

CABINET

6 JULY 2016

THE OVERVIEW AND SCRUTINY COMMITTEE

11 JULY 2016

LEISURE CENTRE REPLACEMENT PROJECT

REPORT OF PROJECT TEAM

Contact Officer: Steve Tilbury Tel No: 01962 848135 Ext 2135

RECENT REFERENCES:

CAB2708 – 9 September 2015, Options for River Park Leisure Centre

CAB2798 - 29 March 2016 - Leisure Centre Replacement Project

EXECUTIVE SUMMARY:

This report provides a further update on work conducted to inform the decision as to whether to replace the existing River Park Leisure Centre with a new building at Bar End and asks for a number of key project decisions.

It outlines the service delivery and cost issues associated with different facility mix options and asks Cabinet to 'freeze' the facility mix so that further detailed work is focussed on delivering a specific objective. This is essential for the appointment of a professional team, development of the business case and for engagement with local residents, stakeholders and sports clubs. There are many issues to address with all of these but doing so relies on having project momentum. This will enable a full consultation exercise on a detailed proposition in the Autumn and consideration of the business case by Cabinet and Council based upon a 'planning application ready' scheme later in 2016 or early 2017.

This report includes as appendices or background documents responses to the most recent consultation exercise with sports clubs, associations and governing

bodies on their ideas and aspirations so that Members can draw their own conclusions from these.

The report considers briefly the likely pattern of procurement and governance issues but it should be noted that these are likely to prove complex and time-consuming to resolve, given the number of partners and stakeholders. This is a further reason why a focus on delivering a specific outcome is now essential.

Approval is sought for the appointment of external consultants and advisors to progress the project through the use of an EU compliant Framework agreement and the provision of the necessary budget up to and including a planning application.

RECOMMENDATIONS:

TO CABINET

- 1 That Cabinet considers the content of the report and determines the core facility mix for the new leisure centre.
- 2 That (subject to Council approval of the necessary supplementary estimate) Cabinet authorises the procurement of the design, project management and other professional services required to progress up to RIBA Design Stage 3 (with an option to extend such services to the construction Stage) provided that the approval of Cabinet shall be obtained prior to submission of a planning application, supported by a report setting out the business case for the new facility.
- 3 That the mechanism for the procurement of these professional services be either through the use of an EU compliant Framework agreement or, if that proves unsuitable, through an EU compliant tender process.
- 4 That authority be delegated to the Assistant Director (Estates and Regeneration) in consultation with the Leader to:-
 - (i) Determine the choice of procurement route (within the scope set out in Recommendation 3 above);
 - (ii) Select and approve a suitable EU compliant Framework (if required);
 - (iii) Appoint the selected consultants for the professional services set out in Recommendation 2 above.
- 5 That in accordance with Financial Procedure Rule 7.3, Council be requested to approve a supplementary estimate of £770,000 to be allocated for design, project management and other professional services required to progress the Replacement Leisure Centre Project up to RIBA Design Stage 3, funded from the Major Investment Reserve.

TO THE OVERVIEW AND SCRUTINY COMMITTEE

- 6 That in accordance with Financial Procedure Rule 7.3, the Overview & Scrutiny Committee considers whether there are any matters of significance which it wants to draw to the attention of Cabinet or a portfolio holder or Council.

CABINET

6 JULY 2016

LEISURE CENTRE REPLACEMENT PROJECT

REPORT OF PROJECT TEAM

DETAIL:

1 Introduction

- 1.1 Since Cabinet last received a report on the options for the replacement of the River Park Leisure Centre officers have progressed technical work to support the decision-making process, in particular in relation to transport, flood risk, drainage, ecology and financial planning.
- 1.2 The University of Winchester continues to support the project on the basis of a future governance arrangement which reflects their financial contribution, and is actively engaged in the project board. Discussions are continuing with Hampshire County Council in relation to land interests and the potential for alignment with any of their plans for adjacent facilities and their own support for sports development activities.
- 1.3 As the design concept has evolved and a potential facility mix has begun to emerge the Council has given a further opportunity for sports clubs, governing bodies of sport, and existing leisure centre users to comment on the nature and performance requirements of the proposed facilities. Sport England, which is the organisation funded by Government to oversee sports development in England and to distribute National Lottery funds for sport, has provided technical assistance in the form of its Facilities Planning Model. This is widely recognised as providing the benchmark for assessing facility demand.
- 1.4 Some Members were able to attend a fact finding visit to the newly opened Wycombe Leisure Centre and the recently completed Westminster Lodge leisure centre in St Albans which demonstrate different types of facility provision and the experience that each local authority had of specification and procurement.
- 1.5 If Cabinet is satisfied that the project should continue to progress it is necessary to confirm the facility mix at this stage, so that detailed design, engagement and preparations for a planning application can be advanced. This will also allow the detailed business case to be assessed. If Members do not 'freeze' the facility mix, then any further work will simply generate yet more options and possibilities and not take the project further along the delivery timetable. This is important, not only because new build costs will almost certainly rise as time goes on, but also because aspects of the existing

building require attention and these will increase in scope and cost until replacement.

- 1.6 If the project is to progress, it is also necessary for Cabinet to agree the principles on which the procurement of the key elements of the project should proceed and agree a budget for professional services such as design and project management which cannot be provided 'in house'.

2 DISCUSSION

Facility Mix

- 2.1 Cabinet has previously considered various elements which might be incorporated into the facility mix. Around the dry side provision, a broad consensus has emerged and this was reflected in the verification plan seen by Cabinet at its last meeting on 29 March 2016 (CAB2798 refers). The plan and facility mix were the basis for the most recent consultation with clubs and governing bodies. In general, there was support for the proposals but comments were made regarding the desirability of additional specialist facilities, such as a gymnastics hall. Of course, if resources of money and space were not limited it would be desirable to include these, but such limits do exist and Cabinet may conclude that the case for including them in the facility at this time is not compelling. This is not to say that they could not be supported in other ways at some time in the future. The University which is the major funding partner is content with the proposals. It is therefore suggested that the dry side facilities identified in the previous Cabinet report CAB2798 be confirmed for the facility mix.
- 2.2 One aspect of the dry side which does have to be considered further is the inclusion of facilities such as sports science labs, office space and sports medicine facilities (if the facility is to be home to the Hampshire Institute of Sport). This will be tested in discussion with Hampshire County Council as the design and business case progresses.
- 2.3 A decision is required now on the wet side facilities, in particular whether to provide a 50m or 25m pool in addition to other community space.
- 2.4 The scale and configuration of the wet side will have a significant impact on construction and operating costs. It is therefore a major financial decision which will have an impact over the entire lifetime of the leisure centre. The University of Winchester has no requirement for a 50m pool and is concerned that the long-term operating costs of such a facility should be considered carefully. The Amateur Swimming Association (ASA) has no requirement in its current strategic planning for a 50m pool in Winchester. However, at the request of Cabinet, officers have commissioned further work from the currently retained architects, Roberts Limbrick, and project managers and cost consultant MACE, to test options for a 50m pool as part of the project.

