



COUNCIL CABINET
12 April 2017

ITEM 11

Report of the Cabinet Member for Governance and Finance and the Cabinet Member for Leisure, Culture and Tourism

New Swimming Pool Complex

SUMMARY

- 1.1 Phase two of the current Leisure Facility Strategy (LFS) is to develop a new Swimming Pool Complex for the City. In March 2017, further momentum was provided to this ambition when a cabinet pledge was announced stating that the Council will commence site works for the new Swimming Pool Complex by December 2017, which will open by 2020.
- 1.2 In order to assist with delivering this ambition the Council commissioned external support to progress the project. MACE Consultants (Mace) were appointed in November 2016 to undertake a feasibility study of the wider site at Moorways and of a Swimming Pool Complex on that site. Mace and their appointed design team were asked to review a number of options for the Swimming Pool Complex and to consider the ideal position for the new facility on the site in order to maximise the potential for future wider site development opportunities.
- 1.3 The Mace design team have worked up a number of high level designs, which have been consolidated into two facility mix options. A base facility mix (base) was identified which included an 8 lane, 50m swimming pool with basic levels of additional complementary leisure facilities at an initial indicative project budget of up to £23,400,000 and an enhanced facility mix (enhanced) was identified which included a 10 lane, 50m swimming pool with more significant additional complementary leisure facilities at an initial indicative project budget of up to £32,900,000, which could support a more commercial approach to the operation of the overall facility. Hence both facility mix options include at various levels teaching/leisure water, health and fitness and catering.
- 1.4 FMG Consulting Ltd (FMG) was appointed in February 2017, to undertake a draft outline business case for the two facility mix options for the potential Swimming Pool Complex on the Moorways site. A key element of their work has been to evaluate the overall financial affordability of the Moorways development providing evidence on how a new Swimming Pool Complex could contribute to the Derby 2030 vision.
- 1.5 In developing the draft outline business case, FMG have carried out both a strategic and local context analysis, a supply and demand analysis of swimming and health and fitness and identification of potential commercial opportunities to drive income and use. They have also taken into account other strategic pieces of work currently being undertaken within the Service. These include the Leisure, Culture and Tourism Options Appraisal and the Physical Activity and Sport Strategy (PASS) and their wider

impacts of providing the new venue.

- 1.6 Having emerging information from both the feasibility study and the draft outline business case, Cabinet is now asked to consider moving to the next stages of the design and delivery of this project. Cabinet is recommended to progress with three key next steps; the first is to agree to continue to progress with the wider site feasibility: the second is to progress with the next stages of the facility design, which will enable a more robust facility mix and associated cost estimates to be established and in turn enable a full operational business case to be developed; the third is to progress the procurement strategy, for both the demolition works and the main construction contract.

- 1.7 This report recommends that the Swimming Pool Complex design is progressed on the basis of the enhanced option, up to a maximum value of £35,000,000. This figure is higher than the approved amount in the Council's Medium Term Financial Plan (MTFP) for 2017/18 – 2019/20, which makes provision for borrowing of up to £20,000,000 towards the capital costs of a new Swimming Pool Complex. The financial strategy to identify the additional capital funding for the proposed enhanced Swimming Pool Complex will be produced and includes:

- Exploring additional funding opportunities from external sources, including third parties, Council capital receipts and commercial opportunities
- Reviewing the existing capital programme to identify the potential to reallocate funding
- Identifying the potential for additional new borrowing

Members are recommended to note that there is a financial risk of proceeding to the next stages of the project without the full capital budget being in place.

- 1.8 In order to progress to the next stages of the project Members are asked to approve a budget of £1,760,000 that can be funded from the approved capital in the MTFP. This budget contains estimated costs of £625,000 for demolition works and £1,135,000 for professional fees and other Council commitments. The professional fees are for the work for the wider site feasibility, the detailed design work and the main contractor procurement; it also provides an estimate for the detailed business case development. Members are recommended to note that the funding for the next stage of the project is at risk if the project does not proceed to Part Three of the Contract, which is to construct the new venue. Should the capital project not progress to Part Three then revenue funding would have to be identified to payback the costs that had been incurred in the next stages of the project. Members are also asked to note that there are also additional risks of continuing with the current Procurement Strategy that are referred to in paragraph 4.25.
- 1.9 As well as the further work that is required to identify the capital funding for the enhanced option, further analysis to produce the full business case for the operational revenue costs is also required on this option. Once this information is available we will be able to gain more clarity on whether the Council has identified sufficient revenue funding for the operational costs in the MTFP.

