

JUBILEE 2 UPDATE

Submitted by: Executive Director - Regeneration & Development

Portfolio: Regeneration and Planning/Culture and Active Communities

Ward(s) affected: All (particularly Town)

Purpose of the Report

To provide Members with information about progress relating to the capital build of the Jubilee 2 centre since you considered a report at your December meeting.

Recommendations

- (a)_ That Cabinet receive the information contained within this report.**
- (b) That Cabinet conveys its thanks to all partners involved in delivering this project, particularly those who contributed funding.**

Reasons:

- (i) To facilitate the decision-making and delivery processes regarding the provision of the Jubilee 2 health and wellbeing centre for the residents of the Borough.
- (ii) To ensure that the good practices adopted throughout the delivery of Jubilee 2 and the lessons learned are taken into account for the future projects that the Council may wish to undertake.

1. Background

- 1.1 In the spring/summer of 2008 Cabinet authorised officers to develop the brief for a new Health and Wellbeing Centre (now known as Jubilee 2) to meet the healthy and active lifestyle needs of the Borough's residents. At that stage the "preferred facility mix" included a 25m eight lane swimming pool, a training pool, eighty station fitness suite, two dance studios, health suite (including sauna and steam room), cafeteria, and other ancillary space including changing rooms, plant rooms; no specific requirement was made for sustainable energy solutions in the building.
- 1.2 Your officers sought specialist advice to determine the likely footprint of the building and the broad cost envelope for the project which was determined to be 4,000sqm and £14 million respectively. It should be noted that Cabinet acknowledged the potential requirement for additional "desirable facilities" including a moveable floor in the competition pool & training pool, an additional 20 stations in the fitness suite, and a climbing wall. None of the latter facilities were factored into either the original footprint for the building or the broad cost envelope for the project.
- 1.3 The brief for Jubilee 2 was developed throughout 2009 in consultation with key stakeholders including NHS North Staffordshire, Sport England, and the Amateur Swimming Association, the Carbon Trust, the users of Jubilee Pool & Knutton Recreation Centre and the wider community. As a result of this ongoing consultation Officers worked closely with the design team and professional advisors to incorporate the above-mentioned desirable facilities into the design for Jubilee 2, resulting in an increase in the footprint of the building to 4,300sqm.

- 1.4 Given the Council's strategic responsibility to reduce its carbon footprint a robust options appraisal of the available sustainable energy solutions was undertaken by the Council's professional advisors. This resulted in the following items being incorporated into the design for Jubilee 2: a combined heat a power unit; L.E.D lighting; photovoltaic cells; waterless urinals; heat recovery systems and; automated (PIR) lighting systems.
- 1.5 Throughout the design phase the cost plan for Jubilee 2 was continually refreshed to take account of the fluctuating market conditions, the availability of external funding and the design requirements of the building. This resulted in a revised broad cost envelope being established for the Jubilee 2 of £12.2million prior to freezing the main elements of the building design in the autumn of 2009 and submitting a Planning Application for the Council's consideration.
- 1.6 Following numerous detailed adjustments and refinements in the internal elements of the building design and the completion of a robust contractor procurement process (with Cabinet agreeing, in July 2010, to appoint Morgan Sindall to build the scheme) the anticipated total cost was envisaged to be about £10.5m. The contractor agreed to commence work with a target date for "practical completion" of 31 December 2011. Officers are pleased to report that Jubilee2 was formally handed over to the Council on 9 December 2011 and opened to the public on 12 December 2011.

2. **Issues/Progress Update**

- 2.1 Since the formal handover of the Jubilee 2 building your officers and professional advisors have been working towards establishing the final account for the construction element of the project. Given the large number of parties involved in this process (particularly the large number of sub-contractors) it is envisaged that this exercise will be completed within the next few months, however your officers and advisors are confident that the financial outturn costs of the overall project will be in the region of £10.2 - £10.3million.
- 2.2 On 7 January 2012 Jubilee 2 was formally opened in a public "come and try" event, by former Olympian Nick Gillingham and former Commonwealth medallist, David Moorcroft. The event was very well attended by key stakeholders, members past and present who have had a direct involvement in the project, members of the community who had received grants from the Newcastle Sports Council along with residents of the Borough. Members are advised that the centre will be the subject of a visit by the Princess Royal too, in April 2012, as part of the Queen's diamond Jubilee year celebrations.
- 2.3 Since Jubilee 2 opened, your Officers have undertaken an initial review of the performance and are pleased to report the following key outcomes:
 - (a) There have been in excess of new 1,000 customers taking up a fitness membership by direct debit (in addition to the 1500 existing customers).
 - (b) The operational hours of Jubilee 2 has increased by 11.5 hours a week when compared to the operational hours of the former Jubilee Pool.
 - (c) A robust exercise class programme of in excess of forty classes per week has been established at Jubilee 2, compared to a previous weekly class programme being delivered at Jubilee Pool and Knutton Recreation Centre of between 5 and ten classes.
 - (d) The availability of public swimming has increased from about 57% at Jubilee Pool to 96% of the operational hours at Jubilee 2.

- (e) The performance of the combined heat and power unit and photovoltaic cells since the opening of Jubilee 2 has meant that the Council has managed to reduce its carbon footprint by 30,308kgC when compared to operating without them in situ; this increased efficiency will have saved money too.

