

Revised Outline Business Case (OBC): Sport and Physical Activity

This Revised Business Case is a documentation of the justification for the undertaking of the above project. After sign off by the appropriate person(s), this brief will be extended and refined into the Project Initiation Document.

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1 Executive summary

The London Borough of Barnet is in the process of reviewing the delivery of leisure services in Barnet and how they support wider public health outcomes.

The council's owns five leisure centres at Copthall, Hendon, Burnt Oak, Finchley and Church Farm. The management of these facilities is outsourced to Greenwich Leisure Limited (GLL); this contract expires on 31st December 2017.

In November 2011, the council agreed the Medium Term Financial Strategy (MTFS), which set expectations to save £967k per annum against leisure expenditure. As a result of this decision the Sport and Physical Activity (SPA) project was initiated to review the leisure services delivery model and to explore how these savings can be achieved. This resulted in a review of the leisure services including a borough wide need assessment (2012), a conditions survey (2012) and consultation with 1,200 residents (2013). The outcome was that the current leisure provision is not fit for purpose and does not support the needs of diverse Barnet population.

Findings from this work triggered a discussion with GLL, looking for potential savings and a reduction to the management fee. Despite negotiations, most recently held between September 2013 and March 2014, GLL was not been able to offer the council any option to reduce the current management fee or to improve public health outcomes without having to commission additional activities above and beyond the existing contract terms.

In July 2014, the Policy & Resources Committee (P&R) approved an Outline Business Case setting out a recommendation for a re-procurement of the leisure contract, starting with a feasibility study in August 2014

This recommendation detailed a particular procurement approach, a two stage competitive dialogue, and only provided some high level costings on how much re-developed facilities might cost. This ROBC goes into more detail around the specifics of the procurement process and more detailed costings of how the current leisure estate can be improved to increase the expected life of the buildings and better serve the council's residents.

Whilst re-procurement of the current management contract, with leisure centre re-provision, is the recommended approach, two other options were examined and dismissed;

- **Leisure contract re-tender-** if the current management contract is simply re-tendered the study estimates a potential management fee of £527k payable by the council to any new operator gives a total commitment of £5.27m over a 10 year period. There is a further risk with this approach that the market would not be prepared to manage Church Farm in its current state as part of the leisure portfolio This option also cannot address public health outcomes in line with the councils aspirations, nor guarantee that there will be no closure of leisure centres as the required management fee of £527k per annum is in excess of the Council's available budget for leisure centres.

- **Closure of Church Farm and Copthall-** to reach a revenue neutral position the council would probably need to close Church Farm and Copthall. This leaves the most popular leisure centre, Finchley, and the two most modern, Hendon and Burnt Oak to be part of the future leisure management contract. This severely restricts the council's ability to deliver the desired public health outcomes that would enhance the health and wellbeing of Barnet residents.

This revised outline business case sets out findings from the pre-procurement phase and reviews key deliverables, including the feasibility study, a procurement strategy, public health outcomes, consultation, and provides a recommendations for the next phase.

The work contained within this Revised OBC shows how sport and physical activity can make a real contribution to public health outcomes. By linking the council's aspirations to Public Health England's Public Health Outcomes Framework (PHOF) it shows how this contribution can be defined and measured. Taking this a step further these outcomes can be placed at the heart of the new leisure management contract and be central to how the tenders submitted by prospective providers are evaluated and scored. During the next phase of the SPA project this approach will be refined and moulded into a market leading and innovative procurement process. It should be noted that although the public health focus has always been at the heart of the project it has been recognised that the council must be able to afford the recommended solution and for that reason there are compromises to be made in terms of facilities and services offered in the future leisure centres.

The previous Outline Business Case recommended a procurement exercise consisting of a two stage competitive dialogue process for the for the leisure management contract and three Design, Build, Operate and Maintain (DBOM) contracts, to cover the re-provision of the Church Farm, Finchley and Copthall centres.

The work done during this phase of the project has added more clarity to what the council wants to achieve and what it is capable of achieving. It is proposed that the procurement effort itself has been split into two workstreams separating the construction process from the leisure management contract. The proposed approach offers a shorter management contract, 10 years, and provides the council with specialist suppliers for each discipline. It would also remove the need for a lengthy and costly competitive dialogue process, maximise the potential income and allow potential suppliers to concentrate on innovative solutions that contribute to the council's public health outcomes. The scale of both contracts means that the procurements must comply with the OJEU regulations.

The feasibility study, undertaken by Re on behalf of the Council, indicates that the council should re-provide Church Farm and Copthall as a priority. Although Church Farm and Copthall are fully functional the feasibility study estimates that they are currently costly to run, have reached the end of their useful economic life and require immediate investment to bring them up to modern and cost-efficient standards.. There is also a longer opportunity to enhance the Council's owned facilities at

Finchley and Hendon Leisure Centres during the lifespan of the new management contract.

The feasibility study proposes a refined list of facilities for the Council's leisure centres based on a needs assessment carried out by the council in 2012 and supported by the market research and consultation with 853 residents during this phase. As mentioned earlier, compromises are to be made to ensure the leisure centres are affordable while delivering maximum benefits to the residents of Barnet. Overall the public feedback supports the council's proposed direction of travel for leisure services in the borough. Residents also recognise the importance of swimming, particularly at Copthall, and the constraints associated with the proposals. The next phase will include more public consultation, featuring drop in sessions and workshops, to finalise the design and shape of these new developments.

| Facility | Church Farm | Barnet Copthall | Finchley | Hendon | Burnt Oak |
|------------------------------|---|--|--|------------------------|--|
| CORE FACILITIES | | | | | |
| Health & Fitness (stations) | 70 – 75 | 110-115 | 100 -110 | 80 | Burnt Oak does not require any facility developments during the new ten year contract period other than replacement of the existing synthetic turf pitch (which is required now) |
| Swimming Pools | 25m 6 lane Learner pool (movable floor) | 25m 8 lane 25m 6 lane Learner pool | 25m 6 lane Learner pool (movable floor) Leisure water | 25m 6 lane pool | |
| Sports Hall / Gymnastic Hall | - | - | - | 4 court 1 Gymnastic | |
| Dance Studios | 2 | 2 | 2 | 2 | |
| Spinning Studio | - | 1 | - | - | |
| Cafe | 1 | 1 | 1 | - | |
| OPTIONAL FACILITIES | | | | | |
| Sports Hall | 6 court sport hall (optional) | | | | |
| Diving | | a dual learner / diving facility | | | |

With the recommended facilities mix for each leisure centre described above the feasibility study and consultation investigated where they should be located. After a thorough site options appraisal it was identified that:

- Barnet Copthall should remain on the existing estate – in line with a broader master planning exercise
- Burnt Oak does not require re-provision in the medium term
- Hendon will be re-provisioned as part of the broader Brent Cross Cricklewood regeneration scheme (potential site options at this stage remain unknown)
- Finchley- should remain on the existing site and be looked at as part of the wider re-development of this site
- Church Farm- two preferred alternative sites were identified, at Victoria Recreation Ground and Danegrove Playing Field

The feasibility study estimated that the total capital cost of development of all four sites (Church Farm, Copthall, Finchley and Hendon), based on the proposed mix of facilities for each centre, is c. £44.1m. The financial model assumes that the council should deal with a high priority sites first; these are Copthall and Church Farm. The capital investment required to re-provide these two leisure centres has been estimated as being £23.2m. The costs of the borrowing will be met by the predicted income from new leisure centres, capital receipts, Sport England Strategic Facilities Investment Fund and a contribution of £3.4m from the Community Infrastructure Levy (CIL) through the Infrastructure Reserve. There is also a longer term opportunity to enhance the Council owned facilities at Finchley and Hendon Leisure Centres during the lifespan of the new management contract. The capital costs of re-developing Finchley leisure centre have been assumed to be included within the wider re-development on this site as have the costs of a new Hendon centre being covered as part of Brent Cross regeneration.

The public consultation and market research showed how important the council's owned leisure facilities are to the residents of Barnet.

This revised OBC takes account of these findings and proposes a solution that will provide residents with modern leisure facilities while addressing the need to reduce expenditure in a period of financial austerity. The re-provision of Church Farm and Copthall will ensure the continuity of the service without cessation of leisure centres; and a leisure management contract that incorporates public health outcomes, increases participation levels in sport and physical activity and increases satisfaction from leisure services. This solution will also ensure that the council have an attractive leisure portfolio for the next procurement post 2028.

Recommendations

That the Policy and Resources Committee

- 1. Approves that the Danegrove Playing Field, Victoria Recreation Ground and Copthall sites are taken through to the next stage of the project for further public consultation and consideration by planning (section 4 Feasibility Study)**
- 2. Approves capital funding of £23.2m, including associated professional fees, for the re-provision of Church Farm and Copthall leisure centres. (Section 4 Feasibility Study and Affordability Analysis).**
- 3. Approves the use of £3.4m from CIL through the Infrastructure Reserve funding to contribute to the £23.2m capital costs required to fund the re-provision of Church Farm and Copthall leisure centres.**
- 4. Approves the use of capital receipts from the existing Church Farm site to contribute to the £23.2m capital costs required to fund the re-provision of Church Farm and Copthall Leisure Centres.**
- 5. Approves the commencement of the procurement work-streams featuring a competitive procedure with negotiation (a new procurement procedure) for the**

leisure centre management contract and utilising existing government construction frameworks for the design and build contract of Church Farm and Copthall leisure centres (section 9 procurement strategy).

6. Delegates authority to the Commercial And Customer Services Director to enter into dialogue with the council to look at the possibility of using Schedule 40 of the Capita / Barnet partnering agreement to commission CSG to provide managing agent services, both for the existing leisure management contract and the new arrangement once it is procured (section 9 Procurement Strategy).

7. Approves a maximum budget of £440k for the delivery of the pre-implementation phases of the project (Section 10.2.1)

8. Approves the project's continued involvement in progressing the opportunities for the re-provision of Hendon and Finchley Lido leisure centres.

2 Introduction and Strategic Context

The Revised Outline Business Case (ROBC) takes forward the OBC prepared in July 2014 and incorporates new information and the conclusions of the Feasibility Study, the market research / consultation process, the council's public health outcomes and the market and stakeholder engagement

The current leisure management contract to operate the council's five leisure centres at Copthall, Hendon, Burnt Oak, Finchley and Church Farm, expires on 31st December 2017.

This arrangement does not deliver the health outcomes Barnet requires for its residents and, in a period of financial austerity, it does not offer the required services in the most cost effective manner.

Despite negotiations between September 2013 and March 2014, the current provider, Greenwich Leisure Limited (GLL), has not been able to offer the council any option to reduce the current management fee or to improve public health outcomes without having to commission additional activities above and beyond the existing contract terms.

In September 2011, Cabinet Resources Committee (CRC) approved the negotiation of terms with GLL for termination of the current Leisure Management Contract. In October 2012, CRC approved the Sport and Physical Activity Strategic Outline Case, including the draft SPA Strategy Statement.

An Outline Business Case was approved by CRC in November 2013 to address the short term Medium Term Financial Strategy (MTFS) savings gap and gave approval for the project to investigate a more sustainable, long-term solution for the leisure contract.

In June 2014, the Health and Wellbeing Board (HWBB) approved the establishment of the Fit and Active Barnet (FAB) Partnership Board and noted the Sport and Physical Activity (SPA) Strategy delivery plan.

In July 2014, the Policy & Resources Committee (P&R) approved an Outline Business Case setting out a recommendation for a re-procurement of the leisure contract, starting with a feasibility study/pre-procurement phase in August 2014.

The overall aim of the project is to procure a new contract for the operation and management of five leisure facilities, to improve the participation levels in sport and physical activity across the borough and to deliver sport and physical activity services at revenue neutral position to the council.

The core strategic outcomes expected from the SPA project are:

- Improved levels of physical activity within Barnet, particularly in target geographical areas for both adults and children, leading to improvements in public health outcomes and general wellbeing

- Improved opportunities and access to sport and physical activities for individuals of all ages and abilities
- Evidence-based practices informed by Public Health review of evidence
- Optimised opportunities to improve the sport and physical activity landscape through planning gain and improvements to public realm via better understanding of need, supply, and demand on facilities
- Suitable governance arrangements to support the council and key stakeholders delivering the SPA objectives
- Achievement of a cost-neutral revenue provision of the council-owned leisure facilities
- Better integration of the leisure centre facilities with open spaces to provide a more integrated offer to residents.

Pre-procurement Phase Objectives

- To finalise the vision for leisure centre with a clear strategy for each of the five leisure centre sites described in a feasibility study report
- To work with stakeholders across the council to ensure that the new leisure contract delivers against strategic priorities across the piece e.g. health, prevention, re-ablement, FAB etc.
- To engage with key stakeholders to secure the best chances of success for the project through a coordinated approach reducing missed opportunities for joint commissioning, access to facilities by residents, links with planning and section 106 contribution and other funding opportunities
- To develop a procurement specification that will deliver the vision from the feasibility study and planning masterplan, taking into consideration the impact of and any other developments in the borough and the contribution of sport and leisure to public health outcomes
- To develop a formal agreement with partners and leaseholders for the development of governance (possibly a trust) to manage the wider Copthall estate
- To ensure there is no missed opportunities to deliver outcomes for residents which come from green spaces as well as the leisure facilities.