- 2.5 Three options have emerged for Cabinet to consider which are shown in drawings attached in Appendix 3. They are:
- Option 1 - 25 metre 8 lane pool with 2.25m lanes, 250 spectator seats, a teaching/community pool (20m x 10m) and a splash pool/ confidence water area. A 25m pool to this specification would meet ASA standards for short course events and would exceed the specification of nearby pools, including those currently under construction.
 - Option 2a - 50 metre 8 lane pool with 250 spectator seats, a teaching/community pool (20m x 10m) and a splash pool/ confidence water area. A 50m pool to this specification would not meet ASA standards for the number of spectator seats but that requirement might be considered excessive in a primarily community facility.
 - Option 2b - 50 metre 8 lane pool with 400 spectator seats, a teaching pool/community (20m x 10m) and a splash pool/ confidence water area.
- 2.6 All of the above options would also allow for up to 250 pool side temporary competitors seating to be provided.
- 2.7 The decision as to what scale of wet side facilities to provide is one for Members to take based on their objectives for the project (which also needs to take into account the views of the University of Winchester which is a key funding partner) and their assessment of financial capabilities and risk appetite. The decision should be informed by evidence and have regard to the general public law requirements for the decision-making process (taking all relevant factors into account, not taking into account irrelevant factors, and coming to a decision that is rational and one that a “reasonable” council would reach). By doing so, any challenge to the decision-making process (by way of judicial review) can be strongly defended. Providing Cabinet is satisfied on these issues, it is a matter for Member’s judgement what decision is reached.
- 2.8 Winchester City Penguins Swimming Club strongly supports the provision of a 50m swimming pool, both on the grounds of additional flexibility and supply to the local community and for the benefits to the club of providing long course training and events.
- 2.9 Building bigger facilities, or more facilities, will always provide greater flexibility and scope for the future, or provide for uses which are not apparent today. However, since resources are finite and there are competing demands for different public benefits, Members must decide what financial commitment they are willing to make, bearing in mind the risks attached and the possible effect on the delivery of other projects. Cabinet should also consider the additional risks attached to delivering a larger and more expensive facility within a constrained and contested site. If it does proceed with a larger facility the Council must set a budget which professional advice and recent comparators suggests is reasonable.

- 2.10 The table below summarises the key figures for each of the three wet side options assuming the same dry side facilities. The capital cost figures have been provided by MACE the international project management consultancy currently retained as advisors by the Council and based on the verification plan modified with each of the pool options.

	Option 1	Option 2a	Option 2b
Estimated total project budget	£29.6 million	£29.6m plus £4.3 million	£29.6m plus £4.5 million
Revenue implications	RPT Consulting modelling shows no net difference in the likely revenue surplus generated by the options. Each option could be expected to generate a similar third party management contractor payment		
Amount of water space provided	685 m ²	1,160 m ²	1160 m ²
Water space compared to River Park Leisure Centre	210 m ² more	685 m ² more	685 m ² more
Number of swims (per day) each pool could accommodate	505	693	693
Extra cost per swim (including lessons and club hire) which would need to be added to pay back the additional borrowing		£0.70	£0.70
Approximate building footprint (m²) (the area covered by the building)	8,700	9,900	10,000
Parking spaces (may be reduced to a degree once detailed design progresses)	400	460	490
Suitability for competitive events	County Competitions	Regional Training	Regional Competitions

- 2.11 The financial projections produced by RPT Consulting are set out in Appendix 4. Their work is based on their experience and judgement and the evidence they have from comparators. It is possible that other dynamics may come into play, but Cabinet should have regard to the commissioned work in its decision making.
- 2.12 RPT's key financial conclusion is that the operation of a 50m pool does provide additional flexibility and therefore usage. The benefits of this are taken into account in their income projections. It also has additional operating costs such as heating, water usage, lifeguarding and cleaning. Additional income derived from the greater capacity and flexibility, and additional expenditure on running costs, balance out and RPT's advice is that provision of a 50m pool is unlikely to result in any additional net income and therefore cannot be expected to fund the additional borrowing which would be required to finance

the additional construction costs. The cost of this additional borrowing could be met through additional charges on all swimmers or through direct financial support from the City Council's existing budget – the mechanism for which depends on the governance model adopted.

- 2.13 This advice does not therefore support the view that a larger pool can be justified because it will be self funding. It may require higher charges for all swimmers (which carries operating risk if those swims fail to materialise) or subsidy from Council Tax payers. However, a larger pool may still be justified if those additional costs will have other benefits which Cabinet considers to be demonstrated and desirable.
- 2.14 If there is a requirement for a larger pool water area to meet the community swimming requirement of Winchester's residents, then this would provide a solid justification for larger facilities. The best available mechanism for determining this is Sport England's Facilities Planning Model (FPM) which is used almost without exception to assist with public sports facility provision decision making – and by Sport England in assessing applications for lottery funding. Sport England have undertaken a 2016 'run' of the FPM for swimming provision in Winchester which demonstrates a small under-provision of water space based on current population. Winchester District's population will expand under the current Local Plan up to 2031 and this will increase the undersupply which a new public facility needs to address. However, a considerable amount of this growth is in the M27 area at Whiteley and Waterlooville and not in the primary catchment area for River Park Leisure Centre. New facilities are already coming on stream in Fareham and Eastleigh, and possibly Alton in due course, which will also 'soak up' some demand. It is therefore sensible to consider relatively modest increases in demand over and above existing shortfalls.
- 2.15 A copy of the Sport England FPM run has been provided to all Members and is available on the Council's website as a Background Document to this report. The shortfall in swimming pool provision, even allowing for an increase in population, would be met by the 25m pool option. It should be noted that the FPM is not a simple comparator of supply and demand. The model takes account of peak time availability, disregards pools with minimal public access and incorporates travel mode and proximity to facilities outside of the District. The Council is not bound by the FPM result but since it is the model Sport England uses to assess the merits of National Lottery applications, an application for grant aid to support a facility which is not justified by the FPM may be less likely to succeed.
- 2.16 A 50m pool may also be justified if, as a primary objective, the Council wishes to provide a regional facility for club swimming and galas. If the Council were to provide a facility on this scale, this would be very much welcomed by the Winchester City Penguins swimming club. It would then also provide community swimming capacity well in excess of the FPM identified level which would provide flexibility in programming.