RECOMMENDATION

- 2.1 To approve continuing to develop the feasibility study for the wider site at Moorways.
- 2.2 To approve progressing the design for the proposed new Swimming Pool Complex at Moorways based on the proposed enhanced facility mix of a 50m swimming pool, learner/leisure pool, fitness suite, studios, café and other ancillary facilities to develop a more commercial leisure offer.
- 2.3 In order to progress with the works identified in paragraph 2.2, to approve progressing the detailed designs for the Swimming Pool Complex up to a maximum capital cost of £35,000,000.
- 2.4 To approve proceeding with the procurement of a demolition contractor and the design for the demolition of the Sports Hall and the Swimming Pool at Moorways and to delegate authority to the Strategic Director for Communities and Place following consultation with the Director of Finance, the Cabinet Member for Governance and Finance and the Cabinet Member for Leisure, Culture and Tourism to award the contract for the demolition works.
- 2.5 To approve the Procurement Strategy, detailed in paragraphs 4.19 – 4.25 for a main construction contractor and to delegate authority to the Strategic Director for Communities and Place following consultation with the Cabinet Member for Governance and Finance and the Cabinet Member for Leisure, Culture and Tourism to make any changes
- 2.6 To approve proceeding with Part Two of the contract with MACE (Tender Reference: TD1155) to progress with the recommendations outlined in paragraphs 2.1 to 2.5 detailed above.
- 2.7 To note that the Facility Planning Modelling (FPM) exercise carried out by Sport England in December 2015 demonstrated that to build a Swimming Pool Complex at Moorways would assist in meeting the swimming demands of the City. In determining the facility mix of the new venue, key local factors have also been taken into consideration such as those identified in paragraph 4.4, and subject to the outcome of the feasibility study detailed in paragraph 2.1; Members are requested to approve locating the proposed Swimming Pool Complex at Moorways.
- 2.8 To approve expenditure up to a value of £1,760,000 to cover the cost of demolition works, additional professional fees for Part Two of the project, for the detailed business case development and other Council commitments.
- 2.9 To re-profile the 2017/18 – 2019/20 Capital Programme to include the budget required for the next steps of the proposed Swimming Pool Complex at a value of £1,760,000 in 2017/18.
- 2.10 To note the proposed financial strategy to identify the potential additional funding detailed in paragraph 1.3 in Appendix 1 and the additional financial analysis required on the operational business case to provide the overall affordability of the new facility.

- 2.11 To note and accept the risks of moving to the next stage of the project as detailed in this report.

REASONS FOR RECOMMENDATION

- 3.1 To proceed with the proposed new Swimming Pool Complex at Moorways will help to shape the choices that Derby has for the provision of modern leisure facilities to help meet the Council's 15 year vision to be a safe, strong and ambitious city with an ambition to be one of the most active cities in England.
- 3.2 The new swimming pool complex at Moorways is considered a key part of delivering this vision and the individual elements within it, such as:
- residents having active and healthy lifestyles and improved quality of life because of the ready availability of community leisure facilities;
 - visitors making use of high quality community leisure facilities;
 - children, young people, students and employees benefitting from ready access to high quality sporting provision;
 - providing national reputation for the City for excellence of its clubs and facilities;
 - addressing the needs of local clubs and sports participants, specifically making facilities more accessible and inclusive by strategically locating facilities;
 - affordability of membership and/or activities and programmes, enabling the participation of disabled people, combining multi sports facilities to provide community hubs in strategically relevant locations;
 - providing high quality facilities and pathways from beginner to excellence.
- 3.3 The Council Local Plan links to national strategies, providing a pathway from national vision to local delivery, and how the Council's strategic objectives map directly into the outputs identified in the Government's Strategy 'For an Active Nation', and the latest Sport England Strategy 'Towards an Active Nation'. This is important from a physical activity perspective, from a present and future funding perspective and because by increasing participation and levels of physical activity it often relates to supporting 'linked' agendas, such as health improvement, educational attainment, economic development and social cohesion, and transport.
- 3.4 There is significant deprivation in the area surrounding the location of the Moorways site, therefore the issues above need to be considered for the new complex at Moorways, as well as issues such as pricing and programming, enabling the whole community to enjoy the new facility. By considering the potential of offering something in the facility that is different to just traditional sport such as play, spa and beauty treatments or the potential of more adventurous activities, it could help to introduce harder to reach groups into the centre and could develop a more commercial opportunity.