Project Aspirations

This project is putting public health objectives at the core of every aspect of the forthcoming procurement phases. At its most basic the council is re-procuring a leisure management service for its five leisure centres, but what it is trying to create is a working partnership with a leisure services and public health orientated provider that will improve the health and wellbeing of all residents of Barnet.

There is a financial aspect to this and the feasibility study, commissioned through Re, has gone into detail about the capital investment required to ensure the council's leisure centre estate can serve the borough through the lifetime of the next contract and into the one that follows. This investment will enable the leisure centres to return a revenue stream to the council and remove the need for the current management fee.

The public health focus means that it is not only about the five facilities owned by the council. The partnership with a focussed public health provider will expand this role into green spaces and parks and potentially make more use of community buildings and educational facilities.

Overall the council sees this project centred around delivering wider public health benefits rather than as a simple facilities management re-procurement. Conversations with other local authorities have shown that this is an approach many would like to take but few have been able to create a procurement that can deliver it.

Project Outcomes

The key products that were delivered in this phase include a feasibility study; a procurement strategy; interim masterplan for Copthall and public health outcomes that the council expects to develop further and turn in to KPIs for the future leisure management contract.

The project gathered opinions of 853 Barnet residents through a market research exercise involving 600 telephone interviews, four regional workshops, four focus groups and an open online survey.

The project has also moved on the conversations relating to a trust to manage the Copthall site and the creation of a Sport and Physical Activity Team within the council.

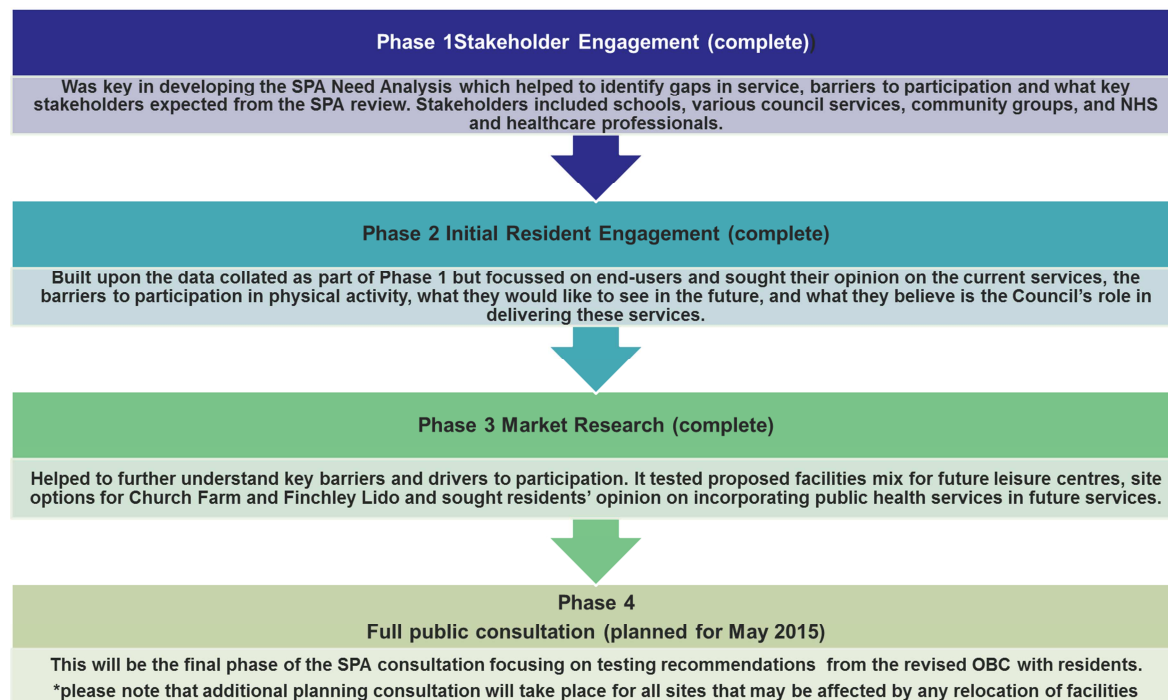
One of the overarching intentions of this phase was to define, as closely as possible, what the council wants from a leisure services provider and what capital investment is required in its leisure centre estate to enable a successful procurement to be conducted during the next phase.

These key outputs are summarised in the body of this report and build the options for the next phase and define, as closely as possible, a recommendation together with a breakdown of the costs and associated resources required during the next phase to deliver the recommended option.

3 Consultation

As part of the pre-procurement phase the council carried out third stage of the consultation, including a market research exercise and an open online survey with 853 residents in Barnet. As outlined below Phase 3 builds on the previous two phases:

Figure 1 SPA Approach to Consultation

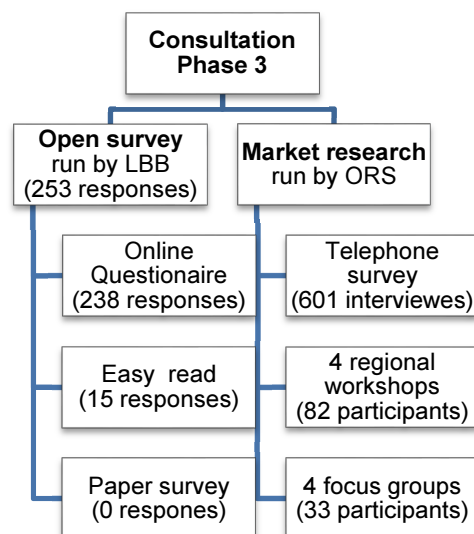


The purpose of the third phase was to allow LBB to engage with, and listen to, members of the public about a wide range of important issues relating to sport and physical activity, including:

- current use of leisure facilities
- drivers and barriers to participation
- facilities mix for future council-owned leisure centres
- public views on receiving health services on site
- improvements to park-based activities
- testing scenarios for relocation options for Church Farm and Finchley Lido and
- management alternatives.

SPA consultation was split into two streams, namely open consultation and market research.

Figure 2 SPA Consultation Delivery



The open consultation included a borough wide online survey which was promoted through Engage Barnet website and the council's Communities Together network. Promotional posters were distributed at leisure centres and libraries. A paper copy of the survey was also available upon request. In addition, LBB worked in collaboration with Mencap to prepare and promote an easy read version of the survey.

Market research exercise was carried out by Opinion Research Services (ORS), a company procured by the council for this purpose. ORS conducted a telephone survey; four area based workshops taking place in the catchment area of each centre; and four focus groups aimed at priority groups and those covered by protective characteristics. All participants were randomly recruited by researchers at the ORS Social Research Call Centre using a combination of Random Digit Dialling (RDD) and a purchased sample of mobile telephone numbers targeted at residents aged under 35. Targets were set for ORS research activities to ensure there was a cross section of the population, in terms of age, gender, ethnicity, faith and disability etc.

Findings from this market research exercise were used to inform the feasibility study to ensure all options are thoroughly tested and key decisions and appraisal of the potential options can be made in an informed manner. The key findings from consultation are presented below; full report is attached at Appendix 5.

The project conducted an Equality Impact Assessment, attached at Appendix 3, which is currently showing significant positive impact on all residents, including those covered by the protective characteristics.

The next, final phase of SPA consultation (planned for May 2015) will include full public consultation and stakeholder engagement. Stakeholder management is outlined in Section 10.11. Public consultation is included in a high level timeline, see section 10.5.

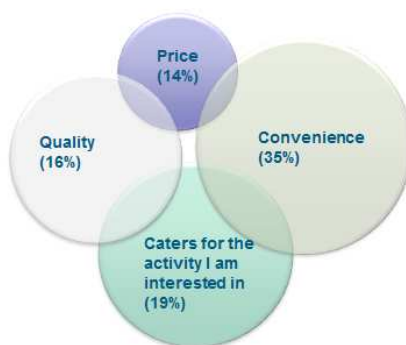
3.1 Current use of facilities

- The survey showed that just over six in ten (62%) residents are Users, and use leisure facilities for sport and physical activity purposes outside their home. Online questionnaire suggest a higher number (87%)
- Residents from a White-British ethnic background, home owners with a mortgage and Accomplished Singles¹ are significantly more likely to be Users. In contrast, residents who are aged 55+, from Black and 'other' ethnic background, disabled or Contemporary Elders are significantly less likely to use leisure facilities
- 26% of all Users use Parks and green spaces for leisure activities, online survey suggest the number is a bit higher (37%)
- Fitness centres/gyms (16%), parks and green spaces (16%) and 'other leisure facilities' (LA Fitness-most frequently mentioned) are the most frequently used facilities for leisure purposes
- Outside golf course, Burnt Oak, Church Farm and Hendon leisure centres, and schools fall within least used facilities for sport and leisure activities.
- Walking, swimming and attending gym or exercising at a leisure centre are most commonly undertaken physical activities

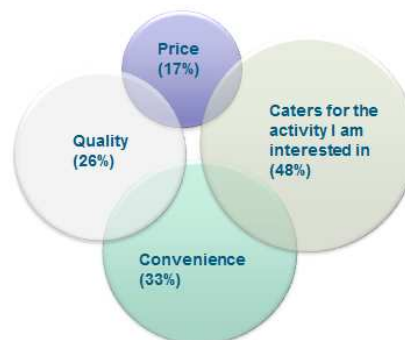
3.2 Drivers and barriers to participation

- Users were asked to rank key barriers to participation (identified in previous consultation in Autumn 2013); the results indicate that more affordable prices, better quality facilities and flexible opening hours are most likely to encourage User to increase their participation. Crèche/nursery facilities were noted as least likely to encourage participation.
- The current telephone and online survey suggest similar trends, with convenience, quality of facilities and price considerations being noted as most important.

Telephone survey



Online questionnaire



¹ Accomplished Singles is one of the Barnet Customer Segments, which have been developed from CAMEO Lifestyle Segmentation. See ORS report for more information on segments

- Similar to users, non-users consider cost, accessibility, flexible opening hours and improved quality as key drivers that would encourage them to participate in sport and physical activity.
- 14% of residents who are Users noted that a wider range of programmes would encourage their participation; qualitative insight suggest there should be more consideration given to scheduling of classes with increased number of later evening and weekend sessions.

3.3 Facilities mix

Residents were asked to rank wet, dry and outdoor facilities in terms of relative importance. Findings from the online survey, market research and easy reads were reconciled, using appropriate weighting to ensure views are representative.

| Type of facility | Options | Weighted ranking | Qualitative data comments |
|---------------------------|-------------------------|------------------|---|
| Wet facilities | 25m pool | 1 | essential in any future leisure provision |
| | Learner pool | 2 | generally thought to be required, suggestions were made to use movable floor to accommodate for other activities |
| | Splash/fun pool | 3 | Not essential but provide swimming foundation and allow families to spend time together |
| | Diving | 4 | considered important but too 'nice' and expensive for a council owned facility |
| | Outdoor pool (lido) | 5 | is a good idea but too expensive to run; only used during certain months of the year |
| Indoor facilities | Fitness/gym suite | 1 | essential in a new facility as long as it offers good value for money |
| | Sports halls | 2 | new sports halls should include more multi-purpose space to host different activities and maximise utilisation of the space |
| | Exercise/dance studio | 3 | is essential, should provide more diverse and targeted offer |
| | Gymnastics | 4 | popularity of the Hendon Gymnastics Club suggest there is a need for increased provision |
| Outside facilities | Outdoor courts | 1 | increase use of multi-purpose facilities to save space and ensure continuous use |
| | Artificial pitches (3G) | 2/3 | |
| | Grass pitches | 2/3 | |

Qualitative insight and online questionnaire suggest that above facilities mix should consider a 50 metre pool in the borough- particularly as it could be partitioned off to

offer two 25 metre facilities. Further meetings with Copthall Swimming Club and the Amateur Swimming Association (ASA) emphasised the benefit of dual pools as a means of maintaining a strong competitive swimming programme and available water space for casual swimmers.

Other preferred services/facilities

Residents were asked to name other services/facilities that they would like to see in the borough. The list of most popular responses includes:

- Children activities/facilities
- Climbing
- Ice-ring
- Running/Jogging
- Skateboarding
- Cycling
- Relaxation area (sauna/Jacuzzi)
- Golf
- Disability friendly facilities
- Spinning

3.4 Public Health Interventions

- All residents were asked about their preference for receiving health-related services at leisure centres
- Overall, all residents seem very comfortable to receive all the public health services they were asked about - more so for help and advice regarding weight loss, health checks and advice on becoming more active (87-89% positive rating for each)
- Help and advice to recover after a stroke/heart attack/major illness/fall also received high positive ratings (83%), and to a slightly lesser extent the same can be said about help and advice in managing a long term condition (79%).
- Qualitative insight suggests some common themes around health checks and advice. Some suggested introducing self-checking facilities, nutrition advice, physiotherapy and massage therapy. There was, however, less support for assistance and advice with medical conditions such as diabetes, strokes and heart conditions
- Online data suggests residents are relatively comfortable to receive some services, although their positions in terms of acceptance for 'help and advice to recover after stroke, heart attack, major illness or fall' and 'help and advice with managing a long term condition or illness' is lower when compared to the main data
- Frequent references were made to the GP exercise referrals offered in other areas (and that apparently used to be offered in Barnet). These were considered of enormous value and it was widely agreed that their extension could strongly benefit those who must exercise in a controlled environment.

