

# ITEM 10

**Council Cabinet  
8 November 2017**

## **Minute Extract**

Matter requiring Council approval is decision 4 of minute 75/17:

**To recommend Council to increase the capital programme for the project by £13,000,000 to provide a capital budget of £33,000,000, which was within the maximum envelope value of £35,000,000 and that the 2018/19 - 2019/20 Capital Programme be re-profiled accordingly.**

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### Full minute

## **75/17 New Swimming Pool Complex at Moorways**

The Council Cabinet considered a report which stated that The Leader of the Council had made six key pledges on behalf of the whole Council, which included the building of a new swimming pool complex. The pledge stated that the Council would start building a new swimming pool by the end of 2017, which would open in 2020. Phase two of the current Leisure Facility Strategy (LFS) was being progressed to achieve this on the site of the existing Moorways swimming pool.

AR Demolition was awarded a contract to demolish the old swimming pool complex in July 2017; works had commenced on site and were due to be completed in December 2017 achieving the Council's pledge.

On 12 April 2017, Council Cabinet resolved that MACE Consultants (Mace) and their appointed design team should progress the project on the basis of the enhanced facility mix option for the Swimming Pool Complex and identified the ideal position for the new facility on the Moorways site, in order to maximise the potential for future wider site development opportunities.

The Mace design team had worked up RIBA stage 3 designs, based on the enhanced facility mix option. The enhanced facility mix included a 10 lane, 50m swimming pool with more significant additional complementary leisure facilities at an indicative project budget of up to £32,940,000. This enhanced model provided a more commercial approach to the operation of the overall facility.

The enhanced facility mix option that had been designed required the capital programme budget to be increased. The additional capital funding of £13,000,000 had been identified through the forecast capital receipts from the disposal of surplus properties. In order to progress to the next stages of the project Council Cabinet was asked to recommend Council to approve of the additional funding. This would allow a capital budget of £33,000,000 to be approved which was within the maximum envelope value of £35,000,000 to allow the new Swimming Pool

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Complex to be built and to also proceed to Part Three of the contract with Mace. Part Three included the build of the new Swimming Pool Complex, practical completion and handover.

Subject to the approval of the required budget at the Council meeting in November 2017, it was proposed that procurement of the build contractor would commence at the end of November 2017 and that this would follow the procurement strategy that was approved at the 12 April 2017 Council Cabinet.

FMG Consulting Ltd had continued to work on the business case using three models; Council run, Local Trust and Out-sourced delivery models. The findings showed that within the revenue budget set aside in the Medium Term Financial Plan (MTFP) 2017/18- 2019/20 of a £400,000 subsidy that two options fitted within this envelope; these being a Trust and an Out-sourced delivery model. The budget figures in the report made the assumption that the operation of the facility was through one of these two options and should this not be the case the revenue budgets would need to be revisited within a future MTFP process.

To further assist with delivering this project it was currently proposed to submit a planning application for consideration at the Planning Committee in early 2018.

The Executive Scrutiny Board requested Council Cabinet to give further consideration to

1. The risks of not finding a suitable operator, particularly the financial risks around the Council running the facility in this event, including pressure on future annual budgets and putting the council close to the VAT threshold for financial exemption which could have significant knock-on effects for future capital projects; and
2. Enabling people from across the city to access the Moorways site by public transport, particularly those on lower incomes.

## Options Considered

As a result of the current position of the project, to do nothing and cease the project was not believed to be an option if the Council was to provide facilities that meet the demands for swimming in the City.

The risks associated with ceasing the project include:

- Reputational damage of not completing a Key Pledge
- Financial losses of capital expenditure on project so far.

## Decision

1. To note that public engagement on the RIBA stage 3 designs occurred, between 25 September and 8 October 2017, and that the majority of

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respondents fed back very positively on all the key aspects of the engagement. See Appendix 4 of the report.

2. To approve the RIBA stage 3 developed design for the proposed new Swimming Pool Complex at Moorways based on the proposed enhanced facility mix of a 50m swimming pool, learner pool, leisure water, fitness suite, studios, café and other ancillary facilities to develop a more commercial leisure offer and to approve progressing the detailed designs for the new Swimming Pool Complex.
3. To note the phased approach for the planning strategy for the new Swimming Pool Complex; the pool being phase 1 and the wider site phase 2 as outlined in paragraph 4.14 of the report and to approve continuing to develop phase 1.
4. To recommend Council to increase the capital programme for the project by £13,000,000 to provide a capital budget of £33,000,000, which was within the maximum envelope value of £35,000,000 and that the 2018/19 - 2019/20 Capital Programme be re-profiled accordingly.
5. To note that £400,000 per annum was added to the MTFP 2017/18-20 for the new Swimming Pool Complex to provide the revenue budget for the projected subsidy for the facility. Current analysis indicated that this would be sufficient if the facility was delivered by either a Trust or an Outsourced option. The budget figures in the report made the assumption that the operation of the facility was through one of these two options and should this not be the case the revenue budgets would need to be revisited within a future MTFP process.
6. Subject to Council approval of the capital programme budget and the approvals required in paragraphs 2.2 and 2.3 of the report, to approve proceeding with the procurement of a build contractor for the new Swimming Pool Complex at Moorways at the end of November 2017, and to delegate authority for the award of the contract for the building works 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.
7. To approve proceeding with Part Three of the contract with MACE (Tender Reference: TD1155) to progress with the build and handover of the new Swimming Pool Complex subject to successful planning approval, procurement of a preferred build contractor, and the approval of the increased capital budget. To note that a variation to the contract would need to be progressed to reflect the current value of the project and that there would be an increased fee agreed with MACE based on the revised value of the project.
8. To note and accept the risks associated with continuing with this project as identified in the report.

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9. To accept the recommendation of the Executive Scrutiny Board requesting Council Cabinet to give further consideration to
  - The risks of not finding a suitable operator, particularly the financial risks around the Council running the facility in this event, including pressure on future annual budgets and putting the council close to the VAT threshold for financial exemption which could have significant knock-on effects for future capital projects: and
  - Enabling people from across the city to access the Moorways site by public transport, particularly those on lower incomes.

## Reasons

1. To allow the timeline for delivering this project to be maintained and keep on track to open the new Swimming Pool Complex in 2020 delivering a much improved and modernised leisure facility offer within the city. Further supporting the Council's 15 year vision to be a safe, strong and ambitious city with an ambition to be one of the most active in England.
2. The FPM showed by 2028, much of the City's current swimming pool stock would have reached the end of its active life without significant investment; this included Queen's Leisure Centre, the future of which would need to be reviewed as part of the progression of the plans for the new Swimming Pool Complex. The current expectation was that it would close when the new facility opens. Moving forward with the provision of new facilities helps meet the demands of swimming which would benefit the City and its communities.