

CABINET

30 July 2003

SWANMORE COMMUNITY FACILITIES – PROJECT DETAILS

REPORT OF DIRECTOR OF COMMUNITY SERVICES

Contact Officer: Steve Tilbury Tel No: 01962 848292

RECENT REFERENCES:

SC40 Social and Cultural Policy Review Committee report 'Recreation Facilities in Southern Parishes and Town Area' 18 June 2001

CAB406 'Swanmore School – Community Facilities' 12 June 2002

EXECUTIVE SUMMARY:

Following consultations and technical investigations a detailed set of proposals has been prepared for new community sports facilities at Swanmore College of Technology. Detailed cost estimates have also been prepared in the light of the information now to hand which suggest that the Council must consider increasing the funding available if the project is to proceed. The report explains why changes have arisen and suggests that the project still represents good value for money. Part of the additional funding requirement can be met from resources in the Community Services approved capital programme for recreational facilities in the Southern Parishes but additional capital funding will be required which needs Council approval.

RECOMMENDATIONS:

To Council

That subject to the proposal not being called in by Principal Scrutiny Committee the Council approve a supplementary capital estimate to increase funding provision for the project by £200,000 to a total of £700,000;

To Cabinet

That subject to approval by Council of the additional capital funding proposed and the matter not being called-in by Principal Scrutiny Committee:

- 1 The detailed proposals and costing of £670,000 for the provision of additional indoor sports facilities at Swanmore College of Technology is approved;

(continued)

- 2 The Director of Community Services be authorised to offer a grant not exceeding £670,000 to the County Council to meet the cost of the provision by them of the new facilities at Swanmore College of Technology;
- 3 The grant offer be subject to the agreement by the County Council and the Governors of Swanmore College of Technology to the establishment of suitable arrangements to ensure community use of the facilities to be agreed by the Director of Community Services and the City Secretary and Solicitor in consultation with the Portfolio Holder for Finance and Resources;
- 4 The proposed provision of an outdoor multi-use games area at a cost of £290,000 be agreed as an objective which should be actively pursued;
- 5 The submission of a grant application to the Football Foundation in respect of the multi-use games area be noted;
- 6 The Director of Community Services be instructed to seek contributions from partners to balance the shortfall in capital funding in respect of the multi-use games area;
- 7 A further report be made when the outcome of responses to requests for partnership funding in respect of the multi-use games area are received.

CABINET30th July 2003SWANMORE COMMUNITY FACILITIES – PROJECT DETAILSREPORT OF DIRECTOR OF COMMUNITY SERVICESDETAIL:1 Introduction

- 1.1 At its meeting on 4th July 2001 Cabinet agreed to support the provision of new community sports facilities at Swanmore College of Technology (as the school is now known). A sum of £500,000 was allocated in the Council's capital programme towards the construction of indoor facilities to complement the planned refurbishment of the existing sports hall (now successfully completed). At that time no detailed design had been prepared and the budget figure was based on schedule of rate calculations. It was also noted in that report that the provision of an outdoor multi-use games area (MUGA) would be justified. It was indicated that this might cost in the order of £125,000, but the MUGA was not included in the notional scheme.
- 1.2 Following more detailed discussions on the principles of management and development a further report was given to Cabinet in June 2002. This is the basis upon which the 'indoor' element of the scheme has been progressed.
- 1.3 Over the last few months a number of complex issues have been addressed to achieve a scheme which meets community needs and determining the likely actual cost of that scheme. The County Council's architects have worked on various proposals (so far without charge) based on the requirements for community use and the legitimate curriculum needs of the college. Swanmore Parish Council has been actively involved in these discussions.
- 1.4 A consultation event with local parish councils, sports clubs and school representatives took place at the college in March 2003 which has assisted greatly in testing proposals and understanding community priorities. The consultation confirmed that both the indoor facilities and the provision of a MUGA would have wide community support and would be well used. A planning application for the outdoor facility including floodlights has been made and consent granted by the County Council. A planning application for the indoor facility will be made once detailed design has been undertaken.
- 1.5 A summary of the proposed content of the indoor facilities is given in Appendix 1. A plan of the facilities is contained in Appendix 2. The County Council's architects department has commissioned a detailed cost study of the proposed indoor facilities. This has priced the works at £670,000 (excluding VAT which will be reclaimed by the County Council). This sum includes fees, contingencies and allowance for building in the exceptionally poor ground conditions at Swanmore. It represents a unit area cost of approximately £1,500 per m².