3.5 Parks

- All residents were asked about their potential preference for taking part in park-based activities
- Overall, residents seem fairly interested in taking part in all the activities they were asked about. Open-air classes, team sport activities and group walks

received the highest positive results (63%-62%), with the least interest noted for cycling groups

- Online data suggests residents are less interested in and more indecisive about park-based activities compared to the main data.
- Residents are discouraged to use parks after dark due to lack of: lighting, adequate facilities and supervision.

3.6 Site options

Finchley Lido

- The general consensus among those who use it (and those who do not but are aware of its present condition) was that Finchley Lido is in need of refurbishment
- In terms of future options, participants at the Finchley workshop were shown and asked to comment on four possible site options for future leisure centre provision (the existing site, Glebelands Open Space, Finchley Memorial Hospital and the Bowls Club Site). They almost without exception supported the provision of any new leisure centre on the existing site insofar as positive links with other site occupants would be maintained and that the site has good access via both private and public transportation. It was also said the Lido has a historic tradition that should be maintained and enhanced.

Church Farm

- All Church Farm workshop attendees (and members of the Women's Group) acknowledged that the current leisure centre site is too small to accommodate a modern facility, which was considered essential for the area. As such, they supported the centre's relocation - and none felt they would be sorry to see it go
- Participants at the Church Farm workshop were asked to comment on six possible site options for future leisure centre provision: the existing site; Oakhill Park; New Southgate Recreational Ground; Victoria Recreation Ground; Brunswick Park; and Danegrove Playing Fields.
- Some participants expressed no preference so long as there are adequate transport links to, and parking facilities at the centre - and that the site chosen is large enough to provide properly enhanced and integrated facilities.
- *Danegrove Playing Fields* received significant support at the workshop, primarily because the site has good transport links, is in a good location and is sufficiently large to accommodate the enhanced facilities needed for the area's growing population. There was some minor concern about the loss of a school playing field, however further discussions with Ward Members suggest that the area is considered to be an underdeveloped and unutilised asset that is neither used by the school nor the public.
- *Victoria Recreation Ground* was also a popular proposition as there are convenient bus links to the area and because of the lack of facilities in the north of the borough. It was also said that the area is in need of regeneration, that its population is growing and that there are many primary schools there that would make use of the facility. Others felt, though, that the site is in the

'middle of nowhere' and that a leisure centre there could not be self-sustaining – and there was also a concern about the small size of the site.

- *Brunswick and Oakhill* – the former was supported by residents due to the large size of the site and good transport links. With particular regard to Oakhill Park, the workshop was attended by a member of the East Barnet Residents' Association, who strongly objected to the development of a leisure centre in the park on the grounds that the site is currently occupied by a number of well-used facilities (a café, an outdoor gym, outdoor courts and two children's play and recreation areas) that could potentially be lost if the leisure centre was to be developed there. Similar concerns were raised during the meeting with Ward Members, who in addition to above were concerned about taking away a space that is currently free and open to public and replacing it with a chargeable service. However they recognise that Brunswick Park is a poorly developed and unutilised open space and a destination park could be created through a leisure development.
- *New Southgate Recreation Ground*- option was supported by residents due to its larger size and good transport links. However, one participant felt that the New Southgate site would require a 'lot of work' to accommodate a leisure centre; and another recognised that siting a centre there could place it in direct competition for users with Finchley Lido.

3.7 Feasibility Study Consultation

In parallel to market research and online questionnaire, a consultation exercise with key stakeholders was undertaken as part of the feasibility study. This included speaking to six London boroughs (the five neighbours and Waltham Forest), national governing bodies for gymnastics, swimming and diving and managers of the Cophall Swimming Club and Hendon Gymnastics Club. The consultation undertaken within the feasibility study identified some key issues, which are set out in the following paragraphs. Detailed responses from each stakeholder consulted are provided in Appendix 6.

Gymnastics provision is oversubscribed in Barnet and across the region

- Gymnastics provision is constrained across the region and there is a common interest in working together to provide for this (but not necessarily to fund it). Hendon Gymnastics Club is over-subscribed and looking to expand provision.

Competitive swimming and water space

- Cophall Swimming Club is one of the top 5 swimming clubs in the UK with 1,300 club members and 1,500 learners. A member of the club has participated in every Olympics since 1980. Having two 25m pools in one building is key to the club's regular competitive success. Revenue from club swimming is c. £250,000 per annum.
- Consultation with the Amateur Swimming Association (ASA) echoed the importance of the Barnet Swimming Club programme and emphasised the benefit of dual pools as a means of maintaining a strong competitive programme and available water space for casual swimmers.
- From a borough wide perspective and factoring in population growth to 2021 – the ASA recognise the provision of an additional 25m pool as a priority for

Barnet. Whilst supportive of the Lido and leisure water at Finchley, neither are regarded as a priority due to the limitations of the availability (lido opens two months per year) and unsuitability of design for swimming lessons / competition.

Lack of dry side facilities limits potential for diving facilities at Copthall

- Copthall is one of only three centres in London with a 5m platform; however advanced diving coaching is limited by lack of dry side facilities. There are around 30 members of the diving club and 30 in synchronised swimming, each use the diving pool 3 days per week (outside these times the moveable floor enables pool to be used for exercise and mother and baby classes).
- British Diving noted that national competitions are viable at Copthall due to the 5m platform. However, the primary limiting factor for clubs is availability of 'dry land' facilities - e.g. time in sports halls with dry dive boards on to crash mat, trampolines, wall bars and storage space. Without 'dry land' (as at Copthall) competitiveness is limited. Club members can progress despite limits on facilities but must have links into the 'beacon centres' such as Luton.

4 Feasibility Study and Affordability Analysis

In September 2014, Re and Capita with support from The Sports Consultancy undertook a feasibility study into the future of the Council's owned leisure centres.

The feasibility study sought to establish what facilities the Council requires, where new developments are required, how much they would cost to build and run and how much they could generate in revenue.

Current Leisure Sites

The council's leisure centres vary significantly in age with the oldest centres; Church Farm (constructed around 1960) and Barnet Copthall (constructed approximately 1975) now reaching the end of their natural lives. Recent work completed on the roof at Church Farm has given it an additional estimated three years of life, while major investment is required at Copthall to replace its aging tanks and plant room. These measures will provide only temporary fixes and will not overcome the inherent problems of both centres. The Finchley centre is heavily used, but would benefit from enhancements to the current layout and aesthetic improvements. Burnt Oak and Hendon, (constructed in 2003 and 1995 respectively) are both in reasonably good condition.

Condition surveys undertaken in 2012 for all five centres identified £9.9 million of repairs across the portfolio within 25 years.

Needs Assessment

The needs assessment, within the feasibility study, builds a picture of the future facility requirements across the borough, with a particular focus on swimming pools, sports halls and health and fitness facilities. The analysis draws on previous work done by the council in 2012, and incorporates more recent reports including the Sport England Facility Planning Model (FPM) results for swimming pools and sports

halls and Health and Fitness latent demand reports for the borough (from The Leisure Database Company) and findings from stakeholder engagement (including local authorities, National Governing Bodies, key sports clubs and the existing leisure centres.

Key findings from the need assessment are as follows:

- There is a requirement to maintain the current level of swimming pools – with consideration required on the provision of additional water space in the south of the borough
- There is no additional need for sports halls but increased access to provision currently located at school sites could be part of the responsibilities of the new Sport and Physical Activity Team to ensure future demand can be met
- There is demand for a 10 – 20% increase in the number of health and fitness stations at Copthall, Finchley, Hendon and Burnt Oak and the provision of approximately 75 stations in the area of the current Church Farm site.

4.1 Facilities Mix

The feasibility study proposes a refined list of facilities for the Council's owned leisure centres, see Figure 3, based on the needs assessment and supported by the consultation / market research work with 853 residents completed during this phase.

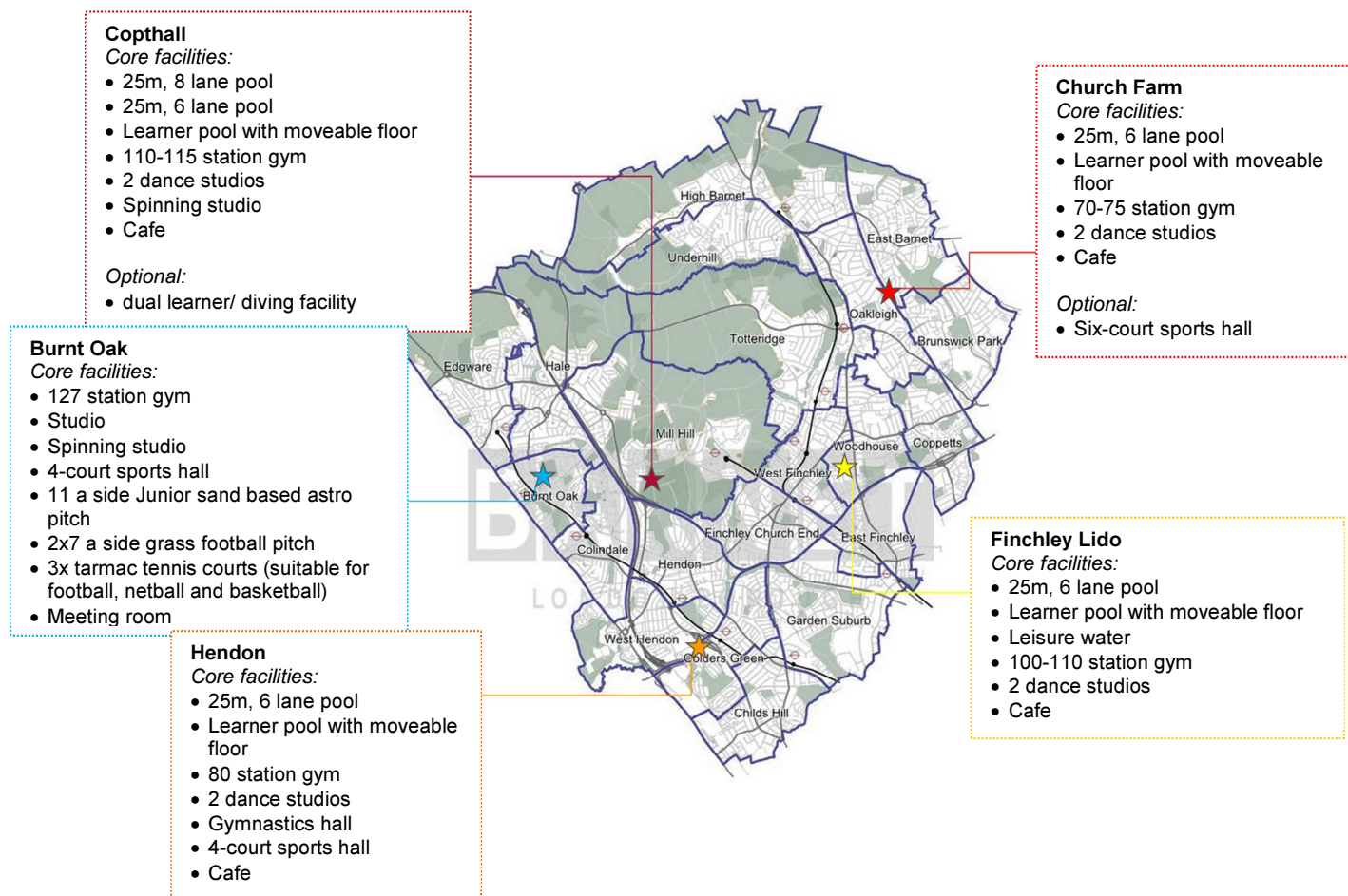
The proposed enhancement to the current provision, with a dry side at Church Farm and a wet side at Hendon, would maximise revenue in the future and enhance the user experience.

Burnt Oak would remain as it is with only the replacement of the existing synthetic turf pitch happening during the new ten year contract period. It is likely that there would be no need to close facilities during the re-development process, so continuity of service could be maintained.

A sports hall at Church Farm is an option that will be dependent on the final decision on which site will be chosen for the new build. Detailed designs will be put together for each of the proposed sites and a public consultation process will begin in May 2015 to inform the final decision.

The provision of health and fitness and studios at Barnet Copthall should be increased. The existing provision of water space at Copthall should be maintained given the current strength of the swimming programme and Copthall Swimming Club. The inclusion of diving within a new facility mix is more difficult to justify due to the level of investment needed and given that it is a relatively peripheral element of the swimming club. More consultation is planned in May 2015 to finalise the proposal.

Figure 3 Proposed facilities mix



**subject to further public consultation*

Potential Capital Costs

The above facilities mix has been used to create indicative layouts for each site to allow the capital costs to be estimated. The capital costs represent a mid-range value, are based upon a range of assumptions and exclusions (Appendix 6) and should be viewed as indicative only at this stage:

Table 1 Potential Capital Costs for all leisure centres

| Facility | Capital Cost |
|--------------|---------------|
| Church Farm | £8.9m |
| Copthall | £14.3m |
| Finchley | £9.4m |
| Hendon | £11.5m |
| Total | £44.1m |

This investment would be phased with the design and build procurement for Church Farm and Copthall starting in March 2015 with completion due in mid-2018 for

Church Farm and by 2019 for Copthall. Subsequently it would be possible to have a re-developed Finchley in place during 2022 and Hendon by 2025.