- 2.17 The requirement for regional facilities (and support for the financing thereof) is generally considered to be a matter for the governing bodies of sport, in this case the ASA. The ASA has not identified any requirement for a regional facility in Winchester. This does not mean that they would not be delighted if Winchester chose to provide such a facility for its own reasons.
- 2.18 It is for Cabinet to weigh the considerations and to make a decision on wet side facilities which are to be incorporated into the next stage of work. It has taken four years even to reach this point, and the decision cannot be further delayed if any progress is to be made on the project.

3 Key Partnership Considerations

- 3.1 Productive discussions continue with the University of Winchester. As Cabinet has previously been advised, the University requires as a condition of its funding that the new centre be incorporated into a new governance arrangement, either by way of a joint venture company or trust so that the University can be fully represented in long term decision-making. This is perfectly reasonable but it adds a layer of complexity to the project which has to be taken into account in timescales and in the Council's decisions about procurement and funding. Although it wishes to form a new governance arrangement, the University has now indicated that it does not necessarily wish to undertake the day to day management of the facility itself. Details of the governance arrangements will be further developed over the coming months and will form part of the business case to be considered later in the year. External legal advice will be required to inform the process.
- 3.2 Hampshire County Council is also a key partner. The County Council wishes to explore the opportunity to incorporate the facilities needed for a Hampshire Institute of Sport, and has indicated that if it would be possible to achieve this, it would consider making a financial contribution. This would fit well with the vision for the project. As the new centre cannot be built without agreement from the County Council regarding land in their ownership, discussions continue regarding the process and terms for this to be achieved. This includes consideration of how the site configuration could facilitate any future plans for the redevelopment of the buildings occupied by the Hampshire Cultural Trust. The County Council's own design practice will be part of the wider team preparing the site proposals, thus bringing together these key players to jointly advance the project.
- 3.3 The Pinder Trust has reaffirmed their commitment of up to a £1 million contribution to certain conditions being met. This commitment is in place until 30 November 2016. These conditions will require careful consideration and this will be carried out over the coming months to inform the Business Case.
- 3.4 Winchester SALT (Sport Art and Leisure Trust) continues to take an active interest in the project and its Chief Executive has been asked to assist the project team by identifying local and other potential sources of funding and fund-raising which might assist delivery of the project.

- 3.5 Discussions with the Highcliffe community have been limited since March by the purdah period for both the May Council elections and the recent referendum. Representatives of local residents' groups have had meetings with officers and, separately, with University staff. At these meetings, those representatives have continued to express concerns that the Council ruled out building on the existing depot site and the playing fields at the front of the Bar End site, although this decision-making process has been explained previously. They have also sought assurances about the redevelopment of the depot site and concerns about the impact of a new leisure centre on the King George V playing fields, including the children's play area. What is needed to address many local concerns is more detail and more engagement – both of which require the Council to firm up on its plans to move forward.

4 Tesco

- 4.1 The position in relation to Tesco and the Garrison Ground is as follows.
- 4.2 Tesco owns the Garrison Ground at Bar End which is currently leased to the Council for use as playing fields, as it has been since acquired by Tesco. There is no likelihood that Tesco will ever promote building a supermarket on the site but it does aspire to obtaining some commercial value from the land, possibly from housing development in the future. The Council, as Local Planning Authority, will resist that outcome through its Local Plan policies for as long as it has powers to do so. This could be the position for many years to come.
- 4.3 The Council has offered terms to purchase the Garrison Ground from Tesco on a non-commercial basis so that the Council can ensure that there is permanent protection for the site as playing fields. Tesco has declined this offer, which nevertheless remains on the table.
- 4.4 The Council has previously made enquiries of Tesco regarding purchasing up to 2 acres of the Garrison Ground adjacent to the existing depot site on a commercial basis so that it could use the land for the construction of a leisure centre. The response by Tesco's agent placed a very high valuation on the land because they consider it has hope value for housing development. Tesco's agent also confirmed that they would wish to retain the remaining part of the Garrison Ground, presumably to continue to promote its use for housing. On these terms, the leisure centre project would have substantial additional costs and the planning risk would increase. This option was therefore not pursued by Cabinet. The Assistant Director (Estates and Regeneration) can provide further background information on the exchanges with Tesco to any Member who wishes to receive it.
- 4.5 Subsequently officers have met (at Tesco's request), firstly with directors of a development company appointed by Tesco to pursue their development interests on the Garrison Ground, and more recently with those directors and Tesco themselves. During these discussions, Tesco has promoted the practical benefits to the Council of acquiring the Tesco land, and building the leisure centre either partly or wholly on part of the Garrison Ground site, but

no indication was given that Tesco would accept more favourable terms to achieve this.

- 4.6 The Council continues to be grateful to Tesco for leasing land for playing field use, and whilst its position as Local Planning Authority is resolute and contrary to Tesco's development aspirations, the two organisations maintain amicable arrangements for community use of the site.

5 Outline Procurement and Decision Making Strategy

- 5.1 If Cabinet agrees that project development should continue and decides on a facility mix, there are a number of stages in the procurement and decision-making process for Cabinet to consider. It is important to consider these at an early stage, because they will have an important impact on timescales and project resources. The services which will need to be procured may be broadly described as:

- architecture and design services, project management, cost planning and related specialist services to support the design work, other procurement stages, business case development and construction;
- financial analysis including VAT and other tax planning and business case development;
- legal advice to inform and develop the formulation of joint venture company or other mechanism/ model into which the new leisure centre may be placed;
- preparation of a detailed management specification (including pricing decisions) and tendering of management contract;
- developing a construction procurement strategy, tendering and construction management.

- 5.2 The key stages in the process are suggested as follows:

1. Appoint consultants for design services and project management support to develop the scheme to RIBA Stage 3 which would be sufficient detail for a planning application to be made, with a gateway point once the design has reached sufficient detail, at which point Cabinet can consider the outline Business Case. If Cabinet agrees that Business Case, then a planning application will be submitted. The contract value for professional services will be at a level to require an EU compliant procurement process. This could be undertaken by open EU competition but this will add some time to the process and may create limiting factors going forward. An alternative would be select suitable consultants through an EU compliant Framework agreement which can secure good rates and would save some time. The choice of architect is particularly important. It is not considered that a design competition or similar could be held when so little is fixed about the precise location, design parameters or employers requirements for the new building. It would be far more practical to select an architect and work with them to evolve the design.

