

Report to: EXECUTIVE CABINET

Date: 25 September 2019

Reporting Officer: Councillor Oliver Ryan, Executive Member (Finance and Economic Growth)
Councillor Allison Gwynne, Executive Member (Neighbourhoods, Community Safety and Environment)
Jeanelle de Gruchy, Director of Population Health

Subject: ACTIVE HYDE POOL EXTENSION SCHEME

Report Summary: Additional capital is required if the Active Hyde Pool Extension scheme is to proceed as planned. This report presents the background, cost implications and a recommendation to proceed based on the strategic case set out in section 2 of this report.

Recommendations: That the capital budget for the scheme be increased by £0.570m in the approved capital programme from £3.464m to £4.034m.

Corporate Plan: The Community Strategy 2012/22 (and the Corporate Plan Our People Our Place Our Plan) outlines the priorities for improving the Borough. The Leisure Assets Capital Investment Programme directly links to the Tameside Sustainable Community Strategy objective of 'Healthy Tameside'

Policy Implications: The Leisure Assets Capital Investment Programme supports the Tameside Corporate Plan and specifically the 'Increase Levels of Physical Activity' priority.

Financial Implications:
(Authorised by the statutory Section 151 Officer & Chief Finance Officer) A revised budget of £3.096m for the extension of Active Hyde was approved by Executive Cabinet in August 2017. In addition, a further £0.088m was approved by Executive Cabinet in March 2018 and a further £0.280m by Executive Cabinet in December 2018, increasing the capital allocation for the project to a total of £3.464m.

The report sets out the factors that have contributed to the delays and retender of this project. Following the latest tender exercise, the total estimated cost of the scheme is now £4.043m and additional budget of £0.570m is required as follows:

Total approved scheme budget	£3.464m
Forecast cost of the scheme	£4.034m
Additional Budget Required	£0.570m

The additional budget is required to enable the scheme to progress. Members will recall that a prioritisation exercise was undertaken earlier in 2019 and a prioritised capital programme was approved by Executive Cabinet at its meeting on 27 March 2019. Approval of this additional budget will place additional pressures on the Council's Capital Programme.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

The construction industry is in a poor state particularly with collapse or near collapse of big players and therefore prices are continuing to rise. Cabinet need to decide if to proceed at the increased cost still meeting health and wellbeing priorities and if so then proceed – there have been three properly executed procurements and we have only ended up with one compliant bid so if we are in agreement to proceed we must do so expediently

Risk Management:

Contained within the main body of the report.

Background Information:

The background papers relating to this report can be inspected by contacting Debbie Watson, Assistant Director of Population Health



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1. INTRODUCTION

1.1 The Active Hyde Pool extension scheme is part of the Council's sport and leisure facility investment programme approved by Executive Cabinet on 24 March 2016. The aim of the programme is to provide high quality sports and leisure facilities creating a platform to reduce physical inactivity and supporting the development of a sustainable funding model for Active Tameside.

1.2 The schemes that currently form part of the leisure facility investment programme include;
Completed

- Active Copley heating system replacement - £0.392m).
- Active Copley pitch replacement scheme - (£0.177m).
- Active Medlock roof replacement scheme - £0.130m).
- Active Dukinfield development (ITRAIN) – (£1.3m Council investment & £1m repayable loan by Active Tameside).
- Active Longdendale Development (Total Adrenaline) – (£0.600m repayable loan by Active Tameside).

In development

- Tameside Wellness Centre - (£16.374m)
- Active Hyde Pool extension scheme - (£3.464m)
- Medlock pitch replacement scheme - (£0.120m)
- Floodlight replacement scheme at Richmond Street, Ashton- (£0.100m)
- Active Ashton Pool condition survey.

1.3 An update on progress is routinely reported to SPCMP.

1.4 The development proposal for Active Hyde emanated from an extensive consultation exercise including strategic partners such as Sport England and Active Tameside. An independent consultancy report carried out in Autumn 2015, and reported to Executive Cabinet on 15th Dec 2015, supported these proposals with the extension to Hyde Pool increasing water space and therefore mitigating the detrimental impact upon school swimming and swimming lessons for Tameside residents. The development currently comprises:

- A 25m x 6 lane swimming pool designed to Sport England specification.
- Family changing accommodation, group changing rooms for schools and a "changing places" room for individuals with special needs.
- Spectator seating.
- The pool extension, which has full planning permission, will be serviced by the existing Active Hyde car park, entrance and reception desk along with catering and other ancillary facilities.

1.5 Additional capital is required if the Active Hyde Pool Extension scheme is to proceed as planned. This report presents the background, cost implications and a recommendation to proceed based on the strategic case set out in section 2 of this report.