The work done during this phase on the planning guidance (Appendix 8) and feasibility study (Appendix 6) on the Finchley site recommended that the area would benefit from a more detailed masterplan. The capital costs of re-developing Finchley leisure centre have been assumed to be included within the wider re-development on this site as have the costs of a new Hendon centre being covered as part of Brent Cross regeneration. As a result the capital costs required for the next phase to complete work on Copthall and Church Farm leisure centres is £23.2 million. The work will start in March 2015.

4.2 Site Options

With the recommended facilities mix for each site described above the feasibility study looked at where the facilities should be located. For Copthall, Hendon and Burnt Oak the report identified that;

- Barnet Copthall should remain on the existing estate – in line with a broader master planning exercise
- Burnt Oak does not required re-development in the medium term
- Hendon will be re-developed as part of the broader Brent Cross Cricklewood regeneration scheme (potential site options at this stage remain unknown).
- There are alternative sites for Church Farm and Finchley.

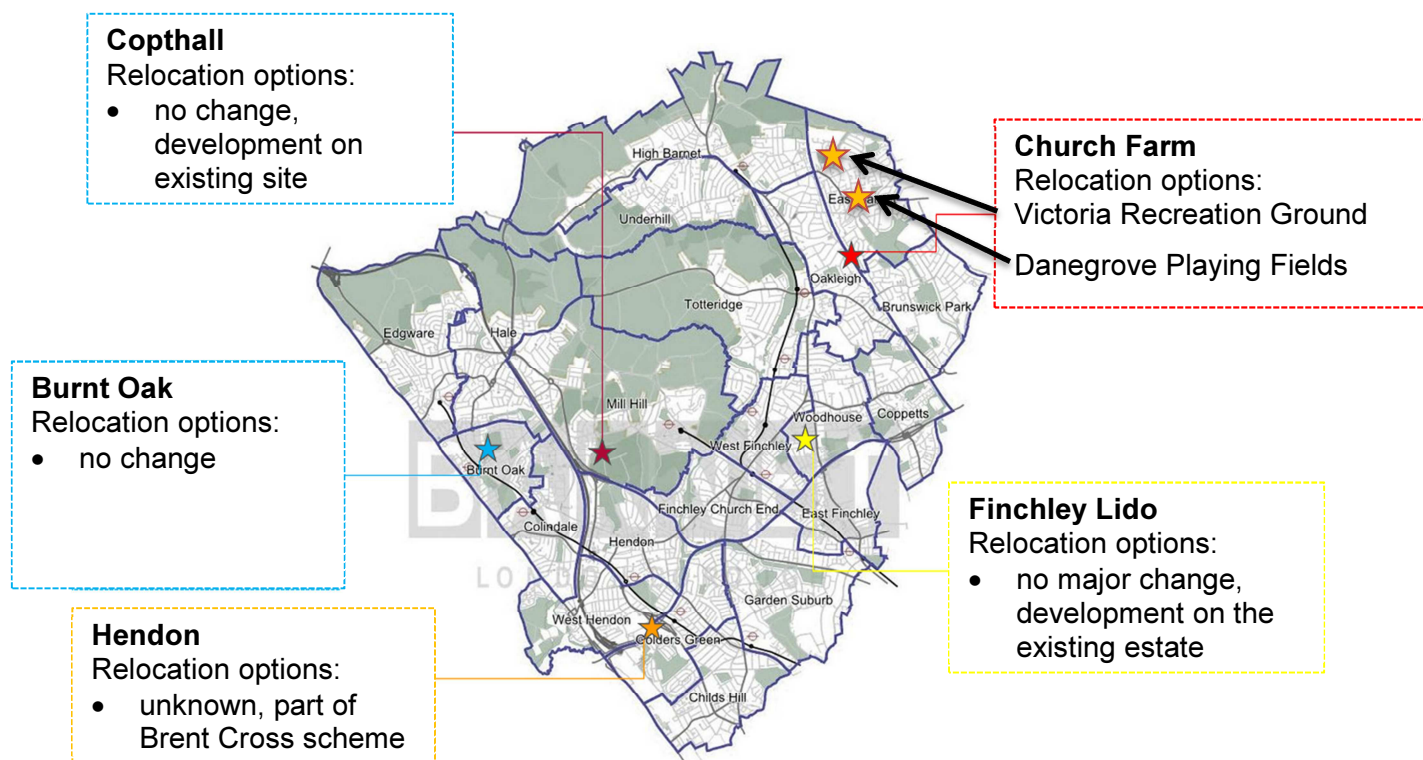
The potential sites for Church Farm and Finchley were subjected to an options appraisal. Within this process, a long list of possible sites were established, site visits undertaken and a shortlist agreed through an evaluation exercise (based on a series of characteristics – planning, location, accessibility, catchment area etc.). This provided a score for each option allowing the sites to be ranked.

With particular reference to Finchley, although alternative sites were put forward the ultimate recommendation was that it should remain on the existing site.

For the Church Farm alternative sites, Danegrove Playing Fields, Victoria Recreation Ground, Oakhill Park and Brunswick Parks all scored well.

The two parks are designated as Metropolitan Open Land (MOL) creating significant planning constraints. The MOL is used only within London and land described in this way is given the same level of protection as the Metropolitan Green Belt. Designation is intended to protect areas of landscape, recreation, nature conservation and scientific interest which are strategically important. Consequently, any development of any kind on MOL must not only be what is regarded as appropriate, in the same way as Green Belt, but the planning permission to carry it out cannot be granted by a London Borough acting alone, but requires the agreement of the Mayor of London and the Secretary of State for Communities and Local Government. For these reasons it is recommended that neither of the parks sites is considered further.

Figure 4 Proposed site options



** subject to further public and planning consultation with key stakeholders*

A particular point to note with the Victoria Recreation Ground option is that, due to its northerly location in the borough, it has a much smaller catchment population which could undermine its revenue performance.

Further details of the site options appraisal and relative merits and disadvantages of each site can be found within the main body of the feasibility study at Appendix 6. Any re-location of the facilities would be subject to consultation and standard planning process.

4.3 Feasibility Study Scenarios

From the feasibility study the report is able to draw out four scenarios.

- Four sites are re-developed, Church Farm, Copthall, Finchley and Hendon.**
 With capital investment at all four sites and with the phased development described earlier the council could expect an average annual income of £1.283m over the first ten years of a new contract.

2. Two sites are re-developed, Church Farm and Copthall.

While the re-development of Church Farm and Copthall are identified as priorities, the feasibility study recommends that any development at Finchley and Hendon should happen as part of wider developments. For this reason there is more uncertainty around the capital costs for these sites and as such the prudent view is that only the income from existing sites is included in the capital funding options below.

3. Re-develop Copthall only (assuming no planning permission for Church Farm relocation).

There are no guarantees that planning permission will be granted for either of the alternative sites recommended for a 'new' Church Farm. The feasibility study sees limited benefit in re-developing the existing site and so closure might be the only option.

4. Retender the management contract for the existing estate with no capital investment.

One of the options discussed through the last business case was whether the council should cease providing leisure services. It was agreed that Barnet should continue to provide these non-statutory services. This document assumes that this commitment means providing these services through the existing estate without closure of any individual leisure centres.

If the current management contract is simply re-tendered the study estimates a potential management fee of £527k payable by the council to any new operator, gives a total commitment of £5.27m over a 10 year period. There is a further risk with this approach that the market would not be prepared to manage Church Farm in its current state as part of the leisure portfolio. This option does not address public health outcomes.

4.4 Affordability Analysis

The previous Outline Business Case recommended a comprehensive procurement exercise consisting of a two stage competitive dialogue process and a Design, Build, Operate and Maintain (DBOM) contract, putting the risk of raising the required capital investment with the potential suppliers. This phase of the project has moved away from this recommendation for the following reasons;

- Any private sector developer seeking to borrow £23.2m to fund the capital investment into Church Farm and Finchley would need to borrow at commercial rates, probably 2% higher than prudential borrowing. The soft market testing has shown that potential suppliers would pass their borrowing costs straight through to the council, giving an additional cost of around £300k.
- A DBOM contract would need to be 25 to 30 years or longer to enable the contractor to recover their investment and make a surplus. It is also likely that the income estimates would be smaller and suppliers might push for a profit (surplus) share rather than an income share.
- Competitive dialogue and a DBOM contract are lengthy and resource intensive by nature. Competition for this type of procurement is limited; initial

soft market testing suggest that only 3-4 companies would have the financial capability or willingness to bid for this project.

- This type of procurement process focuses on suppliers who can deliver DBOMs rather than those who can specialise in helping the council achieve public health outcomes.

Another option, previously considered, was for the council to borrow the entire capital sum and then lend it back to a potential supplier. This would put us back into the DBOM procurement with increased contract term and less focus on public health.

Taking into account above, this Revised OBC recommends that the capital funding required for two new leisure centres at Church Farm and Copthall should be fully funded by the council through sources listed below. Using scenario 2 from the previous section the following model is proposed for the funding of the total estimated £23.2m capital investment required to re-provide Church Farm and Copthall.

The proposed approach offers a shorter management contract, 10 years, and provides the council with specialist suppliers for each discipline. It would also remove the need for a lengthy and costly competitive dialogue process, maximise the potential income and allow potential suppliers to concentrate on innovative solutions that contribute to the council's public health outcomes.

The capital funding required to support the re-provision of Church Farm and Copthall leisure centres will be financed from the sources listed below:

| | £m |
|------------------------|--------------|
| Prudential Borrowing | 18.55 |
| Infrastructure Reserve | 3.40 |
| Sport England | 0.75 |
| Capital Receipt | 0.50 |
| TOTAL | 23.20 |

Based on the estimations from the feasibility study, from 2017/18 the income from the re-provided leisure centres will contribute to the repayment and interest on the prudential loan with the remaining expenditure covered by the residual leisure centre budget. The table below illustrates the income and expenditure in an average year.

The underpinning financial model has been based on a cautious view and is shown in the table below. It illustrates the income and expenditure in an average year and makes the following assumptions;

- Potential income resulting from any 'new' Finchley and Hendon sites is not included.
- The report has assumed that the £9.4m and £11.5m capital required to re-provision these centres will come from the respective developers of these locations.

- The PWLB borrowing is over 25 years and at a 4.5% interest rate.
- The costs associated with the works identified in the condition survey for Finchley, Hendon and Burnt Oak have been included. These should be incurred if there is no re-provision (assumption 1).

| | £'000 |
|---------------------------------------|----------------|
| New Leisure Contract Income | |
| Church Farm | (205) |
| Barnet Copthall | (415) |
| Finchley | (243) |
| Hendon | (83) |
| Burnt Oak | (125) |
| Total (Income)/Expenditure | (1,071) |
| | |
| Condition Survey Repairs | |
| Finchley | 24 |
| Hendon | 121 |
| Burnt Oak | 111 |
| Total Condition Survey Repairs | 256 |
| | |
| Net Revenue before Loan Costs | (815) |
| | |
| Loan payments | 1,250 |
| | |
| Net Expenditure/(Income) | 435 |
| | |
| Residual Budget | (419) |
| Use of Reserve | (16) |
| | |
| Under/(Overspend) | (0) |

4.5 Feasibility Study Recommendations

The financial modelling in the feasibility study (appendix 6) was based on prudential borrowing repaid through the potential income from re-provisioned leisure centres, leaving a funding gap of £237K. The Revised OBC is recommending an additional sum of £3.4m be provided from the Community Infrastructure levy (CIL) through the infrastructure reserve to plug this funding gap.

Overall the feasibility study made seven key recommendations all of which have been included within this business case.

- 1) Zero revenue subsidy across the portfolio cannot be achieved without investment. Therefore, a simple retendering of the contract in time for January

2018 will not deliver the Council's aspiration, nor would it address the quality and age issues at Church Farm and Barnet Copthall

- 2) Church Farm should be replaced with a new wet and dry centre at Cat Hill/ Park Road
- 3) Barnet Copthall should be replaced with a new wet and dry centre within the Copthall estate
- 4) Replacing Finchley with a new wet and dry centre on or adjacent to its current site should be progressed as a medium-term aspiration
- 5) Hendon should be replaced with a new wet and dry centre (including the gymnastics provision) as part of the Brent Cross/Cricklewood regeneration scheme
- 6) The management of Barnet Copthall should be retained within the leisure contract and not transferred to the proposed Copthall trust
- 7) The construction of new facilities should be separated from the management contract to provide the Council with greater flexibility over the timescales for delivery and also to maximise the level of interest in the management contract.

4.6 Asset transfer

Broadly speaking, there are two ways of transferring the council's leisure assets:

Outright freehold disposal of the facilities with the third party taking over the operation of the facilities on a day-to-day basis along with all on-going revenue and capital investment risk. This arrangement would mean that the council's control of the sites would cease at the point of disposal. Covenants restricting future changes of use could be imposed but covenant control can be difficult to enforce, weakens over time and in the future could be varied by the Lands Tribunal, even if the council opposes such a change. There is no ability through a freehold disposal to control future sales to alternative operators. This could lead to deterioration in service or loss of leisure provision in the borough.