2. It is not, and never has been, officers' view that an integrated design, maintain, operate and build contract would be the right way forward for this project, although they have accomplished good results elsewhere. It is suggested that an open EU two stage tendering process will be used in due course to secure a construction contractor. This will have to be kept under constant review in the light of economic and legal circumstances which may not be favourable to the project (in the short term at least).
3. Because prudential borrowing is essential to fund this project, the final business case and decision to process can only be undertaken after figures are known both the construction contract (to give build cost) and for income from the long term management contract (which will identify how much revenue the Council will have to fund borrowing). If the gap between the two (after taking account of external contributions) is too large, the project will not be viable.
4. Close liaison with the current operator and the Leisure Centre staff will be required to ensure continuity of a high-quality service. Consideration will also be given to the existing contractual arrangements and the relationship between the closure of River Park and the opening of a new facility. The arrangements for procurement of the management contractor will need to be the subject of detailed discussions with the University since they are likely to be involved in the future governance of the centre.

6 Building Specification/ Principles

6.1 It is also important for Cabinet to give some indication of the non-sport parameters for building construction. These will inform not only the cost but the physical layout and external appearance of the building. The following principles are suggested as being adopted as the general requirements:

- internal material and finishes with good whole life cost performance without any non-essential flourishes, aiming for a durable but welcoming feel;
- a good quality external appearance design which seeks to make best use of views whilst minimising the impact on the surrounding area and which is capable of securing planning permission but without any non-essential cost;
- a building which reaches high standards of performance in sustainability terms, particularly for efficient energy consumption and low carbon emissions (in line with the Council's adopted '12 Actions for a Lower Carbon Council') without becoming fixed to the delivery of a specific overall BREEAM standard at this stage;
- high standards of hard and soft landscaping which forms part of a cohesive design which is sensitive to the location;
- seeks to make the location accessible to all modes of travel and provides adequate parking to serve the needs of the users and staff without impacting on adjacent residential areas.

7 Next stages

- 7.1 Once the facility mix for a new leisure centre is frozen, it will be possible to start detailed work on the leisure centre design itself, and to work with the University and Hampshire County Council, in consultation with local residents, to produce a comprehensive plan showing how the various elements of the site, including the former depot, the County Council's land and the future requirements of the Hampshire Cultural Trust can be brought together and seen holistically. This should provide reassurance on a point which has been of understandable local concern.
- 7.2 Work can start quickly once professional support is appointed and timing therefore depends on how long the procurement process takes.
- 7.3 Following this, further work will be undertaken to prepare detailed plans which can be the subject of local community and District wide engagement.

OTHER CONSIDERATIONS:

8 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 8.1 The Council has previously determined that it considers the provision of a major public leisure facility in Winchester to be a priority in the interests of public health and well being. Provision of an indoor leisure facility helps to deliver by providing accessible sport and recreation.

9 RESOURCE IMPLICATIONS:

- 9.1 As the project progresses it is subject to financial assessment by officers based on advice from by external consultants. Budget provision has already been made for that work. To enable the project to complete Design Stage 3 and then make ready a planning application, a budget provision estimated at £770,000 will be required. The expenditure is 'at risk' because there is no absolute certainty that the project will eventually proceed – but it is certain that there can be no project without upfront financial commitment.
- 9.2 A provision of £6.01 million has been identified in the Council's capital expenditure plans for either the refurbishment of the existing centre or as a contribution to the cost of the new centre. However, it is certain that some expenditure will be required on the existing building to maintain its operational capability (even if a replacement goes ahead) which will diminish available resources. The Assistant Director (Estates and Regeneration) will bring forward detailed proposals for expenditure on the existing building once Cabinet has made a decision which clarifies the timescales over which the it will be expected to operate.
- 9.3 If a decision is made to proceed with a new leisure centre, then the Council will enter into a very substantial borrowing commitment with long term implications. The amount of borrowing will need to be within the prudential guidelines which the Council has agreed for its Capital and Treasury

Strategies. The actual amount borrowed will depend on the level of other contributions that the project can attract. At present it is likely that the contribution from the University of Winchester is secure and the Council should be able to meet the requirements of the Pinder Trust. However, there is a much higher level of uncertainty attached to any other contributions. The Council could therefore have a borrowing requirement of between £17m and £21m depending on the options chosen and the capital cost outturn and the borrowing requirement will increase in proportion to the amount which needs to be spent on the existing building.

- 9.4 If the Council decides to proceed with a project to procure a new leisure centre, then a budget allocation will also be required in order to make safe and then demolish the existing centre and to meet any residual contractual requirements to the existing operator.

10 RISK MANAGEMENT ISSUES

- 10.1 In addition to the financial issues raised above, there are significant risks attached to the decision making process and the ability of the Council to ensure that any decision can be implemented. These are set out in the Risk Management Table attached as Appendix 5. In particular Cabinet's attention is drawn to the following:

- a final decision to move to Bar End and away from North Walls may be contested by those who do not agree with that proposition (in either location) and seek to prevent that occurring by some process;
- the Council has not settled on the facility mix to be provided in any new facility and this may be a contested point with significant financial implications;
- there are a number of unresolved issues relating to land use, access and legal status at Bar End which could still provide obstacles to relocation;
- there is no guarantee of external funding on acceptable terms at this stage and this may not be settled for some time. Lack of such funding would affect the viability of proceeding with a new build at Bar End;
- the condition of the existing building will require attention even if it is decided to provide a replacement. Some expenditure on maintenance is likely to be required but cannot easily be planned until a decision is made on the building's future.
- the business case for the project may be negatively affected as a result of BREXIT or any consequential economic factors.

- 10.2 The Council should also have regard to the short to medium term financial outlook created by the Referendum decision to leave the European Union. There is no doubt that the period during which the Council will be making key decisions will be one of uncertainty which may have an impact on its financial

position, and on that of third parties such as contractors, consultants and partners. The Chancellor of the Exchequer has recently announced that the Government may need to undertake a budget to respond to the country's financial position in the Autumn. This uncertainty means that financial planning and advice is subject to amendment as risks crystallise or further information and trends emerge.

- 10.3 If the project is to continue, the best way to attempt to manage this uncertainty is considered to be to commit expenditure to proceed to the next gateway point at which time a more detailed risk assessment can be made based on prevailing conditions.

BACKGROUND DOCUMENTS:

<http://www.winchester.gov.uk/planning/major-sites/leisure-centre-project/>

The Leisure Centre web pages contain relevant information including recent verification plans by Roberts Limbrick and details of consultations and decisions to date.

11 APPENDICES:

1. Summary of Responses from Sports Clubs, Associations and Governing Bodies
2. Proposed Facility Mix
3. Pool Layout Options
4. Financial Assessment/ Options analysis
5. Risk Management Register

Stakeholder Consultation - June 2016

Sports Clubs and National Governing Bodies of Sport

Summary of Responses

Badminton England –

- Winchester not identified as a priority area in their National Facilities Strategy. They welcome the extra courts in the proposed sports hall as this will provide better capacity for tournaments and more badminton development opportunities.

Basketball England –

- Commented that the proposed hall is a good size for basketball. Would like to have input on the specifics as the project moves forward to ensure flexibility within the space. Can offer really good examples of use of this size of space at existing sites.