2.4 Since your meeting in December 2010 Officers have been evaluating the effectiveness of the project management arrangements for delivery of Jubilee 2, so that lessons can be learned for any future projects being undertaken by the Council. The key messages in relation to the delivery of Jubilee 2 that have been identified to date are as follows:

- (a) The importance of strong governance arrangements (including a member-led Project Board and a broadly-based officer steering group chaired by the key Portfolio Holder) and the realisation that such large-scale capital projects will typically require support from a variety of disciplines throughout the Council, as well as multiple Portfolio Holders. During the delivery of the Jubilee 2 project it required an input from officers representing in excess 20 separate disciplines within the Council, as well as all six Cabinet members, to ensure that Jubilee 2 was delivered on time and within budget. It is noteworthy that the main contractor found the Council a good client to work for because of both the knowledge available and the approach adopted at the monthly client/contractor project meetings.
- (b) The value of developing a detailed building specification upfront and allowing sufficient time to do this. The construction element of Jubilee 2 was tendered at RIBA stage F-G, where it is typical to go to tender at the earlier stage C-D when entering into a design and build contract. This allowed officers and the Council's professional advisors (representing key disciplines that we don't employ such as architectural services, M&E specialists, etc) to ensure that there would be greater cost certainty by affording limited scope for the contractor to change the specification and or make claims for additional costs.
- (c) Where projects require input from a number of external disciplines, where possible seek to appoint each discipline on an individual basis as opposed to appointing a consortium where others may work collaboratively to bring a team together. The key benefit of appointing each discipline on an individual basis meant the officers found that each discipline challenged the ideas of others, brought a greater wealth of experience to the project, ensuring a greater degree of cost control, whilst ensuring the final outcome met the Council's expectations.
- (d) The preparation and delivery of a robust communications plan. A separate working group was established within the governance arrangements for Jubilee 2 to undertake this role. This meant that relevant communications were issued to the wider community at an appropriate point of time and queries from the public and media were dealt with in a timely manner. As a result of this robust process officers are pleased to report that throughout the delivery of Jubilee 2 the Council did not receive any negative media coverage.
- (e) Broadly speaking the delivery of Jubilee 2 as a construction project was free of significant or unforeseen complications (largely for the reasons cited above). However officers felt that an improvement to the project could have been made though the earlier engagement of the Highway Authority when considering the requirements in relation to the S.278 works. This would have avoided complex negotiations with the main contractor and other statutory services concerning the dovetailing of various elements of the project in the later stages of the construction programme.

3. **Proposal**

- 3.1 That Cabinet receive the information contained within this report.
- 3.2 That Cabinet conveys its thanks to all partners involved in delivering this project, particularly those who contributed funding.

4. **Reasons for the Preferred Solution**

- 4.1 To acknowledge the key lessons learned from the project management arrangements and to ensure similar arrangements are put in place for any future projects undertaken by the Council.
- 4.2 To acknowledge the contribution of key partners who contributed to the successful delivery of the project.

5. **Financial and Resource Implications**

- 5.1 It should be noted that the projected financial outturn for the project is anticipated to be £10.2-10.3 million against a revised cost envelope of £10.5million (compared to the original cost envelope of £14m).
- 5.2 Additionally the operating costs are forecast to be around £350,000 p.a. less than the joint running costs of the former Jubilee Baths and the Knutton Recreation Centre. compared to 2011/12 where a further £100,000 saving has already been delivered through a management restructuring in readiness for the hand over of Jubilee 2 in December 2011.
- 5.3 Members will recall that your Officers managed to secure external funding totalling £900,000 towards the capital cost for Jubilee 2, namely, NHS North Staffordshire £500,000, and Sport England £400,000. This means that the total cost to the Council will be around £9.4m. Additionally the operating costs are forecast to be around £350,000 p.a. less than the joint running costs of the former Jubilee Baths and the Knutton Recreation Centre.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 The provision of accessible leisure facilities contributes to the delivery of the Council's Strategic Priorities as set out in the Corporate Plan. There will be a positive impact on those relating to health improvement, quality of life, and support for disadvantaged communities, community safety and broader regeneration objectives for the town centre. In particular it is anticipated that Jubilee 2 will assist the Council/Partners in achieving positive health outcomes thereby reducing health inequalities.

7. **Legal and Statutory Implications**

- 7.1 The Council has powers, under the Local Government Act 2000, to improve the social, economic and environmental well-being of the Borough's residents. The Council has general powers to provide adequate resources are allocated for sport and recreation through the statutory framework of the core planning strategy and development plan documents. On a more specific note clearly it is vitally important that the Council procures appropriate and specialist legal advice to prepare the necessary contracts.

8. **Equality Impact Assessment (EIA)**

- 8.1 Jubilee 2 has been designed to be as an inclusive facility that will seek to optimise access from all sections of the community. The inclusion of a "Changing Places" toilet has received

positive feed back form members of the community as it has will enhanced their experience of using the facilities at Jubilee 2. Officers are now in the process of registering the facility with MENCAP.

9. **Major Risks**

9.1 A full risk assessment/log for the project has been completed in conjunction with the Council's Corporate Risk Manager and continues to be subjected to regular review. The latest version of this document is available upon request

10. **Previous Cabinet Decisions**

Cabinet 18 June 2008
Cabinet 10 September 2008
Cabinet 22 October 2008
Cabinet 26 March 2009
Cabinet 13 May 2009
Cabinet 29 July 2009
Cabinet 9 September 2009
Cabinet 21 October 2009
Cabinet 14 December 2009
Cabinet 13 January 2010
Cabinet 17 February 2010
Cabinet 24 March 2010
Cabinet 2 June 2010
Cabinet 28 July 2010
Cabinet 15 September 2010
Cabinet 2 November 2010
Cabinet 15 December 2010.
Cabinet 9 February 2011
Cabinet 17 March 2011
Cabinet 8 June 2011
Cabinet 20 July 2011
Cabinet 7 September 2011
Cabinet 11 October 2011
Cabinet 5 December 2011

12. **List of Appendices**

Risk Register – available on request