The transfer of the facilities to a third party on a long-term lease, again with the third party taking over the operation of the facilities on a day-to-day basis along with all on-going revenue and capital investment risk. Fusion believes, and the evidence from Swindon suggests, that a lease for 99 years would be the most attractive to the market. The benefit of a lease arrangement is that the freehold of the site remains in the council's ownership and some control can be exercised through standard lease clauses, for example proposals in the future to assign the benefit of the lease to another operator or to alter the use of the premises. During the current phase of the project the project has re-examined the arguments for transferring the council's assets and have the following points to add;

Market View

The general view from the suppliers involved in the soft market testing conducted during this phase is that a council would transfer its leisure assets only as a last resort. For example where a site is uneconomical to run and maintain and where no funding is available the only choices are to close or sell. Where a council's leisure sites are fit for purpose or with some refurbishment or re-development could contribute an income stream, and then the market would expect the council to retain its assets and procure a leisure services management contract to find a supplier to run them.

Public Health

As described elsewhere in this business case, the council will be putting public health outcomes at the heart of the specification for the leisure management contract that will be re-let as part of the next phase. These outcomes are drawn from the Public Health Outcomes Framework (PHOF) and contract key performance indicators will be created to measure progress towards them. Achieving success against these indicators will require an holistic approach from potential providers when they bid for the councils opportunity. We would expect the councils leisure centres to be at the heart of any proposed solution, if these assets were owned by a third party it would make it more problematic to link the sites to the delivery of public health outcomes.

Consultation Findings

Residents were asked to comment on the current management of leisure centres and who should own the assets. Looking to the future, most participants felt strongly that LBB should retain ownership of its leisure centres – and a considerable number were opposed to the continued outsourcing of leisure centre management, primarily because of their perceptions that the contractor would: prioritise profit over the needs of local residents; not value its staff to a sufficient degree; offer only the bare minimum in terms of services due to a lack of vested interest in the community; and be unable to offer centres with a 'community feel' in the same way a local council can.

Feasibility Study

The feasibility study provides evidence to show even without major capital investment at the Cophall and Church Farm sites the council's leisure centre portfolio should be attractive to the market at a management fee below the current level, perhaps around £527k.

If these facilities were offered to the market as an asset transfer deal they might be attractive given the above average level of affluence, the current and anticipated population of the borough. However, the current facilities would present a range of risks to operators that they would take into account when deciding to bid for these assets. For instance, there is significant doubt that Church Farm would remain in an operational condition for more than three years and Cophall is likely to become even more operationally challenging, without any investment.

The feasibility study has also shown that with investment, approximately £44.1m, the portfolio could achieve a likely £1.283m of annual income. This would be financially

attractive proposition to all major leisure suppliers in the market, but only with a long enough lease to enable them to recover their costs.

However, the transfer of these assets would lose the council a significant element of control over their management and future configuration. The key aspiration to incorporate Public Health outcomes into the future management contract would also be lost, not to mention the long term revenue benefits.

Overall the short term advantage of removing all leisure centre costs for a long term lease would be offset by the loss of future income and a coordinated approach to achieving significant public health benefits for the borough.

4.7 Trust considerations

4.7.1 Trust for all sites

The work done on the practicalities of creating a trust to own and manage the council's five leisure sites (Appendix 7), shows that there are costs associated with creating such an organisation. If the leisure centre assets were transferred into a new trust at the end of the current leisure management contract the trust would be left with £9.9m forecast maintenance and a cost to run of £527K per annum.

The trust would need to recruit the expertise needed to run and manage the sites and a requirement for significant capital investment to extend the life of the facilities to match a potential 25 year lease period.

The council would need to continue to pay an annual management fee to the trust until it was able to source funding for the re-development of the centres and move towards a cost neutral position.

The aspiration to have a public health focus to leisure services might also take some time to be realised as this expertise would need to be recruited by the trust to enable it to compete with the current providers in the market place.

Overall there are enough established providers that would compete for the council's leisure services contract, some of them trusts in their own right.

4.7.2 Trust for Copthall

It is recognised that the creation of an independent organisation to manage the master planning and overall vision for the site is outside of the scope of the SPA project. The decision at the Policy and Resources committee on the 21st July was:

'That Policy & Resources Committee agree the start of discussions to look at options including a Trust to manage the Copthall site as a whole entity with a view to develop an agreement between the council and partners, including current and future leaseholders and users.'

This has been done and recommendations, under a separate agenda item, will be presented at the P&R committee on the 17th Feb.

5 Cophall Masterplan

An Interim masterplan has been prepared by Re. This document is a precursor for a full master plan which will be prepared to inform the planning process, and guide development on the Cophall site. The site includes not only the leisure centre but also the Allianz Stadium and a number of other sports tenants. The final masterplan will need to take into account the long term investment decisions of tenants, and articulate a coherent policy strategy. Therefore, this document acts as an interim statement which takes account of the currently known position.

Key objectives identified for Cophall are:

- The creation of an exciting place for sport and recreation;
- To create a hub for a range of sports that will sit within a parkland setting and attract the widest range of users that encourages sport take up, exercise and improves health within the Borough;
- A core of sports and leisure facilities based on a new leisure centre, the Allianz Stadium and a new pavilion with satellite facilities which meet the future needs of sports clubs;
- To support sports development across the borough by acting as a hub for other facilities, and links to local and sub-regional sports clubs;
- To harness the prestige and potential of Saracens and the Allianz Stadium as a centre of excellence for rugby in London;
- To support the growing links with education at all levels;
- To create a first class visitor experience that is safe, enjoyable and memorable;
- To create a coherent, well branded and managed whole understanding and delivering the needs of a range of operators and activities;
- A design that caters for the need and reflect the corporate objective for sport and the public health outcomes;
- To provide a range of parkland facilities that will attract the widest range of visitors;
- To respect the green belt location offering environmental and social enhancements that supports the case for development. In this regard the development must have a minimal impact on and enhance the landscape;
- To create an accessible location for all visitors with vastly improved pedestrian and cycling movements within the site;
- Create a park where users can co-exist and operate without detriment to each other 24/7; and
- A park that links as part of a green network with its surrounding areas, in particular Hendon and Middlesex University to the south and Mill Hill via the disused railway line to the east.

A full masterplan is required to establish the principles for development on the site and set out how the site will be delivered. As a site specific plan detail should include how issues such as improving the general public realm, impact on the landscape, way finding and establishing design standards with infrastructure.

The masterplan is a collaborative process subject to formal consultation, but developed with buy-in and engagement with partners on the site. This is a key role for the Copthall partnership. Ultimately the masterplan will be approved by the council and guide the preparation of the planning applications for the site.

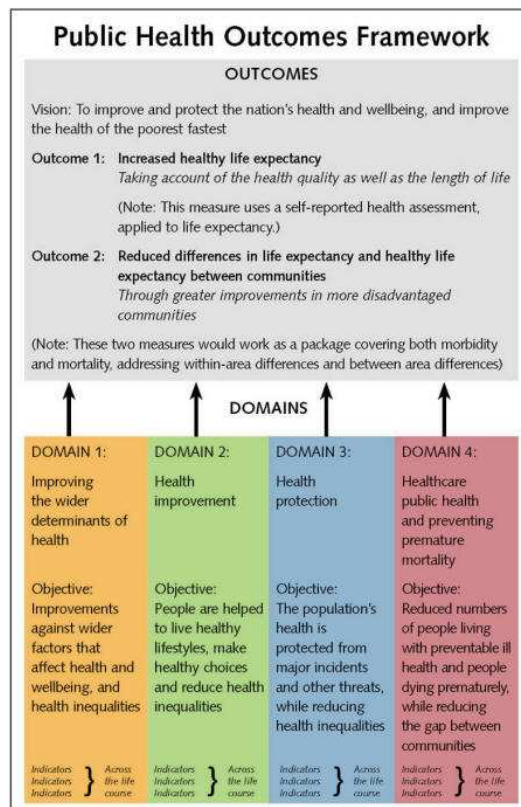
The masterplan will establish the very special circumstances for development in the Green Belt. The support of the GLA will be crucial to avoid difficulties in determining planning applications. Likewise the local community – via, for example the Mill Hill Neighbourhood Forum and local residents groups, need to be supportive. This will support applications by all parties, and ensure smooth delivery. It will also help the council determine any early planning applications, such as the new West Stand, and defend against inappropriate development or development which may prejudice the long term and better planning of the area.

A review mechanism will be needed within the plan. The final masterplan will be delivered within the timetable set out in the ROBC.

6 Public Health Outcomes

The public health workstream to this project has delivered a report together with its associated spreadsheet, attached at Appendix 9.

The report uses the Public Health Outcomes Framework (PHOF), produced by Public Health England. This framework concentrates on two high level outcomes to be achieved across the public health system, and then groups further indicators into four ‘domains’ that cover the full spectrum of public health. The outcomes reflect a focus not only on how long people live, but on how well they live at all stages of life. This is illustrated below;



In addition to the four PHOF domains, a Performance and Improvement. 'domain' has been added. This covers indicators such as pricing for sports clubs, customer care, performance monitoring and performance default.

Each domain has been mapped to an overall outcome to which leisure contributes a service development, and a service output describing what the provider will do to contribute to that outcome. This then creates the measure that will form the KPI. The baseline for this measure will be created from pre-existing data, or the first year of the contract will create the initial baseline.

Each domains' indicators were prioritised by categorising each one as Core, Primary or Secondary, depending on how relevant that indicator was to the leisure contract and how much of an impact leisure could make against it. The Core indicators will have the highest priority within the leisure management services procurement process.

There are many factors that influence public health over the course of a lifetime. They all need to be understood and acted upon. The integration of public health into local government creates an environment where that can happen – services can be planned and delivered in the context of the broader social determinants of health, like poverty, education, housing, employment, crime and access to leisure and green spaces. By linking the aspirations for what increased participation in sport and physical activity can achieve to the PHOF, the council can define more clearly what it expects from a leisure services provider and how that provider can improve the health and wellbeing of the residents of Barnet.

Financial Implications

There is a conflict between achieving zero subsidy through a leisure management contract and requiring potential providers to provide more and more services focussed on public health.

A total of 16 Core indicators have been identified which may affect a provider reaching zero subsidy from day one of a new contract. The initial expectation will be that all the core indicators are provided in the suppliers' initial offer, with no additional costs. Provision of the Primary and Secondary indicators might command an additional premium. For this to happen there is a reliance on the re-development of the leisure estate.

With no investment in facilities, and the risks to suppliers of taking on an ageing estate, potential providers might be less confident of including the cost of satisfying the Core indicators within their initial tender offer. This would inevitably increase the level of management fee.

As part of the next phase, and as a detailed procurement specification is created, there will need to be in-depth financial modelling to ascertain the potential economic impact of developing the contract in this manner. Public health programmes can often cost a lot when commissioned as independent service, for example the average cost per child of a tier 2 weight management programme has been calculated at £488.

However, if such services are embedded within the contract, there would be efficiency saving, not to mention the longer term potential for income generation. While it may cost £488 while a child is part of a programme, the longer-term benefit of that child and family converting to an active lifestyle may lead in them becoming habitual users of leisure services.

Whilst it is generally acknowledged that the general wellbeing of a council's residents can be influenced by greater participation in sport and physical activity it has been more difficult for other councils to link this to a contract and the key performance indicators associated with it.

The way a tender is evaluated during a procurement process also needs to reflect the importance of achieving public health outcomes, so the questions asked of suppliers need to be specific with a clear idea of what a 'good' answer is. What is needed is a clear understanding of what Barnet wants to see as the contribution of a sport and physical activity to their public health outcomes. By linking this to the PHOF the council has been able to create a way of achieving this.

During this phase of the project the proposed approach, of putting public health outcomes at the heart of the council's procurement process, was discussed with other authorities. It became clear that many other local authorities see this focus as the way forward but few, if any, have approached it in the way proposed by Barnet.

The fact that no one else has done it this way before should not discourage the council from adopting such a pioneering approach. Barnet might be seen as simply the first to try something that others will be keen to emulate.

7 Parks and Green Spaces

Barnet has a significant number of parks and open spaces that could be better used to support the delivery of sport and physical activity. Since the council has become responsible for public health, investment has been made for a number of marked and measured routes and outdoor gyms have been installed in some of the borough's parks. With the feedback received from stakeholders that they would be keen to see initiatives that go beyond the traditional model of sport being provided solely in leisure centres and with 58% of residents consulted saying they do take part in physical activities in parks and open spaces in their local area, it is important that the council considers how green spaces can be used to increase participation in sport and physical activity.

The council has a parks and open spaces project that sits under the wider Street Scene Transformation programme and runs in parallel to the SPA work. The project is in the process of developing a Parks and Open Spaces (PAOS) strategy that is intended to produce a vision and strategy which reflects the needs and aspirations of residents, council members and council staff and ensures a sustainable financial basis for the service. This strategy will include;

- Understanding the quantity, ownership and condition of parks and open spaces, undertaking a playing pitch assessment and condition surveys where required
- Commissioning insight and research to understand the needs of residents
- Building a proposition for how community involvement can be maximised
- Developing a categorisation model to prioritise potential opportunities for different parks, to increase use and add greater benefit for residents
- Developing a new target operating model and maintenance standards which deliver operational efficiencies
- Identifying and quantifying the capital investment available from the council, external funding and regeneration partners to set the parameters for development and use this to generate an investment plan and strategy
- Putting in place plans to deliver infrastructure improvements and new facilities

This is a considerable piece of work that is just beginning; a strategic needs assessment and a direction of travel document both being completed in December 2014.