- 3.5 The FPM showed by 2028, much of the City's current swimming pool stock will have reached the end of its active life without significant investment; this includes Queen's Leisure Centre. Moving forward with the provision of facilities that help meet the demands of swimming will benefit the City and its communities.



Derby City Council

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Report of the Strategic Director for Communities and Place

SUPPORTING INFORMATION

Introduction

- 4.1 A Leisure Facility Strategy (LFS) was produced for Derby in 2009, which set out a plan of how best to replace the Council's aging leisure facilities with new, modern and fit for purpose venues, which would meet the future needs and aspirations of the City.
- 4.2 The LFS proposed a hub and satellite approach to be developed on a phased basis. Phase 1 was to develop the Derby Arena hub which has now been successfully opened. Phase 2 was to develop a swimming pool hub, which is currently being progressed and forms the basis of this report; Phase 3 was to develop satellite swimming pool facilities in the future. Given that the original LFS was produced in 2009, the document will be revised in the coming months so new information that is now available can be factored into the strategy.
- 4.3 In 2015, the Council commissioned Sport England to undertake their Facility Planning Model (FPM) assessment on the need for swimming pool provision in Derby. This was undertaken in December 2015 focusing on the need for swimming facility provision over the period 2015 to 2028. The assessment took into account the current and expected future supply and location of swimming facilities, current and expected future demand for swimming as well as changes in population, housing growth in and bordering the City, accessibility and changes in adjacent local authority provision.
- 4.4 As part of the FPM assessment, five scenario test runs were undertaken. All included a 50m swimming pool (8 lane and 10 lane options), and a learner pool at the Moorways site. Of the five scenario test runs, two provided the best opportunities for improving swimming pool facility provision in Derby, with one giving the best geographical spread. These are:
 - Scenario Test Run Three; this included a 50m x 8 lane and 20m x 4 lane learner pool at the Moorways Sports Complex site and a 25m x 8 lane pool, 20m x 4 lane learner pool, and 150 sqm leisure water at a City centre facility (possibly the Queen's Leisure Centre site).
 - Scenario Test Run Seven; this included a 50m x 8 lane and 20m x 4 lane learner pool at the Moorways Sports Complex site, a 25m x 8 lane pool, 20m x 4 lane learner pool, and 150 sqm leisure water at a City centre facility (possibly the Queen's Leisure Centre site) and a 25m x 6 lane pool at Springwood Leisure Centre.

- 4.5 The FPM modelling identified the best two scenario test runs, as detailed in paragraph 4.4 from the information submitted. However, as this is a modelling exercise, to make it more relevant to the specific circumstances of Derby other information has also been considered. In determining the most appropriate facility mix of a new venue, at Moorways, other key local factors that have also been taken into consideration include: the various financial implications affecting the Council, the limited water space currently provided in the City and the need therefore to consider the opportunity to maximise the provision of water space at this time, the age of the remaining public swimming facilities in the City and the demands of having two performance swimming squads. The FPM also identified that demand for swimming, by 2028 will significantly increase in the City and this facility assists with the demand expected in this part of the City.
- 4.6 The FPM also showed that by 2028, much of the City's current swimming pool stock will have reached the end of its active life without significant investment. It is recognised that Queen's Leisure Centre will be 96 years old, however it should be noted that the FPM referenced the importance of a city centre swimming pool for Derby and this will need to be considered further in the revision of the LFS. Moorways Swimming Pool, which is now closed, will be over 50 years old, the current Lonsdale Swimming Pool, managed by Lonsdale Swimming and Sports Trust Limited, is expected to be closed by 2025 and Gayton Swimming Pool, which is managed by Lonsdale Swimming and Sports Trust Limited, on behalf of the Council, will be over 15 years old.
- 4.7 In recognition of the current lack of sufficient provision of water space for swimming in the City, at Full Council on 20 July 2016, an announcement was made to explore the options to deliver a 50 metre swimming pool and some leisure water at Moorways.

Feasibility study and site masterplan

- 4.8 In order to assist with delivering this ambition the Council commissioned external support to progress the project: Mace was appointed via the ESPO Framework in November 2016 to undertake a feasibility study of the wider site at Moorways and of a 50m Swimming Pool Complex. Mace and their appointed design team were asked to review a number of options for the Swimming Pool Complex and the ideal position for the new facility on the site in order to maximise the potential for future wider site development opportunities.
- 4.9 The Mace design team have worked up a number of high level designs, which have been consolidated into two facility mix options. A base facility mix (base) was identified which included an 8 lane, 50m swimming pool with basic levels of additional complementary leisure facilities and an enhanced facility mix (enhanced) was identified which included a 10 lane, 50m swimming pool with more significant additional complementary leisure facilities, which could support a more commercial approach to the operation of the overall facility.