British Cycling –

- Noted that the plans did not include cycling therefore had no comment on the proposals. VC Venta Cycling club train and hold events at the Winchester South Park and Ride.

British Gymnastics –

- BG Identified that the large sports hall will be beneficial in increasing the number of participants in gymnastic activities. BG advised us to speak with local clubs regarding their involvement with this project. There are 9 registered gymnastic clubs within a 10 mile radius of this site who will be at capacity with large waiting lists. They will all be interested in developing their club and moving to a larger site or running satellite sessions at a centre which can offer access to more time and space. It was noted that there is a large area planned for sports hall storage which is essential for gymnastics equipment. The proposed centre will be good for gymnastics, trampolining and birthday parties.

Hampshire FA –

- There is a need for an additional 3G full size pitch in the city of Winchester. Hampshire FA would prefer this to be at Bar End linked to the new leisure centre which will have the necessary infrastructure to run this type of facility.
- Hampshire FA would like to be involved in the planning and development stage of this facility so that they can establish the impact on existing grass pitches in the city. They have provided an outline specification for the design of the 3G pitch.

Lawn Tennis Association –

- Disappointed that tennis courts are not present on the plans as 6 courts were discussed in 2014. They believe that there are a number of justifications for this:
- Winchester is poorly served for public access community courts. Nationally 50% of people who play tennis participate in a park or at leisure centre site. 80% of people who don't play tennis would like to play at a leisure centre first. The British Tennis Strategy is committed to growing tennis at community sites. The 4 exiting

courts at North Walls is far below the provision for public tennis courts compared to other local authorities in the region.

- They would like to discuss in more detail and can provide technical support to develop the proposal. There is a community based LTA funding stream which may be applicable to support this type of project.

Sama South West Karate –

- Pleased to see the progress so far. The new site will fit a lot of their requirements for regular weekly bookings. The venue will also be suitable for bi monthly grading events and summer holiday courses. The proposed floor layout is child friendly as changing and toilets are near to the hall. The new facility would aid the expansion of this sport. They have grown since the last meeting in 2014 and currently have 1,700 members. Would like to be consulted further as the facility develops.

Winchester District Athletics Club –

- The club would like to see an indoor athletics training facility as part of the new development. – to include a 60m sprint facility, a high jump, long jump, changing rooms and conditioning suite. Funding contributions may be available from England athletics and the club for this facility.
- The club currently has 900 members with use existing facilities at Bar End on Tuesday and Thursday evenings. The club would like plenty of parking with safe vehicular access. The site would require relocation of 3 of the club's storage containers. They would also like a spectator viewing facility or grandstand for the track and are keen to retain the Garrison ground as an open space as they use this for training.
- Would like Winchester to become a centre of excellence for athletics.

Winchester City Penguins Swimming Club –

- The club has grown significantly since the consultation in 2014 and has waiting lists for both adults and juniors due to lack of pool space. They run a learn to swim programme which caters for 600 swimmers each week. Cannot hold swim meets at the current centre as it is not competition standard. It was difficult for the club to comment on the conceptual plans as there are no specifications for the pool in the drawings. They would like a multi functional 50m 8 lane swimming pool with a boom and a moveable floor as in the Sport England and ASA guidance.
- They propose 2 options for the 50m pool – option one for a traverse boom with half the pool having a moveable floor with overall maximum depth of 2m and option two with 2 hydraulic booms with 2 smaller sections with moveable floors, and one which drops to 3.8m for diving and synchronised swimming. These booms are submersible to allow for 50m long course swimming.
- They feel that a 25m pool alongside a leaner pool does not increase the capacity of water space in Winchester.
- The pool must cater for competition swimming in order to support talented swimmers in the district. Spectator swimming should be between 270 and 350 seats. The 50m pool should be 1m at the shallow end and 2m at the deep end. They require a pool width of 19m for 8 x 2.25m lanes.
- Other clubs from outside the district would hire this pool generating extra income.

- The club would hire the pool for 10 hours plus each week at 50m length.
- Would like to be consulted further.

Winchester Fitness and Sports Club (existing over 60's club based at current facility) –

- Members did not want the facility to move out of the city. Not all of the members have a car. They would need to walk, cycle or catch 2 buses.
- Noted that the increase of badminton courts from 8 to 12 may cause difficulty separating racket sports from classes. 6 squash courts are needed and 6 tennis courts are needed which are not mentioned.

Winchester City Flyers Football Club –

- The facility looks promising but concern over relocation of cricket pitch to the Garrison Ground. They require this facility until May each year for football bookings. Cricket would prevent this.

Winchester Hockey Club –

- The club has 520 members and plays hockey for 11 months of the year. The club is based at Kings School where there is also an all weather hockey pitch. The club would like a clubhouse to be located by 2 new all weather Hockey pitches at this site.
- They welcome the development of a new facility at Bar End and they commend the layout.
- The club would like a second Hockey all weather pitch at the new facility. They believe that an otherwise regional sports facility justifies more all weather pitches than proposed.
- They believe that the car park should be located on the depot site.
- The Hockey club are also in discussions with Kings School to possibly base a club house at the school site.
- The club would like to be involved in the detailed design process.

Winchester Physiotherapy -

- Would like 4 treatment rooms for their business at the new centre to include office and storage space. Ground floor set up ideal as have customers with mobility issues. Require a separate reception and waiting area - to avoid confusing between NHS and private services.
- Would like the centre to remain in the city as it is difficult for patients to travel to Bar End especially by train.

Winchester Rugby Club –

- The club require additional green space as they have over 1,500 members with 500 juniors playing on Sundays. They are keen to know what the plans are for the green space around the site.

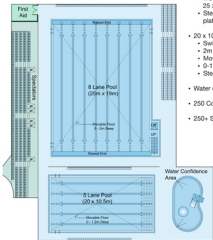
Proposed Facility Mix – July 2016

Facilities	River Park Leisure Centre	Proposed New Leisure Centre	
	Existing Facilities	Proposed Facilities	Notes
Swimming Pools		To be decided:	
Main Pool:	25m, 6 lanes 25m x 12.5m (312.5 m ²)	25m, 8 lanes, 25m x 19m (475m ²) or 50m, 8 lanes, 50m x 19m (950m ²)	25m pool with movable floor 50m pool with movable boom and moveable floor
Teaching Pool / Community Pool:	12.5 x 9 m (112.5 m ²)	20m, 5 lanes 25m x 10.5m (262.5 m ²)	With moveable floor, located alongside leisure water.
Leisure Water:	Flume (no longer used)	Water play area	To include jets, sprays and confidence water Exact design and equipment to be developed
Sports Hall	8 badminton courts 31m x 36.4m	12 badminton courts 60.0m x 34.5m	Size to allow for competition standard run offs, Suitable for badminton, basketball, netball, volleyball and cricket Can be separated in to three areas: 3 netball or volleyball courts up to club level, 3 basketball courts up to community level Can accommodate 2 basketball or volleyball courts up to international level or 1 netball court up to international level Storage space is 12.5% of hall Retractable seating (500 seats) and viewing areas
Fitness Gym	120 stations	180 stations	Space for 180 stations, flexible space to allow operator to adapt area to suit customers trends Allows for fitness stations, free weights, rigging for punch bags and stretch areas

