of the initial business case for the pool as well as additional funding to spend on the design and feasibility work process.

Councillor Young addressed the Board voicing concerns from residents on the proposed closure of the Temple Cowley facility.

Resolved:-

- (1) To approve the final feasibility and design fees expenditure and note that this would be funded by a virement from another capital scheme in 2009/10 and form part of the Council's Capital Budget in 2010/11;
- (2) To approve the outline business case and that further development of the business case and financial appraisal in line with different design options for the new competition pool is undertaken;
- (3) That delegated authority is given to the Executive Director City Services to appoint the Design Team and Project Manager for the new competition pool; and
- (4) To approve the start of the associated consultation processes.

To: Communities and Partnerships Scrutiny

Date: 10th February 2010

Item No: 5

Report of: Head of City Leisure

Title of Report: New Build Competition Standard Pool

Summary and Recommendations

Purpose of report: To update the scrutiny committee on the consultation plan, how the scheme is affordable and potential links with the Oxford Community School

Key decision? No

Executive lead member: Councillor Bob Timbs

Report approved by: Tim Sadler

Finance: Gillian Chandler

Legal: Lindsay Cane

Policy Framework:

- Stronger and More Inclusive Communities
- Improve the Local Environment, Economy and Quality of Life
- Reduce Crime and Anti-social Behaviour
- Tackle Climate Change and Promote Sustainable Environmental Resource Management
- Transform Oxford City Council by Improving Value for Money and Service Performance

Recommendation:

1. That the committee considers the decisions taken by the CEB on the 13th of January 2010 in regard to the feasibility work for the new competition pool; to comment on the decisions and; if appropriate, to endorse them.

1. Introduction

- 1.1 The Council, through the work undertaken by consultants, the market testing of leisure, the Leisure Facilities Review (May 2009) and a significant amount of officers work, have established that the preferred option for the remodelling of

leisure facilities in Oxford is the construction of a new competition standard swimming pool adjoining Blackbird Leys Leisure Centre (BLLC).

- 1.2 On the 20th May 2009, the Leisure Facilities Review was approved by the City Executive Board (CEB). The report gave project approval to commence the development of a new pool at BLLC. The review recommended that *a new competition pool be built at the Blackbird Leys Leisure Centre site. When the new pool is complete then all lessons from Blackbird Leys pool would be able to transfer to the new facility enabling the site to close and that Temple Cowley Pool is scheduled for closure and that the current £533k per annum subsidy, alongside the £2.3m maintenance backlog costs, are spent on the development of a new state of the art competition standard pool at Blackbird Leys Leisure Centre.*
- 1.3 On the 23rd June 2009 a further report was issued to the value for money (VFM) scrutiny committee. The questions issued all related to the option of a combined competition standard pool with an ice rink. While the aspiration was deemed commendable the practicalities of the cost, which was detailed at circa £28M-£30M make the scheme unaffordable. The option of a future combined building (not necessarily a leisure building) to enable this innovative heat exchange and the energy savings were recommended to remain as a council aspiration.
- 1.4 The outline business case for the new competition standard pool at BLLC was then agreed at CEB on the 13th January 2010, the accompanying report recommended that:
 - CEB approve the final feasibility and design fees expenditure and note that this will be funded by a virement from another capital scheme in 2009/10 and form part of the Council's Capital Budget in 2010/11.
 - That the outline business case is approved and approval is given to further develop the business case and financial appraisal in line with different design options for the new competition pool.
 - That delegated authority is given to the Executive Director City Services to appoint the Design Team and Project Manager for the new competition pool.
 - That approval is given to start the associated consultation processes.
- 1.5 The CAP scrutiny committee have requested further information on the financial commitment to undertake this feasibility work to enable a full business case to be developed by June 2010

2. Addressing the questions from the CAP committee

2.1 The consultation process

- 2.1.2 On the 4th June 2009 a meeting was held at the Church next to Temple Cowley Pools to talk through the future of the site. This meeting was advertised within Temple Cowley Pools and also in the Oxford Mail. The City's Head of Leisure, an officer from the council's communications team and officers from Fusion Lifestyle

talked through the proposed closure and took questions. After this meeting minutes were displayed within the centre on the customer notice board.