- 4.10 Mace have reviewed the capital cost for both facility mix options and have identified an initial indicative project budget of up to £23,400,000 for the base option and £32,900,000 for the enhanced option. These figures exclude building and equipment lifecycle costs and the costs for paying back the borrowing of the capital costs. The two different facility mix options are shown in more detail in the table below.

	Base Facility Mix	Enhanced Facility Mix
Main Pool	50 metre length x 8 lanes	50 metre length x 10 lanes
Learner Pool	17 metres length x 4 lanes	17 metres length x 4 lanes
Leisure Water	Small leisure water	Larger leisure water
Fitness Gym	80 stations	150 stations
Studio	2	3
Catering	Café	Café
Additional Facilities	Basic levels of complementary activity	Additional levels of complementary activity

- 4.11 The new Swimming Pool Complex is therefore proposed to include a 50m swimming pool, a learner/leisure pool, studios, fitness suite, café and other ancillary facilities, the detail of which will be driven by the full business case modelling exercise running in parallel.
- 4.12 The Council's MTFP for 2017/18 – 2019/20 makes provision for borrowing of up to £20,000,000 towards the capital costs of the new Swimming Pool. However, the exact figures will become apparent following further work on the detailed design of the facility and the development of the full business case.

The financial strategy to identify the additional funding that will potentially be required for the proposed new Swimming Pool Complex will be produced and includes:

- Exploring additional funding opportunities from external sources, including third parties, Council capital receipts and commercial opportunities
- Reviewing the existing capital programme to identify the potential to reallocate funding
- Identifying the potential for additional new borrowing

- 4.13 In addition to the feasibility study, an initial master plan has been pulled together to ensure that the overall location of the new 50m Swimming Pool Complex allows any future wider site opportunities or developments to be explored. The proposed location for the new Swimming Pool Complex is in the region of the existing swimming pool which is shown in Appendix 2. The next phase of this work will be to further explore the opportunities for the wider site.

Business Case Development

- 4.14 FMG Consulting Ltd (FMG) was appointed in February 2017, to undertake a draft outline Business Case for the two facility mix options for the Swimming Pool Complex on the Moorways site. A key element of their work has been to evaluate the overall financial affordability of the Moorways development providing evidence on how a new Swimming Pool Complex could contribute to the Derby 2030 vision.
- 4.15 As part of their draft outline business case work, FMG has considered three different management delivery options to take account of the possible future management options of the proposed new swimming pool complex. These management options are:
- direct in-house resources;
 - a newly established trust
 - setting up a contract with an existing trust / external provider
- 4.16 The initial operational models against each of these options show a wide range of operational costs, from a requirement for a year on year subsidy greater than the £400,000 per year currently provided for within the Councils MTFP, to the potential for a significant operational surplus of around £700,000.
- 4.17 At this stage in the design process it is too early to provide any recommendations of the management delivery option; the next stage of the design process will firm up the facility mix and opportunities for commercial elements of the complex, which will enable a more detailed operational business case to be developed.
- 4.18 In a separate piece of work the Council is also carrying out an options appraisal to review the operating model for leisure, culture and tourism services within the Council. The outcome of this work will also help to inform the business case work that is being carried out on this swimming pool project.

Procurement strategy and demolition works

- 4.19 As part of the feasibility, an opportunity to separate the demolition works of both the existing Sports Centre and Swimming Pool Facility from the main contract for the construction of the proposed new Swimming Pool Complex has been identified to allow site works to commence in 2017. A procurement workshop, which considered the three most common procurement options within the market, their advantages and disadvantages and the Council's requirements for costs, quality and time, took place with the Project Design Team, including members of the Council's Procurement and Legal teams. They have identified the preferred procurement route for appointing both a demolition contractor and the principal contractor for the new swimming pool based on the assumption that the new facility will be operated in house.