Facilities	River Park Leisure Centre	Proposed New Leisure Centre	
Squash Courts	4 squash courts	4 squash courts Each: 6.4m x 9.75m x 5.64m high	Moving walls to create, flexible space, could be used as 2 studios
Studios	2 studios (Total area 270 m ²)	2 large studios 2 medium studios (Total area 501 m ²)	Provided in pairs with movable walls to create flexible space
Meeting and Function Room	Function room	Meeting room Office for club / associations	Meeting room could be hired out to sports groups, community, business, schools, universities etc Other flexible spaces (studios and squash courts) could be hired out
Hampshire Institute of Sport	No	To be confirmed	To be confirmed
Treatment Rooms	Yes	Yes	Separate reception and storage
Hydrotherapy	No	Yes	Separate reception, waiting area and office 3 changing rooms Storage and plant room (Hydrotherapy dependent on external funding)
Changing	Yes	Yes	Village style wet changing, including group changing facilities Male and female dry changing
Soft Play	Yes	Yes	In addition a climbing wall / clip and climb facility may be possible
Café and Reception	Yes	Yes	Large enough to serve users of the leisure centre and the local community
Artificial Pitch	Football Pitch	Replacement pitch, if the new centre is built on the existing artificial hockey pitch at Bar End	A replacement artificial hockey pitch at Bar End

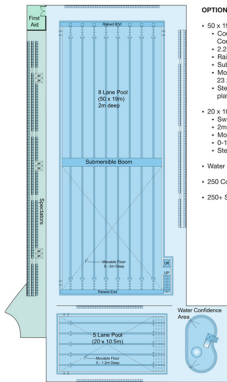
OPTION 1A

- 25 x 19m 8 Lane Pool
 - Competition + Community swim
 - 2.25m lanes
 - Raised ends
 - Movable floor - 25 x 19m 0-2m deep
 - Stepped entry + platform lift
- 20 x 10.5m 5 Lane Pool
 - Swim down / Teaching
 - 2m lanes
 - Movable floor
 - 0-1.2m deep
 - Stepped entry
- Water confidence area
- 250 Competitor seats
- 250+ Spectator seats



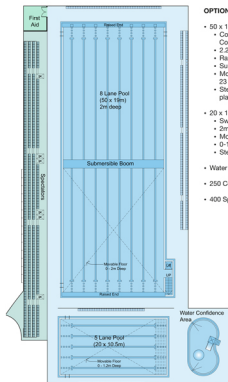
OPTION 2A

- 50 x 19m 8 Lane Pool
 - Competition + Community swim
 - 2.25m lanes
 - Raised ends
 - Submersible boom
 - Movable floor - 23 x 19m 0-2m deep
 - Stepped entry + platform lift
- 20 x 10.5m 5 Lane Pool
 - Swim down / Teaching
 - 2m lanes
 - Movable floor
 - 0-1.2m deep
 - Stepped entry
- Water confidence area
- 250 Competitor seats
- 250+ Spectator seats



OPTION 2B

- 50 x 19m 8 Lane Pool
 - Competition + Community swim
 - 2.25m lanes
 - Raised ends
 - Submersible boom
 - Movable floor - 23 x 19m 0-2m deep
 - Stepped entry + platform lift
- 20 x 10.5m 5 Lane Pool
 - Swim down / Teaching
 - 2m lanes
 - Movable floor
 - 0-1.2m deep
 - Stepped entry
- Water confidence area
- 250 Competitor seats
- 400 Spectator seats



**Winchester City Council – New Leisure Centre Development at Bar End
Financial Implications for Proposed Developments**

June 2016

A Paper by RPT Consulting

Introduction

An Options Review was undertaken by RPT Consulting in May 2015 to review the future options for the redevelopment and provision of new Leisure Centre for Winchester. The Options Review assessed five different options including the provision of a new Leisure Centre at Bar End, based on design works prepared.

Since then Winchester City Council (WCC) have undertaken further design and development work for the new Leisure Centre, following consultation with key partners. As a result RPT Consulting have been appointed to update the financial projections based on the new design options prepared.

The financial projections presented in this paper will enable WCC to consider the future facility mix options, bearing in mind the financial implications. Currently WCC are considering the following options for the new facility, with the key differences being the options for the pool.

Table 1 – Facility Mix Options

Facilities	Option 1	Option 2A	Option 2B
Pool Facilities	<ul style="list-style-type: none"> • 25 metre pool, 8 lanes (17 or 20 m wide) • Learner Pool (20m by 10.5m) – 5 lanes • Water Play Park • 276 Spectator Seats 	<ul style="list-style-type: none"> • 50 metre pool, 8 lanes (17-20 m wide) • Learner Pool (20m by 10.5m) – 5 lanes • Water Play Park • 266 Spectator Seats 	<ul style="list-style-type: none"> • 50 metre pool, 8 lanes (17 - 20 m wide) • Learner Pool (20m by 10.5m) – 5 lanes • Water Play Park • 414 Spectator Seats
Other Facilities	<ul style="list-style-type: none"> • 12 court Sports Hall • Hydrotherapy Pools • 4 Squash Courts • Soft Play • Fitness Gym (180 stations) with 4 studios • Ancillary facilities such as café, changing, etc 		

These options have been modelled in this paper, with the development of a detailed business case to be undertaken for the preferred option.

Previous Options Review

The previous options review considered a number of different options and scenarios for locations and facility mix, ranging from investing in the existing facility to the new build option at Bar End. We summarise the key financial outputs for Option 5 from the previous options review, which is the most comparable in the table below for three different facility mixes

Table 2 – Previous Options Review Financial Implications

	Option 5 (Previous Options Review)		
	25 m pool, 8 court Sports Hall	50 m pool, 8 court Sports Hall	25 m pool, 12 court Sports Hall
Capital Analysis (£'m)			
Total Capital Cost	25.686	27.086	26.956
Total Funding	13.19	13.19	13.19
Net Capital Required	12.496	13.896	13.766
Revenue Analysis (£'000's)			
Net Revenue (year 5)	126	73	106
Savings on Existing	638	691	658

Note: Net Revenue includes capital depreciation and lifecycle costs

As can be seen from the table whilst the additional facilities such as a 50 metre pool and 12 court Sports Hall incur additional capital costs, there are potential revenue enhancements.