- 1.6 The reasons for the increase in the estimated cost over the scheme suggested in July 2001 are:
- a) The estimated cost of £500,000 did not include the proposed multi-purpose hall. The scheme now proposed has greater content and provides better community facilities;
 - b) The initial costing underestimated the cost of building at Swanmore. Other building works on the college site have incurred a high cost premium because ground conditions are exceptionally poor and piling is necessary to support any substantial building. These costs have now been fully factored in;
 - c) The configuration of plant and services into the building is awkward and considerable works are required to relocate and reaccommodate them which exceed the costs originally considered.
- 1.7 The outdoor multi-use games area (MUGA) has been costed at £290,000 (excluding VAT). This is a considerable increase on the original cost estimate but is accounted for by the increased size of the facility and the addition of extra costs to relocate services and provide the necessary power supply for any floodlighting.
- 1.8 The detailed costings prepared by the County Council are lengthy and are therefore not attached to this report. They are available for inspection in the Community Services Department should any Member wish to do so.
- 1.9 Following the consultation event and consideration of technical issues it was evident that the ideal approach would be to construct the indoor and outdoor facilities as part of one project. There is a need to meet a high demand for space for football training by local clubs. Some of this demand has been created by the improvements to the school sports hall that is now suitable for use by a larger range of sports clubs. As a result local football teams have faced greater competition for access and have had difficulty obtaining training time. Practical issues such as access, parking and the loss of 'hard-surfaced' play areas when the indoor facilities are constructed are considerably easier to deal with by dealing with both elements at the same time.
- 1.10 Before considering issues of funding Cabinet needs to be satisfied that the elements of the scheme as now proposed represent value for money and are in accordance with the Council's corporate objectives and those of the Cultural Strategy. It is essential that the Cabinet views this as a 'new' proposal and considers it merits as such regardless of previous consideration.
- 1.11 Given the evident community support and the long-track record of successful community sports provision on Hampshire school site it is suggested that this scheme would help to achieve the Council's objectives. The Cabinet could ask for a revised scheme based on lower costs but it will be very difficult to achieve worthwhile community benefit with less expenditure. The scheme is in accordance with the objectives of the Cultural Strategy, which seeks to ensure that there is adequate provision for sport at a local level.

2 Funding

- 2.1 If Cabinet concludes that the project does meet its objectives (bearing in mind the revised cost), it must then address the issue of funding.
- 2.2 To date the Council has earmarked £500,000 for the scheme. As previously agreed £30,000 of this has provisionally been set aside to pump prime the provision of a Community Manager post. This is considered essential in developing the facilities and it is not proposed that this should be amended. This leaves an allocation of £470,000 against the cost estimate for the indoor facilities of £670,000.
- 2.3 It would not normally be possible to consider even partially bridging such a gap considering the other calls on the Council's capital funding. However, for the reasons set out below some additional funding could be put towards the project without affecting the Council's other plans.
- 2.4 £85,000 from the original capital provision for community projects in the southern parishes remains unallocated. There are no other schemes which require funding at this time and it would be reasonable to utilise this provision for the Swanmore project.
- 2.5 The Council has recently received a partial rebate against rates paid on the River Park Leisure Centre since 1995, following the national settlement of a long-running dispute between local authorities and the Inland Revenue. This has been added to the Council's general reserves and in accordance with corporate policy is not retained specifically for community services projects. However, the rebate does represent an unexpected windfall and makes it possible to allocate additional funding to the Swanmore project. It must be noted however that there is an opportunity cost to the use of these funds. Any money which the Council allocates to this project will not be available to assist in one of the growing number of areas for which additional budget provision may be required across the full range of Council services, including the Bapsy project, ICT development and major facility maintenance programmes.
- 2.6 If the Cabinet agrees to increase the capital allocation to £700,000 the design and planning of the indoor facilities can commence and this part of the project can be considered 'under way'.
- 2.7 The additional cost of the outdoor MUGA facility is currently beyond the scope of the Council's funding but other sources of funding are being pursued. A major application for funding is to be made in respect of the MUGA to the Football Foundation which distributes lottery funding to grass roots football projects. Should this be successful it would reduce the funding required by £180,000 (the amount which the Football Foundation is being asked to grant).
- 2.8 It is suggested that partnership funding to complete the MUGA project is sought from local sports clubs, parish councils and other parties who may be willing to make a contribution. This could be by way of an allocation from the Open Space Fund where a parish believes this is justified. This process can run in parallel with the Football Foundation application and the early stages of the design of the indoor facilities. Once the outcome of the requests for grants and other partnership funding is known a further report will be made to Cabinet. It should be noted at this time however that should the MUGA not go ahead for any reason it will be necessary to reinstate that part of the hard play area which is lost under the new build element of the scheme. This has not been included in cost proposals at this stage but could be in the order of £60,000.