- 4.20 A key project objective is to build the new swimming pool quickly and efficiently to address the poor condition of the current facilities within the City and the reduced water space following the closure of the Moorways swimming pool. These factors and the following points were key considerations in deciding the procurement method for this project:
- obtain the best price and value from the market;
 - compliance with the Council and statutory procurement requirements;
 - provide a high standard of materials and workmanship;
 - provide the lowest possible risk to the Council;
 - achieve the programme and earliest possible completion date;
 - achieve safe delivery.
- 4.21 The procurement and contract options for the demolition and enabling works will be through an open tender process using the eProcurement portal. Each tenderer will be required to complete the PAS91 form which will include targeted questions to ensure the correct organisations are considered for these works. Due to the value of these works, there is no requirement to follow the OJEU procurement process.
- 4.22 The main procurement and contract option that addressed the majority of the key considerations more than any other is a design and build tender via a two stage route. It is therefore the view that this is to be achieved via an open OJEU procedure approach to select the preferred contractor to take through to develop the detailed design.
- 4.23 It is also the view that the NEC Option A form of contract could be used, based on a design and build approach. This is a lump sum / fixed price contract which is commonly used by local authorities and has been used on recent major DCC capital projects.
- 4.24 The procurement option that has been proposed was on the basis of operating the facility in house. However, a separate piece of work the Council is also carrying out, is an options appraisal to review the operating model for leisure, culture and tourism services within the Council and the outcome of this may require the Procurement Strategy to be revised. If this is the case, Cabinet are asked to approve delegating authority to the Strategic Director for Communities and Place following consultation with the Cabinet Member for Governance and Finance and the Cabinet Member for Leisure, Culture and Tourism to make any changes.
- 4.25 The risk of continuing with the current Procurement Strategy is that should an alternative operator deliver the leisure, culture and tourism services in the future then this may mean further legal implications need to be considered. It may also mean that the alternative operator is not able to input into the detailed design of the facility. Any changes to the Procurement Strategy may also impact on the timescales for the project.

Key Next Steps

- 4.26 In order to progress to the next stages of the project approval is required for a budget of £1,760,000 that can be funded from the approved capital in the MTFP. This budget contains estimated costs of £625,000 for demolition works and £1,135,000 for professional fees and other Council commitments. The professional fees are for the work to be carried out in the next stage of the project for the wider site feasibility, detailed design work and the contractor procurement; it also provides an estimate for the detailed business case development.

OTHER OPTIONS CONSIDERED

- 5.1 As a result of the information gathered during this project, to do nothing is not believed to be an option if the Council is to provide facilities that meet the demands for swimming in the City.
- 5.2 The FPM provided a number of options that were considered by the Project Board, the approach being proposed takes into account the information from the FPM as well as local circumstances affecting Derby.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Emily Feenan, Principal Lawyer Amanda Fletcher, Head of Finance Communities and Place Christine Durrant, Strategic Director Communities and Place Claire Davenport, Director of Leisure, Culture and Tourism Richard Boneham, Head of Governance & Assurance Lynda Innocent, Head of Information Software Support Ann Webster, Lead on Equality and Diversity Melissa Howell, Principal Procurement Officer Linda Spiby, Head of Procurement and Contracting Lisa Stevenson, Delivering Differently Project Manager
For more information contact: Background papers: List of appendices:	Wayne Sills 01332 641267 / wayne.sills@derby.gov.uk None Appendix 1 - Implications Appendix 2 - Site Plan showing proposed pool location

IMPLICATIONS**Financial and Value for Money**

- 1.1 The Council's MTFP for 2017/18 – 2019/20 makes provision for borrowing of up to £20,000,000 towards the capital costs of the new Swimming Pool. The MTFP also makes provision for a £400,000 revenue subsidy for 2019/20 onwards, however it is anticipated that this will be an initial subsidy with a long term expectation of moving towards a nil subsidy position if at all possible. These figures were best estimates for the purpose of budget setting. The more detailed figures will become apparent following further work on the design of the facility and the creation of a full business case.
- 1.2 Mace Cost Consultancy have reviewed the capital cost for both facility mix options and have identified an initial indicative project budget of up to £23,400,000 for the base option and up to £32,900,000 for the enhanced option. This means that at this stage, the full capital required for the facility mix options has not yet been identified. Appropriate inflation levels have been included; however these figures exclude building and equipment lifecycle costs and the costs for paying back the borrowing of the capital costs.
- 1.3 The financial strategy to identify the additional funding that will potentially be required for the proposed new Swimming Pool Complex will include:
 - Exploring additional funding opportunities from external sources, including third parties, Council capital receipts and commercial opportunities
 - Reviewing the existing capital programme to identify the potential to reallocate funding
 - Identifying the potential for additional new borrowing
- 1.4 Approval is sought in this report to progress to the next stage of the project which will involve committing up to £1,760,000 of capital expenditure in 2017/18. This will cover the estimated costs of £625,000 for the demolition works and incurring costs of £1,135,000 for the additional professional fees and other Council commitments for the next stages of the project. If the project does not progress beyond this stage, there is a risk that these costs could turn out to be abortive revenue expenditure and a budget for this would need to be identified.