Updated Modelling

The updated design and cost work has presented designs and costings for the new facilities based on the options presented above and these costs are summarised below

Table 3 – Capital Costs

£'millions	Option 1	Option 2A	Option 2B
Construction Cost	24.032	27,547	27.660
Professional Fees	2.230	2.550	2.570
Contingency	1.910	2.190	2.200
Inflation (to 1Q18)	1.440	1.650	1.660
Total Capital Costs	29.612	33.937	34.090

These costs are based on the concept design illustrations. Revenue projections have been prepared for the three options identified and the outputs of these are summarised below.

It is expected that the capital funding is based on the following levels of funding, which is similar to the previous options review.

- Winchester City Council Capital Programme £6 million
- Winchester University £6million
- Pinder Trust £1 million
- Other Funding £3 million
- **Total** **£16 million**

Within these levels of capital funding there is the potential for funding from other sources which will be subject to further discussions and these are based on the similar rationale to that identified in the previous options review. The updated revenue projections for each of the options are summarised overleaf

Table 4 - Revenue Projections

Option 1 – 25m Pool (250 spectators)

£'000's	Year 1	Year 2	Year 3	Year 4	Year 5
Income	3,038	3,277	3,407	3,454	3,462
Expenditure	2,636	2,658	2,684	2,694	2,694
Net Surplus/ (Deficit)	402	619	723	760	767

Option 2A – 50m Pool (250 spectators)

£'000's	Year 1	Year 2	Year 3	Year 4	Year 5
Income	3,282	3,527	3,663	3,711	3,719
Expenditure	2,884	2,908	2,935	2,945	2,946
Net Surplus/ (Deficit)	398	619	729	766	773

Option 2B – 50m Pool (400 spectators)

£'000's	Year 1	Year 2	Year 3	Year 4	Year 5
Income	3,282	3,527	3,663	3,711	3,719
Expenditure	2,888	2,911	2,938	2,948	2,949
Net Surplus/ (Deficit)	394	615	725	763	769

The revenue projections have been prepared based on a range of assumptions which take into account the local market and catchment and also national benchmarks and comparisons to ensure a robust approach. These revenue projections have been utilised together with the capital costs to develop financial models to assess the NPV value for each options. We summarise the outputs below

Table 5 – Future Costs - NPV Comparison

NPV (£'million's)	Option 1	Option 2A	Option 2B
Council borrowing capital required	17.51	22.34	22.58
Council using its own reserves	20.59	26.37	26.65

Note: NPV is the Net Present Value of the future cashflows, including capital payments, revenue receipts and lifecycle costs

It can be seen from the table above that the best NPV option would be Option 1 delivering an NPV of £17.51 million (Council borrowing the capital). The previous options review identified an existing NPV of £17.2 million for Option 1, which is considered the existing costs. Thus Option 1 is similar to the existing costs (in NPV terms)

Summary

We prepare a summary of the financial implications in the table below which compares the future costs for the options set out above with Option 5 from the previous options review.

Table 6 – Financial Summary

	Option 1	Option 2A	Option 2B
Capital Analysis (£'m)			
Total Capital Cost	29.612	33.937	34.090
Total Funding	16.01	16.01	16.01
Net Capital Required	13.602	17.927	18.080
Revenue Analysis (£'000's)¹			
Operational (Surplus)/Deficit ²	(767)	(773)	(769)
Life Cycle Costs	296	339	341
Capital Financing Costs	807	1,064	1,073
Total Revenue Costs	337	631	645

Note:

1. The Revenue Analysis is based on a mature year of operation (Year 5 after opening) and are annual figures
2. Income to the Council is shown in brackets

There are a number of key issues and conclusions from the financial review which include

- All of the options present a higher capital cost than projected in the previous options review, due to inflation costs and an amended design layout, but all of these costs include contingency.
- The 50 metre pool options are circa £4.3 - £4.4 million higher in capital costs than the 25 metre pool option
- The net revenue costs for Option 1 (25 metre pool) are better than both the 50 metre pool options, with Option 2B being the highest net revenue, although only by circa £6,000 per annum
- The savings on existing costs are lower than identified in the previous options review due to lower capital depreciation costs and other costs meaning the existing cost is lower
- Overall the NPV cost for the 50 metre pool options are circa £4.8 - £6.1 million higher than the 25 metre pool option.
- The NPV for Option 1 (25 metre pool option) is broadly the same as the NPV for existing costs (as identified in the previous Options Review)

Some comparison data between the three options is presented overleaf

	Option 1	Option 2A	Option 2B
Capital Costs	£29.6 million	£33.9 million	£34.1 million
Income	£3.46 million	£3.72 million	£3.72 million
Running Costs	£2.69 million	£2.95 million	£2.95 million
Number of Swims (per day)	505	693	693
Building Footprint (m ²)	8,692	9,924	9,969
Parking Footprint (spaces)	400	460	490
Residual Cost per Swim ¹	£1.85	£2.52	£2.58
Amount of Water Space	685 m ²	1,160 m ²	1,160 m ²
Water Space compared to existing River Park Leisure Centre ³	210 m ² more	685 m ² more	685 m ² more

Notes:

1. Residual Cost per swim includes the overall annual costs to WCC including capital financing costs
2. Existing water space at RPLC is based on 25 metre 6 lane (13 metres) pool with learner pool estimated at 150 square metres.
3. The water space calculations above exclude the hydrotherapy pool which is a specialist facility

As can be seen from the table above there are a number of factors which the Council will need to make its decision on, in particular that the capital cost of the 50 metre pool is estimated to be an additional £4.3 – 4.4 million, although revenue costs are broadly similar and the 50 metre pool is likely to generate more swims and the cost per swim could be lower. However there isn't an identified demand from Sport England or the ASA for a 50 metre pool and additional competitions.

The Council should consider the future options in light of these issues but also recognise that the overall development of the new facility should consider the demands of key stakeholders, but also recognise the ambition to deliver a facility which improves the health and wellbeing of the population.

The next stage of the project will be to develop a detailed business case (in partnership with key stakeholders, such as the University) for the preferred option.