The next phase of the SPA project will be finalising a detailed specification for its requirement so the tender process for a leisure services provider can begin. A consideration here is whether there are aspects of the management of parks and open spaces that could be included in this specification and form part of the procurement evaluation process.

There are probably three aspects that might be considered here; the physical upkeep and maintenance of the green spaces, the management of the sports pitches owned by the council and the organisation events in these areas.

With the parks and open spaces strategy being at such an early stage in its development there is still no clear direction or understanding of where these activities should sit or how they will contribute to the overall goals of the project. However, with the SPA leisure services management procurement process not due to start until December 2015 and the procurement advertisement not being published until the first quarter of 2016, there is time to decide what aspect should be included within the leisure management tender process.

During the next phase of the SPA project the links with forged with the parks and open spaces project will be maintained.

8 Sport and Physical Activity Team

At present there a number of officers who have the remit of or influence on the opportunities for sport and physical activity and as such have an impact on achieving the SPA objectives. These are:

- Sport Development Manager role – based in Youth and Community Service, focused on 11- 19 yrs (up to 25 with learning difficulties). In addition the role has the responsibility to deliver London Youth Games on behalf of LBB – a London wide series of events throughout the year, and the largest young people’s event in Europe
- 2 x Community Sport and Health Activators – based in the Youth and Community Service, managed by Sport Development Manager, funded by Sport England (65%), Public Health (20%) and local partners. This 3 year project is targeted in the Colindale and Burnt Oak wards
- Leisure Contract Manager – based in Prevention and Well Being, Adults and Communities lead responsibility for GLL contract monitoring, relationship Management, and lead contact for LBB with GLL – (previously Health walks – now shared between Prevention and Well Being Service Development Officers)
- Active Travel Co-ordinators in Highways – responsible for Travel plans, including cycling strategy
- Public Health Consultant lead and Specialist in Public Health Team, who lead the overall agenda, co-ordinating the SPA strategy and FAB
- Parks- with Parks and Open Spaces Strategy underway the outcome and direction will be determined in due course
- There is a number of individuals spread across various sections / departments, who are managing opportunities and liaison roles for young people with disabilities, adults with disabilities, older adults, faith and Community Groups etc. These will also have to be identified how this work is incorporated into the Sport and Physical Activity Team

Additional Responsibilities

In the current arrangements the responsibilities that come with each role are drawn from their separate management structures. The proposed new leisure management contract, with its public health focus, will need a more coordinated and strategic approach from any sport and physical activity team.

The contract management, and monitoring against KPIs, will be an important ingredient in ensuring the success of a new management contract. To this end it is important that the new team is in place before the procurement specification for the leisure management contract is finalised. Schedule 40 of the Barnet and Capita partnering agreement defines the role of 'managing agent' this is a function that CSG could fulfil to provide the commercial management skills for the new contract and during the remaining period of the existing arrangements. This arrangement could start early in the next phase and begin the process of creating and testing public health KPIs during the remaining period of the existing contract with GLL. Experience gained with the current arrangement would enhance CSGs capability of maintaining a focus on the revenue generating aspects of the new contract as well as the public health focus.

A new Sport and Physical activity Team will also need to focus on the sport and physical activity opportunities that are on offer throughout the borough, and are not solely assigned to the leisure facilities that are incorporated within the leisure management contract, including schools, sports clubs, and community organisations.

The feasibility study, and evidence from Sport England, has highlighted that Barnet has enough sports halls to satisfy the needs of its residents but a number of sport hall and swimming pools are on school premises with limited community access. The sport and physical activity team have a key role to play with the facilities outside of the contract and relationship building with individual schools, and community groups in maximising the usage of these facilities for the benefit of the borough residents.

Under the current structure there is no single point of contact within the council to manage discussion on sport and leisure. There is a need for relationship management with local, regional and national agencies, including Sport England, National Governing Bodies of Sport, and other associated organisations.

Case studies

Council engagement shows that a number of councils have found innovative ways to provide an effective structure to the SPA team that encourages collaboration across internal and external stakeholders, including public health, schools, private organisation etc. Part of the next phase will be looking to learn from these examples and to explore these option to achieve similar benefits.

Southwark

Southwark's Sport and Physical Activity Development team consist of 7 members. Although the governance of the team sits with the Sports and Leisure Services Manager it is funded by Public Health. The team costs £300k per annum to run but

their activities generate around £200k per annum in additional funding. This extra funding is pumped into grass roots sport and community sports clubs.

Croydon

Croydon's sports development team is managed and funded by Public Health. Team consists of 10 members who are responsible for not only day-to-day sports development tasks but also take on additional responsibility of running public health initiatives. Croydon introduced a life centre, located in the town hall, that provides advice on giving up smoking, weight management and also offers on-site physical actives (such as Ping-Pong) etc. Although basic demographic information (e.g. age, race, ethnicity, reason for coming) is being collected from people that walk through the door is difficult to measure the increase in physical participation or attending classes.

Next steps

As outlined in SPA Strategy 2014-2018, going forward Barnet requires clear leadership and ownership that will deliver an improved and integrated, cost neutral offer for sport and physical activity in Barnet which in turn will lead to increased participation and better public health outcomes.

It was initially envisaged that the SPA Team and strategy would be overseen by the Public Health, which has agreed the establishment of the FAB Partnership Board. The FAB Partnership Board is currently responsible for the delivery of the SPA Strategy Delivery Plan.

In light of recent commissioning changes within the council the responsibility for SPA Team will no longer be with Public Health. The new commissioning structure will be announced on 1st April 2015. Any changes to officer roles as a result of this proposal will be subject to the Council's Managing Organisational Change Policy to consult employees potentially affected.

9 Procurement Strategy

The previous Outline Business Case recommended a comprehensive procurement exercise consisting of a two stage competitive dialogue process for the for the council's leisure management contract. Included in this process were up to three Design, Build, Operate and Maintain (DBOM) contracts, to cover the Church Farm, Finchley and Copthall sites.

The work done during this phase on the feasibility study, the market research / consultation process, the council's public health outcomes and the market and stakeholder engagement has added more clarity to what the council wants to achieve and what it is capable of achieving given the constraints of its leisure centre estate, and the current financial limitations.

This new clarity of purpose has moved the council to a recommendation to separate the construction and re-development procurement from the leisure centre management contract procurement. It is recommended that the procurement strategy for the leisure centre management contract and the design and build will be different and both procurements are run as separate programmes of work.

This section will set out the key principles for the procurement strategy and will explain why initial procurement recommendation was discounted.

Competitive dialogue vs. competitive procedure with negotiation

The initial procurement approach was built on the experience of other London Boroughs and local authorities where the competitive dialogue procedure has been used, almost exclusively, for this type of requirement. The procedure is suitable for an authority that is not able to define the final scope and structure of the contract or cannot specify either the legal or financial make-up of a project.

The feasibility study has enabled the council to thoroughly review the current leisure estate, the current and future needs of an increasing population together with anticipated financial benefits from re-provided leisure centres and non-financial benefits from providing modern leisure facilities.

The public health outcomes framework identified Core, Primary and Secondary indicators which once converted in to KPIs will help to measure the contribution of sport and physical to the health and wellbeing across the borough.

On the financial level, the feasibility study report shows that the council's re-developed leisure portfolio has a potential to generate a revenue stream to the council of up to £1.071m per annum. The figure does not include any potential income from a re-provision of Finchley and Hendon; if these developments are delivered in the lifetime of the new management contract the expected income should increase. The report also indicates that the council should re-provide Church Farm and Copthall as a priority. The capital investment required to re-provide these two leisure centres has been estimated as being £23.2m.

These findings opened up the debate on how these potential developments might be funded. Based on the estimations from the feasibility study, from 2017/18 the income from the re-provided leisure centres will contribute to the repayment and interest on the prudential loan with the remaining expenditure covered by the residual leisure centre budget.

With clear options and recommendations for capital funding the main need for a competitive dialogue process disappears. Competitive dialogue is a resource intensive and costly process and should only be used as a last resort when parameters are ambiguous. The current phase of the SPA project has addressed these ambiguities.

Having discounted the competitive dialogue procedure there are three alternatives for procuring the leisure management contract, these include: an open procedure, restricted procedure or a competitive procedure with negotiation.

With the open procedure all returned tenders that respond to a tender advertisement are evaluated. Evaluation does not allow for any negotiation in order to fine tune bids.

The restricted procedure is predominantly used when the market for the service being tendered is large and many responses are likely. The process involves respondents complete a Pre- Qualification Questionnaire (PQQ). The PQQ's are evaluated and a short list of respondents is compiled. Following PQQ evaluation, the shortlisted organisations are invited to tender. Returned tenders are evaluated. The evaluation does not allow for any negotiation in order to fine tune bids.

The competitive procedure with negotiation is a new procedure and in early 2015 the revised EU procurement procedures will be incorporated into Law.

A selection is made of those who respond to the tender advertisement and only they are invited to submit for the contract. The Competitive Procedure with Negotiation requires that genuine competition is demonstrated and prescribes a minimum of three suppliers are engaged in the process.

One of the key benefits of this process is that it reserves the council the option to negotiate bids but does not require negotiation if an award decision can be made based on the initial bids received. It is unknown as how it will look pending the Cabinet office guidelines but it is a potentially powerful and much more flexible approach providing the council with opportunity to request final bids and negotiate if initial bids are not quite what the council needed or envisaged.

It is recommended that the competitive procedure with negotiation is adopted for the procurement of the leisure management contract and a separate design and build procurement for the development of new facilities. The proposed approach offers a shorter management contract, 10 years, and provides the council with specialist suppliers for each discipline. It would also remove the need for a lengthy and costly competitive dialogue process, maximise the potential income and allow potential suppliers to concentrate on innovative solutions that contribute to the council's public health outcomes.

Developing the specifications for the Leisure management contract

Leisure management has changed significantly since Barnet last procured this service and it is critical that we take this opportunity to develop a contract that not only delivers our leisure and public health outcomes but also does so with an opportunity for income generation.

The next phase of the project will enlist dedicated expertise across procurement, public health, specialist leisure advisor, planning, legal and finance to ensure that we develop specifications and a contract that is robust, innovative, value for money and

best in class for leisure management. Market research and soft market testing will need to continue throughout this program leading up to the tender release to ensure that our specifications are fit for purpose and include the latest of any developments.

Ensuring Quality in the Leisure management contract

A critical element of the future leisure management contract is to ensure that through the evaluation process the council is selecting a supplier that can provide the best value for money and can deliver in managing the leisure centres and public health outcomes.

The traditional approach to evaluating tenders mainly relies on a word writing exercises where bidders describe where and how they have done a similar work in the past and the results they have achieved; individual bids are scored accordingly. This appears to be insufficient to be able to objectively evaluate the quality element around customer experience and public health outcomes and as such it is recommended that bidders are tested through practical exercises built around delivering public health outcomes, this may include mystery shopping or other forms of evaluation which will be finalised in the next phase. Quality will be critical and will focus on two aspects- delivering the public health outcomes and providing excellent customer service.

This is a fresh and innovative approach not yet used in this industry but information gathered to date strongly indicate that there are merits to utilising what has been used for many years in other industries, such as defence and mining where long term strategic supplier relationships are key, to ensuring that not only contractual obligations are met but that both parties are able to work together in partnership.

Post Procurement – Contract Management

Much of the success of the future leisure management contract will be entrusted on the contract management. A strong contract management function needs to be established during the procurement phase. The most informed and capable contract manager is one that is engaged at the onset and is part of the development of the specifications and the KPI's. The next phase will include developing the right KPI's for monitoring performance across the delivery of leisure services and public health. These are vastly different areas and measuring success in public health outcomes is complex so the imperative for strong contract management will become even more so.

Schedule 40 of the Barnet and Capita partnering agreement defines the role of 'managing agent' this is a function that CSG could fulfil to provide the commercial management skills for the new contract and during the remaining period of the existing arrangements. This arrangement could start early in the next phase and begin the process of creating and testing public health KPIs during the remaining period of the existing contract with GLL. Experience gained with the current arrangement would enhance CSGs capability of maintaining a focus on the revenue generating aspects of the new contract as well as the public health focus.

A decision as to where contract management should sit and who should be responsible for this in the council needs to be a priority and made as soon as possible.

Leisure Management and incorporating Parks Management and maintenance

Recently there has been some discussion at the possibility of covering parks management and maintenance as part of the leisure management contract. The implications of such approach have not been explored as part of the feasibility study. Although there are examples of a couple of other local authorities using this approach more work is required in the next phase to define whether this option is financially viable.

In order to facilitate and initiate exploring this option with the market, parks management and maintenance will be included in the advertisement of the Prior Information Notice (PIN). The PIN will alert and inform the market of the council's intentions and plans for the SPA procurement. It will also provide basis for market engagement, identify potential solutions, provide an opportunity to receive proposals and reduce the need for any potential OJEU advertising in the future.

DBOM versus Design and Build

DBOM

The DBOM approach has been popular in the past; however in recent time is losing favour as organisations are finding that the approach is not necessarily delivering the risk transfer and certainty envisaged in delivering on budget and on time. Increased costs of labour in construction due to increased demand in the industry has seen contractors returning to ask for additional capital and/or building in greater margins for cost uncertainties.