- 1.5 It should be noted that the initial business case analysis has been provided at an early stage of design development and will require further refinement if the project is progressed through the detailed design process. Once the design is known the refined business case will be submitted for Cabinet approval later in the year. Only once the full business case information is available will we be able to gain more clarity on whether the Council has identified sufficient revenue funding for the operational costs in the MTFP. The initial financial operational models for the two facility mix options currently show a wide range of net operational costs, from a requirement of a year on year subsidy greater than the £400,000 per year currently provided for within the MTFP, to the potential for a significant operational surplus of around £700,000.

Legal

- 2.1 The Council's legal service are represented at Project Board and Project Team level and are providing legal advice to all aspects of the project, including in relation to procurement methodology and contract structure.

Personnel

- 3.1 None arising as a result of this report.

IT

- 4.1 The authorities' requirements document will be developed as part of the next stage of the project, there is an IT section that will be populated in conjunction with the IT Department. This will encompass the infrastructure requirements and the associated resources required for implementation and deployment.

Equalities Impact

- 5.1 The detailed designs for the proposed new Swimming Pool Complex will be comply with the Equality Act requirements and Building Regulations, including any good practice such as a changing places toilet and easy access solutions to the pools is considered, so hoists may not have to be used. We will fully involve the Derby Diversity Forum in all stages and be conducting equality impact assessments as the scheme is developed to address and promote equality initiatives in the design for all communities, including disabled children.
- 5.2 It will be essential to appoint an Access Consultant to work alongside the design team and architects and the Forum. This process was followed for the Derby Arena and this resulted in Derby having one of the most accessible facilities.

Health and Safety

- 6.1 None arising directly from this report.

Environmental Sustainability

- 7.1 None arising directly from this report.

Property and Asset Management

- 8.1 The FPM showed by 2028, much of the City's current swimming pool stock will have reached the end of its active life without significant investment; this includes Queen's Leisure Centre. Moving forward with the provision of facilities that help meet the demands of swimming will benefit the City and its communities.

Risk Management and Safeguarding

- 9.1 A number of key risks have been identified by MACE, which could impact on the scheme commercially these are:
- Ground conditions; financial impact of altering the foundation designs due to unknown ground conditions.
 - Financial impact to other services dependant on the Council source for funding
 - Increased facilities requirements from the leisure team following receipt of the business case.
 - Failure to achieve programme timescales due to delays from procedures and/or changes to requirements.
 - Financial implications for fixtures, fittings and equipment not being scoped and priced accurately.
 - Utilities; financial and programme impact of utilities and statutory diversions.
 - Development of design not in line with benchmark rates.
- 9.2 A number of risks have been identified by FMG in developing the draft outline business case which could have impact on the operational viability of the facility, these are:
- Whilst robust assessments have been undertaken on both income and expenditure activities, the project is currently at feasibility stage and thus these will change as the project progresses through design stage.
 - The Council will continue to offer mandatory rate relief of 80% to NPDO's (new trust).
- 9.3 The Council's project team have identified a number of key risks associated with the project, these include:
- The City may end up with no major swimming facility provision, following the demolition of Moorways Swimming Pool if further issues occur with Queen's Leisure Centre.
 - Some of the opportunities identified in the Funding Strategy detailed in Appendix 1 section 1.3 may not be delivered. This means that at this stage, the full capital required for the two facility mix options has not yet been identified.
 - Only once the full business case information is available will we be able to gain more clarity on whether the Council has identified sufficient revenue funding for the operational costs in the MTFP.
 - The funding for the next stage of the project is at risk of turning out to be abortive costs if the project does not proceed to Part Three of the Contract which involves full build.
 - Needing to revise the current Procurement Strategy should an alternative operator deliver the leisure, culture and tourism services in the future resulting in

a delay to the timescales for the project.

- The alternative operator should this be the Council's chosen route, not being able to input into the detailed design of the facility.

9.4 All risks identified will be closely monitored and discussions will take place to identify mitigations where possible.

Corporate objectives and priorities for change

10.1 To proceed with the proposed new Swimming Pool Complex at Moorways will help to meet the Council's 15 year vision to be a safe, strong and ambitious city with an ambition to be one of the most active cities in England and to meet the Council's pledge to open a new swimming pool by 2020.

Appendix 2



Classification: OFFICIAL

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