- 2.1.3 All leisure centre employees have received a document that details the reasons for the planned closure and the development of a new facility at Blackbird Leys. This document is displayed on the staff notice board at Temple Cowley and also on the customer information notice board.
- 2.1.4 Initial consultation and communication meetings have also been undertaken with the City of Oxford Swimming Club (COSC). The COSC are a major swimming pool facility user within the City, with the majority of their usage based at Temple Cowley Pools. The purpose of these meetings was to ensure that the club were fully informed of the progress of the project. The club have made it clear that while their aspiration would be for a 50m pool, they fully recognise that this aspiration is not affordable both on a capital and revenue basis due to the increased running costs. As such they are fully supportive of the development of a high quality, sustainable eight lane 25m competition standard pool at Blackbird Leys.
- 2.1.5 Key stakeholders and partners have also been involved in initial consultation on the various options for the project and are supportive of the option to develop the competition standard pool in Blackbird Leys. These include: Fusion Lifestyle, The Amateur Swimming Association (A.S.A), Sport England and the Oxfordshire Sports Partnership. Regular dialogue is also being continued with planning officers to ensure the project ties into the Blackbird Leys area review.
- 2.1.6 The final recommendation within the recent report that was submitted to CEB on the 13th January 2010, requested permission to begin the full consultation process. A consultation plan is now being developed that will cover all key stakeholders. The options appraisal in the outline business case and work that has been undertaken with Sport England coupled with the option needing to be affordable have clearly shown that Blackbird Leys is by far the preferred site. As such this consultation will be in the main focussed upon design, access and programming issues for the development, as opposed as to the location for the new facility.

2.2 The affordability of the feasibility work

- 2.2.1 As detailed in the business case the feasibility work is being split into payment milestones which are linked to each stage of the project.
- 2.2.2 Both the 09/10 (£70k) and the 10/11 (130k) expenditure is financed through the councils capital programme.
- 2.2.3 The outline business case detailed the affordability of the recommended option which will be further detailed in June's full business case.
- 2.2.4 Officers, Fusions Lifestyles senior management team and previous consultants have it clear that the City Council cannot afford not to remodel its facilities. The outline business case fully details the reason for this, which in summary are:
 - the oversupply and under utilisation of our facilities
 - the poor state of repair of TCP and BLP

- the significant maintenance backlog
- high operating costs due to facility age and poor facility in areas such as energy and staffing
- poor accessibility and parking
- inability to hold County or Regional competitions due to poor facility issues and lack of spectator seating.

2.3 Potential links with the Oxford School

2.3.1 The Head of City Leisure consulted with key partners within the process of undertaking the Leisure Facilities Review (May 2009). This included the children young people and families (CYP&F) directorate in the County Council. Within these talks there was no desire from the county to build a pool on the school site. More recent talks have been undertaken with the head at Oxford Community School and Senior Officers at the County Council and this position has not changed. The County have stated that this option is highly unlikely.

2.3.2 The reasons for this are:

2.3.3 **Space** – While the county are still agreeing the way forward, what is clear is that any potential land that becomes available would be used initially for a primary school. If space then allowed the next preferred option is the development of a special needs school.

2.3.4 **Land use**- Sport England as a statutory body on outdoor sports planning issues have a policy of objecting to any build that removes sports pitches. This means any expansion of the school site will be very difficult as they would have to find land to relocate any lost pitches.

2.3.5 **Access** – Access to the Community School is down Cumberland Rd. This road already struggles to cope with the current school usage. The added possibility of a primary school, which may have up to 500 pupils and a potential special needs school mean the increased usage from a major leisure centre would require a major redevelopment of road access to the school.

2.3.6 **Parking** – The Peers Academy site was excluded due to a clear lack of parking for such a major development as competition standard leisure facility; it is probable that the Community School would also have the same problem.

2.3.7 **Affordability** – The Partnerships for Schools initiative funds a set amount per square meter of curriculum space. While the funding may enable improved dry facilities to be provided, the funding does not include wet facilities such as pools. As such there would be no additional funding toward a new pool.

Further to this, of the main source of funding for the new pool is from the saving made by opening a new facility at BBLs with a far reduced operating subsidy. This saving is what we are borrowing against to finance the new competition standard facility. By adjoining the new facility to a current leisure facility the operating costs are greatly reduced. These savings are not achievable by adjoining the facility to a school site e.g. – staffing, one point of entrance, increased usage across the facility.

2.3.8 While the site does not appear to be a viable option, any residing potential can be explored further in the development if the full business case

3. Recommendation:

That the committee considers the decisions taken by the CEB on the 13th of January 2010 in regard to the feasibility work for the new competition pool; to comment on the decisions and; if appropriate, to endorse them.

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