Furthermore, the nature of the DBOM approach creates the need for a 25 to 30 years contract to enable the contractor to recover their investment and make a surplus. It is also likely that the income estimates would be smaller and suppliers might push for a profit (surplus) share rather than an income share.

Most significantly this approach is likely to reduce the potential market of suppliers that would have the financial capability or willingness to bid for the contract. The market for DBOM contracts is limited, with typically a maximum of four companies active (Places for People, Parkwood, SLM and GLL). Of these, only Places for People and Parkwood have been regular and active participants over the last five years or more (see Appendix 6). Having only a few suppliers also creates a risk that the council would not obtain the best value for money and would pay more for the contract, have less control and do not obtain the best selection of suppliers in leisure management services or design and build. The council would also expect paying a greater margin for the contract as the head contractor seeks to recoup costs for managing the consortia and the supply chain.

In the context of above information and recommendation from the feasibility study (Appendix 6) and the market engagement report (Appendix 1), the project has

discounted DBOM for the SPA procurement. There are two procurement options for the design and build which are explored below.

Design and build

This is a streamlined and well used route to market. There is a plethora of existing government frameworks with many well established and quality suppliers that can deliver design and build services.

This approach allows for greater choice and control of the selection of the architect, design and costs as long as there is strong and effective project and contract management from the council side. Contracts can be more flexible and shorter in contract length and phased accordingly.

There are two procurement options for the design and build, a traditional build contract or a design and build contract.

A traditional build contract is when the authority enters into contracts with a design professional (typically an architect) to design the facility. When the design is complete and approved by the authority tender documentation is prepared by the design professional and bids are solicited from building contractors. The authority then enters into a separate contract with a building contractor for a fixed price to construct the facility. This process requires two separate procurements, firstly for the design team and secondly for the construction team. Having two contractors creates on occasion tension between the design and build team which is difficult to manage and can cause significant delays.

A design and build contract is when the authority enters into a single contract with a building contractor who takes ultimate responsibility for both the design and build of the facility. In the first instance, the authority will employ a professional team to develop the design and Employer Requirements to a specific design stage and then tender for a building contractor to undertake the works. The works involve a two stage tender process and there are a number of existing Government Construction Frameworks that can be used for the procurement. The two stage process firstly selects bidders to provide their preliminary costs and profit and the best priced bids are taken to a second stage where the bidders are asked to price for the construction based upon a further refined design. While it is possible to conduct call independently an OJEU tender for the design and build contract. It is highly recommended that one of the many existing Government Construction Frameworks is used as not only does it reduce the timeframes and costs of procurement it also ensures we are going direct to a number of prequalified suppliers who have a track record and experience in delivering government construction projects.

It is recommended that a design and build contract using an existing framework is adopted for this element of the SPA. This approach provides greater cost certainty and also reduces the council's risk in ensuring that the build is delivered on time and budget having engaged one supplier to be responsible for both design and build.

The design and build procurement process

Extensive consultation with Barnet residents post May 2015 will form the basis for developing the appropriate design and build for the new leisure centres.

A design team including an architect, quantity surveyor/cost consultant, employers' agent and health and safety consultant will be appointed to work with procurement to develop the design that will form part of the tender to go out to market.

The architect will be appointed at the onset of the public consultation so that he/she can engage with and listen to the residents' preferences to then consider how and where appropriate and possible those preferences are built into the designs which will be best in class for today and many years to come.

Creating Social Value

A key element for both the design and build and leisure management contracts is how the council can extract greater community value, aside from the actual requirements of the contract. This includes things, such as the creation of apprenticeships, employing local people, using local suppliers for equipment and maintenance, raising awareness of the benefits of leisure and exercise. Developing social value criteria will form a key component during the specification design phase.

Costs of Procurement

The complex nature of this procurement which requires specialist and dedicated resource over an extended time frame does not form part of the core CSG procurement service contract.

Procurement Principles

The core procurement principles that will form part of the process and specification development include:

- Price - obtain value for money and select optimum suppliers across design and build and leisure management.
- Move to guaranteed income in new model
- Establish income generation
- Quality – use of case study and practical exercises to assess leisure management suppliers
- Ensure Public health outcomes
- Establish a robust partnership and performance management framework for delivering the contracts
- Ensure the contract is an attractive proposition to the market, engage with best of breed suppliers
- Optimise the speed to market and cost of the procurement to both LBB and potential bidders
- Consult and engage with the stakeholders throughout the process
- Deliver Social Value

10 Next Phase

10.1 Project approach

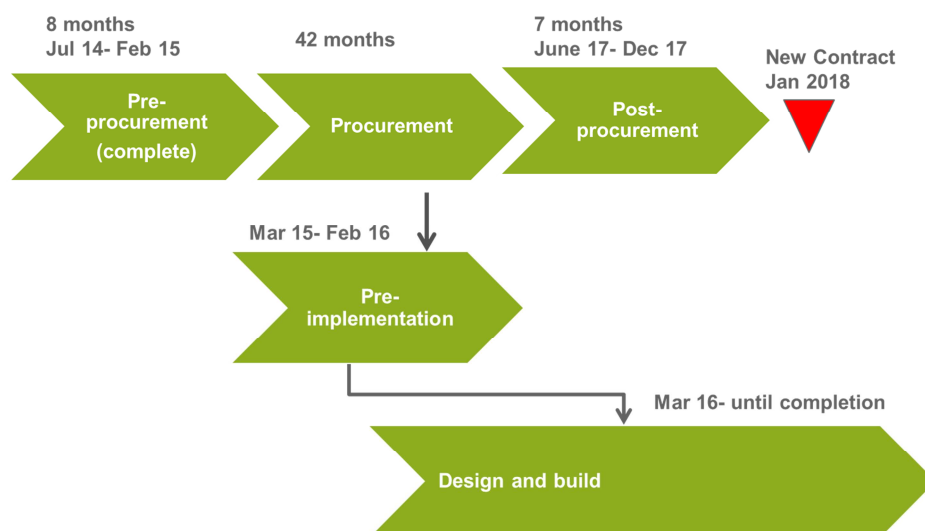
The previous Outline Business Case identified three stages to the SPA project, namely pre-procurement, procurement and post-procurement. This approach was built on the assumption that the new leisure management contract would be procured through a two stage competitive dialogue and a number of DBOM contracts.

In the context of new information gathered during this phase the approach to the project has changed, resulting in splitting the procurement phase into 2 further sub-stages, namely pre-implementation phase and design and build, see Figure 5 below. The post-procurement phase will run parallel to the design and build phase. Detailed timeline is provided in section 10.5.

This section outlines the approach of the project and provides estimates for the pre-implementation phase and costs that will be required for professional services input to the design and build of Church Farm and Cophall leisure centres. It is critical that this work begins in March 2015 in order to deliver new leisure centres in year one (2018) of the new management contract. Detail designs and more accurate capital costs will be submitted to P&R in December 2015 for approval.

The project will be managed in accordance with Barnet's Project Management Methodology (as set in the project management toolkit) with the required documentation, monitoring and controls in place to ensure the project is delivered effectively. The framework covers budget and resource plans, risk and issue management and benefits realisation all of which will feed into a project highlight report. Project management will be undertaken by the Corporate Programmes team (part of the CSG function).

Figure 5 SPA project approach



10.2 Costs and deliverables

As outlined below, a total budget of £870,400 was allocated to date to conduct initial phases of the SPA project. Figure 6 presents products that have been delivered and a list of outputs required in order to move the project to the delivery phase.

On 21st July, P&R approved a total budget of £427,000 for phase 3 (pre-procurement). SPA was allocated an additional £140,000 from public health underspend for 2013/14 (as approved by members in June 2014) giving a total budget of £567,000 to complete the pre-procurement phase. Costs for this phase were lower than initially anticipated resulting in underspend of £260,000 which will be used to contribute towards costs for the next phase.

Figure 6 SPA Budget and Deliverables

| Phase | Phase 1 pre -2013 | Phase 2 SPA review | Phase 3 pre-procurement | Phase 4 pre-implementation | Phase 5 D&B and leisure management procurement |
|-----------------|--|--|--|---|---|
| Time period | Pre 2013 | Jan 13- Jul 14 | July 14- Feb 15 | Mar 15- Feb 16 | Mar 15- until completion |
| Status | complete | complete | complete | <i>not started</i> | <i>not started</i> |
| Results | <ul style="list-style-type: none"> SPA commercial strategy Initiated wider SPA review Condition survey (completed in Phase 2) | <ul style="list-style-type: none"> Developed SPA strategy Developed SPA delivery plan Advice on GLL contract Identified scope of work for next phases Initiated FAB campaign SPA Need Assessment | <ul style="list-style-type: none"> Feasibility study High level procurement strategy Market research into facilities mix and site options Soft market test report Benefits review (PH outcomes) Benchmarking exercise against other boroughs Interim masterplan and planning guidance (to be completed in next phase) | <ul style="list-style-type: none"> Professional services procurement Final procurement strategy New SPA Team Public consultation report Final Copthall masterplan and planning briefs Copthall management structure Planning application for Church Farm and Barnet Copthall PH based KPIs for leisure management contract Revised OBC2 includes above and revised capital costs | <ul style="list-style-type: none"> Final designs Final planning permissions Design and Build contract Guaranteed date of construction completion) Revised OBC 3 (confirms above, and final capital costs and test the financial model) Construction of Church Farm and Copthall start <ul style="list-style-type: none"> New leisure management contract in place Full business case (guarantee of the financials and SPA outcomes) |
| Required Budget | £303,400 (up to July'14) + £567,000 (up to Feb'15)= £870,400 | | | £699,000 | £23.2m <small>(Including professional fees)</small> |
| Actual spend | £610,331 | | | N/A | N/A |
| Variance | (£260,000) | | | (£260,000) | N/A |
| Total | £610,331 | | | £439,000 | £23.2m |

10.2.1 Pre-implementation and leisure management procurement costs

The costs shown in the table below represent costs required to complete pre-implementation phase and to procure a new leisure provider, totalling £700k. The amount required for the pre-implementation phase is for a further £440k to be funded from the Transformation Reserve, assuming that the £260k that remains unallocated from previous phases of the SPA project can be used to contribute towards the costs of next phase.

Table 2 Pre-implementation costs

| Discipline | Resource | Cost |
|--|----------------------------------|---------------------------------------|
| Project management | Full-time | £65,000 |
| Commercial lead ² | Full-time | £178,300 |
| Procurement | Part-time | £125,000 |
| Specialist Public Health England advice | Commissioned externally | £30,000 |
| Specialist Leisure advice | Commissioned externally | £10,000 |
| Specialist Legal advice (leisure management and D&B) | Commissioned externally | £100,000 |
| Full public consultation | Part in house/ part commissioned | £80,000 |
| Health & Safety due diligence | Commissioned externally | £5,500 |
| Planning briefs & masterplan for Cophall | Part-time | n/a (costs covered in previous phase) |
| IT | Part-time | £15,000 |
| 15% Contingency | N/A | £91,170 |
| Total cost | | £699,970 ≈ £700,000 |
| | | -£260,000 (underspend) |
| One off Budget Required | | £440,000³ |

10.2.2 Design and build costs

As outlined in previous sections, in order to complete the next phase there is a need to procure professional services to begin work on the design and build for Church Farm and Barnet Cophall leisure centres. After a procurement exercise, this work could start in second quarter of 2015. The project estimated that £3.03m is required to cover the cost of professional services. This cost has been calculated as a % of the total capital requirement (15% of £20,202,465 = £3,030,370), see Table 3.

Note that professional fees on construction projects vary from 9-15%, a revised capital costs will be presented to P&R in December 2015 once the project finalise designs for Church Farm and Barnet Cophall.

³ PM and Commercial Lead will have handed over to BAU by February 2016

Table 3 Design and Build costs

| Facility | Capital (estimate) | Cost | Professional fees ⁴ | Total Cost |
|-------------|--------------------|------|--------------------------------|--------------------|
| Church Farm | £7,765,950 | | £1,164,893 | £8,930,843 |
| Copthall | £12,436,515 | | £1,865,477 | £14,301,992 |
| | £20,202,465 | | £3,030,370 | £23,232,835 |

Pending approval of the business case, these activities will be commissioned and more accurate costs will be provided. In addition, the council will need to pay the remainder of the management fee to GLL and the capital costs if a decision is made to provide capital funding.