2. STRATEGIC CASE FOR THE EXTENSION OF ACTIVE HYDE

2.1 Local authorities have a central role to play when it comes to the provision of community sport and recreation facilities and are responsible for the health outcomes for their populations – as specified in the Public Health Outcomes Framework. As part of the health reforms brought in by the Health and Social Care Act 2012, local authorities have a duty to take such steps as they consider appropriate for improving the health of the people in their area. The steps listed in legislation include:

- Providing information and advice.
- Providing services or facilities designed to promote healthy living.
- Providing services or facilities for the prevention, diagnosis or treatment of illness.
- Providing assistance to help individuals to minimise any risks to health arising from their accommodation or environment.
- Making any other services or facilities available

2.2 The review of the Tameside leisure estate is one component part of a much larger piece of work aimed at reducing physical inactivity in Tameside and enhancing the role that physical activity can play in improving the health of the local population, reducing avoidable demand for health and social care services, and contributing to economic growth and prosperity in the Borough. Investment in Sports and Physical Activity is an 'invest to save' opportunity which directly impacts upon the health and wellbeing of the local population and reduces the demand for more costly health and social care services.

2.3 There is an overall deficit of swimming pool water provision across Tameside. The Sport England Facilities Planning Model illustrates that there is a deficit of water space across Tameside of 520m². This will be addressed in part by the development of the new Tameside Wellness Centre in Denton and the planned new swimming pool for Hyde which will significantly reduce the current deficit.

2.4 Facilities for swimming are important to the residents of Tameside. Public consultation has shown that the community was concerned about the potential loss of swimming provision and how this would impact upon people's health. This is further evidenced by the reliance on the swimming pools from schools, clubs and the significant amount of swimming lessons being delivered. The public consultation undertaken with local groups and residents on the designs for the new facility in Denton supported the need for swimming pools generally. The respondents to the public consultation stated that the swimming pools are the facility that they were most likely to use.

2.5 Progressing with the Hyde Pool extension scheme as planned will deliver the following strategic benefit:

- Support the health outcomes envisaged in the wider leisure asset development programme.
- Will continue to support Active Tameside to provide school swimming lesson programme for primary schools in Dukinfield and Hyde.
- Significantly reduce the subsidy provided, in the form of a Management Fee, for the operation of the Council's leisure facilities. Estimated to be £6,000 per month.
- Provide a broader range of services available at Active Hyde to one of Tameside's most deprived communities.
- Improved "learn to swim" programme in a conventional pool tank. The existing pool at Active Hyde isn't designed to facilitate a high quality swim programme.
- Improved facilities for competitive swim clubs. The existing pool cannot be used for competitive swimming.
- Avoid reputational damage to the Council by not progressing with the scheme – The remodelling of Active Dukinfield (now ITRAIN) was predicated on the development proposal at Active Hyde. Clubs have been displaced to other facilities on the understanding that they would relocate to Hyde once completed.
- Schools displaced by the redevelopment of Active Dukinfield will be able to relocate to Active Hyde minimising travel costs and time out of the classroom due to extended journey times.

3 PROCUREMENT & COST

3.1 The Hyde Pool extension scheme is being procured and managed by the LEP on behalf of the council. The scheme comes with a significant degree of risk and complexity as the

project involves extending a existing “leisure pool” facility that is 35 years old. The complexity and risk associated with the project has resulted in two contractors withdrawing at the last minute, the first for unspecified reasons and the second due to concerns about the general local construction market and a change in approach to risk within the company. This has resulted in the need to retender the project again and has caused further delays. The most recent tender exercise has been concluded by the LEP. The outcome has resulted in a significant cost increase.

- 3.2 The LEP has worked hard to keep costs under control. However, the cost increases experienced in the latest tender exercise have been attributed by the contractors due to general construction inflation and the volatility of sub-contractor pricing, particularly from mechanical and electrical contractors who appear to be increasing their prices and the increasing cost of steel. In addition, main contractors are reviewing their approach to risk when pricing projects, which is also generally increasing construction costs.
- 3.3 A revised budget of £3.096m for the extension of Active Hyde was approved by Executive Cabinet on 31 August 2017. In addition, a further £88,280 was approved by Executive Cabinet on 21 March 2018 to increase the capital allocation to £3.184m in the 2018-2019 Capital Programme. It was envisaged that the additional capital would enable work to start on site in May 2018 subject to contract. The budget for the Active Hyde pool scheme, approved by Executive Cabinet on 12 December 2018, was increased by £280,000 to £3.464m. This increase was due to the need to revisit the tenders after the withdrawal of the preferred contractor just before the signing of contracts.
- 3.4 The projected cost of the sub contract following the latest tender exercise is £3.667m. The cost and budget summary is as follows:

Cost Element	Cost	Comments
Latest tender price	£3.667m	
Project management and other associated fees	£0.182m	
Spend to date	£0.185m	Design Development
Forecast Total Cost	£4.034m	
Total approved Budget	£3.464m	
Budget Shortfall	£0.570m	

4 CONCLUSION

- 4.1 The strategic benefit of the Active Hyde Pool Extension scheme, as part of the Leisure Investment Programme, is significant. The development is a key component in improving health outcomes in what is one of Tameside’s most deprived communities. As the construction market is volatile, time is of the essence and an urgent decision is needed to ensure the project can be delivered.

5. RECOMMENDATIONS

- 6.1 As set out on the front of the report.