Risk Number	Risk Ref: PMR001							Risk Owner: Corporate Director			
	Risk Title: Risk Register – Consideration of Replacement Leisure Centre										
	What might go wrong?	What will happen?	Existing Controls and Measures	Current Risk Score		Risk Proximity	Financial Impact	Further Actions Planned	Target Date	Residual Risk Score	
			Likelihood	Impact					Likelihood	Impact	
1	Fields in Trust successfully resists planning consent being granted for development which takes place on any King George V land	King George V Playing Field will not be available to build on	<ul style="list-style-type: none"> Continue engagement with the Fields in Trust representative. Ensure that application process is understood and commit to allocation of land to be exchanged 	Unlikely	Significant	2	££	Obtain agreement from Fields in Trust	January 2017	Unlikely	£
2	Negotiations with HCC to release land for the project are unsuccessful	Project would be halted. Alternative option of refurbishment be pursued	<ul style="list-style-type: none"> Continue discussions with HCC and move on to formal negotiations 	Highly Unlikely	Significant	1	££	Conclude negotiations	October 2016	N/A	£
3	Local residents and members of the public dissatisfied with the preferred location of the replacement leisure centre	Could delay decision making process	<ul style="list-style-type: none"> Continue with ongoing exercise to engage and inform local people. Look for wider engagement and seek opportunities for district wide consultation 	Unlikely	Moderate	3	££	Further engagement	End 2016	Unlikely	£
4	Successful arguments by local residents and members of the public against granting of planning permission for building at Bar End	Project would be halted. Objections may be capable of being addressed through redesign or pursue refurbishment option	<ul style="list-style-type: none"> Continue to ensure local residents have a representative(s) who are involved with design development process 	Unlikely	Moderate	1	££	Will be determined by planning merits of application	Q22017	Unlikely	£
5	Stakeholders seek require more consultation even after decisions are made.	This may delay the process and require additional resources for the project and to maintain River Park Leisure Centre	<ul style="list-style-type: none"> Continue to make clear the consultation process to date, communicate this in a simple and concise way and promote using a variety of media and additional meetings. Consider other forms of consultation 	Unlikely	Moderate	2	££	Continue consultation and engagement process	N/A	Likely	££
6	Insufficient staff capacity available at relevant stages of the project.	If these resources are not available there could be a delay in the progress of the project	<ul style="list-style-type: none"> Ensure the appropriate expertise is brought together at the appropriate time to support the project. Allocate sufficient staff resources by prioritising within project programme 	Unlikely	Major	1	££	Monthly meetings established between the Project Office and relevant teams	November 2016	Unlikely	££

Risk Number	Risk Ref: PMR001							Risk Owner: Corporate Director			
	Risk Title: Risk Register – Consideration of Replacement Leisure Centre										
	What might go wrong?	What will happen?	Existing Controls and Measures	Current Risk Score		Risk Proximity	Financial Impact	Further Actions Planned	Target Date	Residual Risk Score	
			Likelihood	Impact					Likelihood	Impact	
7	External funding committed in principle is withdrawn	Project is halted and may not be viable . Pursue refurbishment option.	<ul style="list-style-type: none"> Continue negotiations and secure funding from key partner organisations and external funders 	Unlikely	Significant	2	££	Remain aware of potential funding sources	November 2016	Unlikely	££
8	Project outline business case does not achieve financial viability	The project is halted as not financially viable. Pursue refurbishment option	<ul style="list-style-type: none"> Undertake sufficient design work to reduce uncertainty Obtain management contract price Develop financial model to assess and identify mitigation of financial risks 	Unlikely	Significant	2	££	Consider information provided by stakeholders during the outline business case development	November 2016	Unlikely	££
9	Council's financial position is adversely affected by Government decision making, post Brexit economic outlook etc	The project may no longer be affordable to WCC.	<ul style="list-style-type: none"> Review priorities and financials Pursue refurbishment if new build too risky 	Unlikely	Significant	2	££		November 2016	Unlikely	££
10	Significant costs arise for keeping existing building open	Rising financial costs to keep RPLC open and running may trigger difficult decision re expenditure or early closure	<ul style="list-style-type: none"> If budget comes under pressure set threshold point for when leisure centre should close 	Unlikely	Moderate-Major	3	££	Keep building condition under review. Will remain a risk until RPLC closes	N/A	Likely	££
11	Legal challenges can raised of any aspect of decision making.	If successful – project halted If unsuccessful - a delay in the development and additional costs to the project which may render it unviable	<ul style="list-style-type: none"> Ensure any legal challenges can be defended by obtaining expert advice and evidence to guide and inform processes Raise awareness of implications of delay 	Unlikely	Significant	3	££		N/A	Unlikely	££
12	Planning permission is refused	Project will require revisions. If revisions possible costs may rise. If not possible, project halted.	<ul style="list-style-type: none"> Continue to engage with planning representatives and consultative bodies inc SDNP. Engage with the nominated Case Officer early in the project process. Ensure that the design principles are in accordance with the themes of Local Plan Part 2. Seek pre-application advice prior to submission of the 	Unlikely	Significant	3	££		October 2017	Unlikely	££

Risk Number	Risk Ref: PMR001							Risk Owner: Corporate Director			
	Risk Title: Risk Register – Consideration of Replacement Leisure Centre										
	What might go wrong?	What will happen?	Existing Controls and Measures	Current Risk Score		Risk Proximity	Financial Impact	Further Actions Planned	Target Date	Residual Risk Score	
			Likelihood	Impact					Likelihood	Impact	
			Planning Application								
13	Partner expectations are greater than delivery outcomes	Impact on funding, governance arrangements and project progression	<ul style="list-style-type: none"> Establish an understanding of expectations and work to agree a way forward via on ongoing communication with funding partners University of Winchester representative to continue to be on Project Board 	Unlikely	Moderate-Major	2	££	Formal agreement with funding partners Formal agreement on governance with University of Winchester	November 2016	Highly unlikely	££
14	A decision on facility mix delayed.	Project delayed until decisions made.	<ul style="list-style-type: none"> A decision on facility mix is required at Cabinet to facilitate more detailed designs, costs and land requirements for the project. 	Unlikely	Moderate-Major	2	££	Cabinet meetings	July 2016	Unlikely	££
15	Highway requirements on Bar End Road exceed expectations	Could lead to additional land requirements and costs	<ul style="list-style-type: none"> A transport assessment has been commissioned to understand the transport implications, including land requirements and likely costs 	Unlikely	Moderate	1	££	Technical work with Highway Authority	November 2016	Unlikely	££
16	Technical Studies completed in May 2013 and May 2015, will need to be updated as part of the development of the Outline Business Case.	Could affect delivery if information out of date	<ul style="list-style-type: none"> Review the scope of these studies and update as required 	Highly Likely	Moderate	2	££	Review and update studies	November 2016	Unlikely	££

Key to symbols

Likelihood

Highly Unlikely = 1% to 25% chance in 5 years

Unlikely = 26% to 50% chance in 5 years

Likely = 51% to 75% chance in 5 years

Highly Likely = 76% to 100% chance in 5 years

Risk Proximity

1 = within 3 months

2 = within 6 months

3 = within 1 year

Financial Impact

£ = £1 - £20,000

££ = £20,001 - £200,000

£££ = £200,001 - £2,000,000

££££ = £2,000,001 plus