3 Risk Analysis

3.1 Cost

The information produced by the County Council means that the budget provision now being sought should be sufficient to meet all foreseeable costs of implementing the project. The County Council has a detailed knowledge of ground conditions and services at Swanmore which have been factored into the cost of the scheme. However, all costing are subject to the uncertainties of a tendering exercise. If prices submitted exceed the funding available and it is not possible to make adjustments within the scheme to meet the cost then it may be necessary to seek further funding. A sensible contingency figure has been incorporated to allow for some unexpected factors during the cost of the contract. The Council is not exposed to a high risk of project cost over-run although it is not possible to eliminate totally the chance of some unforeseen issue arising which has cost implications and which may mean the need for additional City Council funding.

- 3.2 The County Council will project manage the building and construction works on site and fees for this service are included in the costs indicated. Since the County Council is a public authority with highly experienced and competent staff there are minimal risks associated with entering into such an arrangement. Discussions are currently taking place with the County Council to confirm the project management arrangements and liabilities. Community Services officers will act as joint project sponsor with the Headteacher of the college. The City Council's contribution will be paid as a grant to the County Council in suitably staged payments against certified costs.

Usage Levels

- 3.3 Based on the recommendations of the Torkildsen Barclay report and consultations carried out more recently there is expected to be high demand for the use of the new facilities. However, Members should be aware that this is not predictable with certainty and that patterns of use may change over time. The college will be required to make reasonable efforts to ensure a high level of community use but it will be the community that determines the extent to which participation takes place.

3.4 Management Arrangements

The management arrangements for the community facilities, including opening times, elected Member representation etc. will be secured through a legal agreement between the City Council, County Council and the governors of the school. At least the heads of terms will be agreed before any works proceed on site. It is suggested that agreement to the details of the management agreement be delegated to the Director of Community Services and City Secretary and Solicitor in consultation with the Portfolio holder for Finance and Resources. General discussions on management arrangements have already taken place and there have been no significant points of difference. The Council's position in relation to any negotiations is clear and reasonable and should therefore be deliverable.

4 Conclusion

The report summarises a position arrived at after much discussion and negotiation. Cabinet is asked to consider specifically the value for money of the scheme and the allocation of additional funding. If these are agreed, and subject to consideration by Principal Scrutiny Committee, the project can proceed to its implementation phase.

OTHER CONSIDERATIONS:

5 CORPORATE STRATEGY (RELEVANCE TO):

5.1 The project is in accordance with one of the Council's four principal aims:

"To encourage more varied cultural and sporting activities for all across the district."

6 RESOURCE IMPLICATIONS:

6.1 These are detailed in the report. Appendix 3 sets out a summary of the cost and funding information in tabular form. A project appraisal form has been completed and is attached.

6.2 It is not proposed that the Council should take any active role in the day to day management of the sports facilities and will not incur any revenue costs in this regard beyond the pump priming funding already agreed towards a Community Manager post. Once established the facilities should be self-funding but the level of activity will depend on demand.

6.3 Given the scale of the budget provision being sought any decisions by Cabinet must be considered by Principal Scrutiny Committee and approved by Council in accordance with the Council's Financial Procedure Rules.

BACKGROUND DOCUMENTS:

Detailed cost estimates prepared by Selway Joyce – held on file by Director of Community Services.

APPENDICES:

- Appendix 1 - Project Content
- Appendix 2 - Plan showing proposed project content
- Appendix 3 - Schedules of cost and funding
- Appendix 4 - Capital Project Appraisal Form

Appendix 1Indoor Facilities Project Content

- New reception facilities and lobby area attached to existing sports hall to create community entrance
- Management office
- Corridor to provide enclosed access to changing accommodation with viewing into sports hall
- Relocation of existing sports hall store
- Provision of 120m² multi-purpose hall with sprung timber floor and storage accommodation suitable for dance, aerobics, preliminary gymnastics, martial arts etc.
- External enabling works
- Essential relocation of various services

Appendix 3

	Indoor £	Outdoor £	Notes
Current Cost Estimate	670,000	290,000	Cost based on latest projections by HCC quantity surveyors.
WCC funding already ear-marked	(470,000)	0	£500,000 earmarked of which £30,000 set aside for community manager funding
Shortfall	200,000	290,000	
Football Foundation grant applied for	0	(180,000)	Professional view is that this is largest sum they are likely to grant for a project of this type
Shortfall with Football Foundation Grant	200,000	110,000	
Shortfall without Football Foundation Grant	200,000	290,000	If Football Foundation application is unsuccessful Council will have to determine whether any additional funding is available to enable the project to proceed
Additional WCC funding from approved capital programme	(85,000)	0	Funds approved but not yet allocated
Partnership funding to be sought	0	(110,000)	From local sports clubs, governing bodies, parish councils etc.
Contribution from rates rebate	(115,000)	0	Rebate from River Park Leisure Centre rates
Additional funding WCC funding proposed	(200,000)	0	

Appendix 4

Capital Project Appraisal Bid

Version No 1

Project Title : Swanmore Community Sports Facilities	Project Code : TBC
Approval in Principal : July 2001	<u>Priority Code</u> TBC
File Ref : Files held by Director of Community Services	Date 22 May 2003

<u>A</u>	General Information	
1.	Project Description	The construction of new indoor sports facilities for community use at Swanmore College of Technology
2.	Link with Corporate Strategy	Fulfils one of the Council's four principle aims.
3.	Link with Business/Service Plan	Is identified specifically in the Community Services Department business plan
4.	Feasibility Study Ref.	N/A but has been subject to detailed cost analysis by Selway Joyce on behalf of Hampshire County Council
5.	Design Completion Date	Not yet complete
6.	Works Commencement Date	Probably third quarter 2004
7.	Target Completion Date	Probably first quarter 2005
8.	Responsible officers	Project Sponsor – Director of Community Services
9.	Estimated Life of Asset	50 years
10.	Other Agencies Involved	Hampshire County Council, Swanmore College of Technology
11.	Planning Permission	Obtained for outdoor. To be sought for indoor

<u>B</u>	Financial Information		
12.	<u>CAPITAL COSTS</u>	Original Estimate	Revised Estimate
		£.	£.
	Indoor Facilities	500,000	670,000
	Contribution to management	0	30,000
	Outdoor Facilities	125,000	290,000
	Total Capital Cost £	625,000	990,000
13.	<u>CAPITAL FUNDING</u>	Original Estimate	Revised Estimate
		£.	£.
	Winchester City Council	500,000	700,000
	Football Foundation	0	180,000
	Parish Councils and other partners	0	110,000
	Total Capital Funding £	500,000	990,000

14.	<u>CASH FLOW PROFILE (INDOOR ONLY)</u>	Q1	Q2	Q3	Q4
	2004/05	10,000	£10,000	£300,000	£350,000
15.	Revenue Costs	Current Year	2004/2005	2005/2006	2006/2007
		£.	£.	£.	£.
	NB To be funded from 'capital' budget allocation not base revenue budget.	0	10,000	10,000	10,000
	Total Revenue Costs £	0	10,000	10,000	10,000
	<u>SCALE OF PROJECT</u>	Major financial investment but low involvement of WCC staff time in construction management			
	Prudential Code Statement on Council Tax Effect	2004/05	2005/06	Full Project Cost	
	Loss of interest on capital sums (@ 3.75%)	9,500	25,000	25,000	
	Revenue Cost	10,000	10,000	-	
	Total	19,500	35,000	25,000	
	Effect on Council Tax (£)	0.44	0.79	0.56	