10.3 Resource requirements

The project will be led by the procurement team with input from the relevant departments and project management support. It is expected that resource requirements will be as follows:

| Resource | Time | Key responsibility |
|--|---|--|
| Project management (SPA PM and D&B PM) | 2 FTEs; 5 days a week | Day to day project management and ensuring the project produces the required products |
| Commercial lead | 5 days a week | Leading the project and ensuring the project produces the required products, to the required standard of quality and within the specified constraints of time and cost |
| Procurement officer | 2 FTEs, 1 to 5 days a week depending on project phase | Development and implementation of the procurement strategy |
| Planning officer | 2-3 days a week depending on project phase | Development of planning application for Copthall and Church Farm. Support public consultation. |
| Estates officer | As required | Provide support to planning officer |
| Leisure contract manager | 1 day a week | Provide input into future contract management, PH outcomes, and designs of new leisure centres |
| Parks and open spaces manager | 1 day a week | Provide input into future contract management, ensure alignment of Parks and SPA strategies |
| Public health consultant (Harrow Team) | 2-3 day a week depending on | Convert PH outcomes into measurable KPIS, provide advice on |

⁴ Prices include VAT

| Resource | Time | Key responsibility |
|---|---|---|
| | project phase | future contract management |
| Sports development officer | 1 day a week | Provide input into future contract management, PH outcomes, and designs of new leisure centres |
| Communications / consultation officer | 1 day a week/ 3 days a week during consultation period | Help and support with OBC and planning consultation |
| Officers' time | 5 FTEs, full time during the evaluation period | Help with evaluation of tenders |
| Legal representative (HB Law) | 1-2 days a week until November 2015, thereafter as required | Help with new contract management and provide support throughout the procurement stage. |
| Specialist Legal advise | As required | Specialist legal advice may be required to advise on the procurement for D&B and leisure management contract. |
| HR officer | As required | Support restructure of the SPA Team |
| Finance officer | 1-2 days a week | Support development/testing of detailed capital costs, financial benefits and affordability analysis |
| IT | as required | Support data transfer over to the new supplier |
| Health and Safety due diligence | 1 day per month for 8 months | Provide due diligence for the leisure management contract |
| Construction Design and Management Coordinator (CDMC) | Part-time | Health and Safety responsibilities; this discipline is a legal requirement |
| Architect | Part-time | Responsible for designs; must have leisure centre design experience |
| Quantity Surveyor / Cost Consultant | As required | Estimating materials, resources and costs |
| Technical advisor / Employers Agent | Part-time | If the employed architect novates to the organisation procured to carry out the construction work this discipline will be required to act in the interests of the council |

Next steps

If the revised outline business case is approved, the project will:

- Review and agree the composition of the project board for the next phase
- Develop a new PID and project plan
- Commission public health and leisure specialists
- Initiate projects to enable delivery of new leisure centres

10.4 Project structure, governance and reporting

On approval to proceed with the recommended option, a project team and a project board will be established.

Project Board

Diagram below covers the proposed membership of the Project Board, Table 4 sets out their roles and key responsibilities.

Figure 7 SPA project board structure



Table 4 SPA project board roles and responsibilities

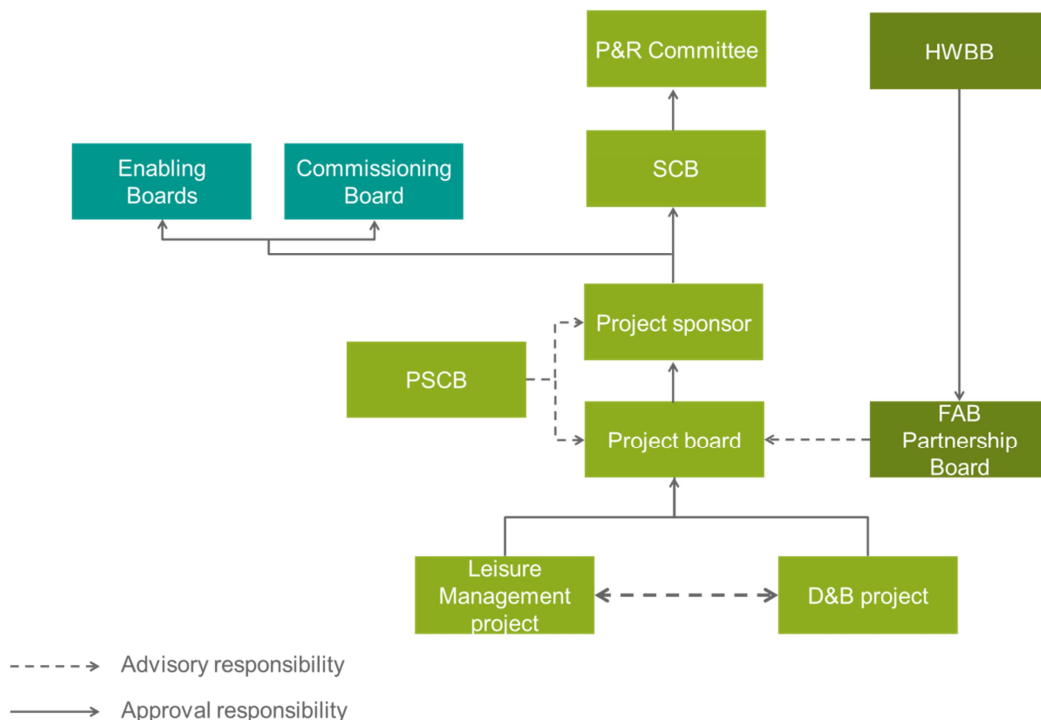
| Role | Responsibility |
|---------------------|---|
| Project Sponsor | Responsibility for the project; ensuring the project is focused throughout its life cycle on achieving its objectives and delivering to achieve the desired benefits. The key decision-maker on the project board |
| SPA Commercial Lead | Key point of contact for the project team and project managers; ensures that the project produces required products, to the required quality and within the specified constraints of time and cost |
| Project Managers | Run the project on a day-to-day basis on behalf of the Project |

| Role | Responsibility |
|--------------------------------|--|
| | Board within agreed controls and tolerances. Specifically responsible for delivering the project to the agreed quality within the agreed costs and timescales |
| Senior Users | Represents those delivering the project and is accountable for the quality of what is produced and ensuring that the work of the project is resourced appropriately. |
| Senior Supplier (Legal) | Responsible for protecting the council from commercial exposure and any financial penalties that could result from errors during procurement and design and build stages of the project |
| Senior Supplier (Finance Lead) | Responsible for ensuring the financial case for the project recommendations stands up to officer and public scrutiny and to provide minimal on-going financial management and monitoring |
| Senior Supplier (Other SMEs) | To provide specialist input and support as necessary |

Project Governance

Diagram below sets out proposed project governance.

Figure 8 SPA Project Governance

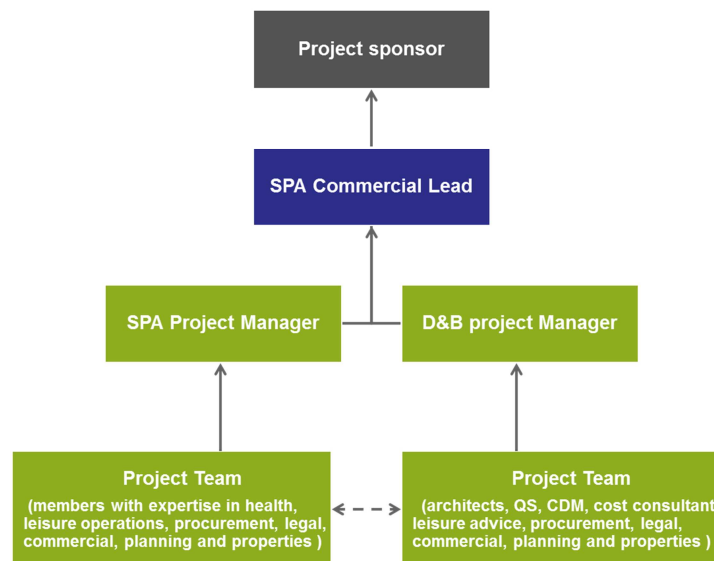


- The Commissioning Director (Adult & Health) will be the project sponsor and the key decision-maker on the project with decisions reported through to PSCB for sign off
- The project will report to P&R Committee for members' decisions
- Resource Enabling Boards and Commissioning Boards will be consulted as appropriate during the project
- The project will link closely with the FAB Partnership Board and HWBB to manage the dependencies with the work done around PH outcomes, FAB and sports development

Project Team

Diagram below sets out proposed core reporting structure for the SPA project. The core project team will have members with expertise in health, leisure operations, procurement, legal, commercial, planning and properties that will be responsible for delivery of all elements of the project plan. As outlined in section 10.2.1 and 10.3 some products will be commissioned by the project to be delivered by a third party. Third party suppliers will be commissioned according to standard procurement regulations to ensure the council is receiving value for money.

Figure 9 SPA reporting lines



- Project sponsor is the key decision maker, any escalations will be reported through by the SPA Commercial Lead
- SPA Commercial Lead will be responsible for managing both the SPA and design and build project managers as well as managing the project team
- Project managers will work closely with the project team, providing management support to the SPA Commercial Lead

The table below sets out the anticipated reporting controls as identified by the Corporate Change programme office that would be in place throughout the life of the project.

Reporting

The following reports will be produced to update all key stakeholders.

Table 5 Project reporting

| Report | Frequency | Type | Pre circulation Q&A | Circulation |
|---------------------|-------------------------------|--|---|---|
| Status Report | At least monthly | Project snapshot, covering progress, budget, benefits, risks and issues completed by Project Manager | Head of Corporate Programmes (CSG) SPA Commercial Lead | Programme Office and Project Board |
| Project Board | Monthly | Standard discussion items as set by Programme Office. Additional items submitted on an event driven basis. | Head of Corporate Programmes (CSG) SPA Commercial Lead | Project Board |
| SCB Programme Board | As required | Project Manager to produce any reports as requested by the board or sponsor | Project Board members | Corporate Directors and Chief Executive |
| Council Meetings | As set by Democratic Services | Reports covering all key decisions | Project Board members, SCB and Enabling boards | Councillor Membership of relevant Committee |

10.6 Key milestones

Based on the high level timeline the key milestones for the project include:

Table 6 SPA Key milestones

| Key milestone | Proposed deadline |
|---|--------------------|
| Revised Outline Business Case with recommended option to the Policy & Resource Committee | 17/02/2015 |
| SPA Team Go Live | 01/04/2015 |
| Resourcing of professional services is complete | 25/04/2015 |
| Procurement Board approves SPA Procurement Strategy | 12/03/2015 |
| Final planning permissions for Church Farm and Copthall | 01/05/2015 |
| Design work begins | 01/05/2015 |
| Final masterplan for Copthall estate | 25/05/2015 |
| Public Health outcomes are converted to KPIs | 01/07/2015 |
| HWBB Board (PH outcomes approval) | 18/07/2015 |
| Procurement Board (PH outcomes approval) | 06/08/2015 |
| Consultation on OBC is complete | 01/09/2015 |
| Asset and Capital Board | 23/09/2015 |
| Final Decision on management structure for Copthall | 14/10/2015 |
| SCB approval of revised OBC 2 | 10/11/2015 |
| P&R approval of revised OBC 2 | 01/12/2015 |
| Final designs approved | 01/12/2015 |
| Planning application submission | 01/12/2015 |
| Project handover to the commercial management team | 29/02/2016 |
| SCB approval of revised OBC 3 | July 2015 |
| P&R approval of revised OBC 3 | August 2015 |
| Design and build contract award | 26/08/2016 |
| Construction work begins | 01/03/2017 |
| SCB approval of full business case | May 2017 |
| P&R approval of full business case | June 2017 |
| New leisure management contract is awarded | 10/06/2017 |
| Handover to new leisure provider is complete | 15/12/2017 |
| New leisure management contract starts | 01/01/2018 |
| New Church Farm is delivered | 29/06/2018 |
| New Copthall is delivered | 26/10/2018 |

10.7 Expected Benefits

Based on the current estimations from the feasibility study, the SPA project concludes that a revenue neutral position is not achievable without capital investment. Work conducted to date indicates that the new leisure management contract will bring at least £1.071m per annum. This figure does not include any potential income from a re-provisioned Finchley and Hendon; if these developments are delivered, as assumed, in the lifetime of the new leisure contract, expected income should increase to £1.283m per annum.

The project will deliver two new leisure centres at Church Farm and Copthall at the estimated value of £23.2m. The cost of construction will be fully funded from estimated income, Infrastructure Reserve, capital receipts, Sport England Strategic Investment Facilities fund and remaining leisure budget.

The table below shows expected financial benefits that the project will deliver. The savings are profiled against the current management fee. It should be noted that the Council has previously assumed these savings and therefore this project will deliver the Council's previously agreed revenue saving of £967,000 for leisure provision from 2017/18.

| | 2017/2018 £'000 pa | 10 year costs £'000 pa |
|--|-----------------------|---------------------------|
| Baseline leisure management cost | 1,386 | 13,860 |
| Current budget ⁵ | 419 | 4,190 |
| Projected net expenditure⁶ | 0 | 0 |
| Savings | 967 | 9,670 |

⁵ excludes budget for insurance

⁶ the costs of borrowing and condition survey work has been offset by the estimated income, Infrastructure Reservers, capital receipts, SE funding and remaining leisure budget

The tables below list expected financial and non-financial benefits from the project.

Table 7 SPA Non-financial Benefits

| Non-financial benefits | | | | | | |
|---|---|--|---|--|--|--|
| Description of the benefit | Who will benefit | Expected benefit value | Financial year that the benefit will be realised | Benefit Owner | How will the benefit be measured | Baseline value (£, % etc) and date |
| At least a 15% increase in participation by the end of the new contract through the provision of sport pathways for residents and through the FAB campaign. | Residents, NHS, local economy, Schools, the council, community groups | At least a 15% increase in participation by 2028 (based on assumption of a 10 year contract) | 2027/2028 (visible improvement from January 2019) | Lead Commissionaire for Adults and Communities | <ul style="list-style-type: none"> • Sport England Active People Survey results and NI8⁷ • Residents perception survey • Leisure provider attendance reports • Qualitative feedback from partners (clubs, schools etc.) • Awareness of FAB campaign • Implementation of SPA delivery plan | Baseline value will be established as part of the next phase |

⁷ Further metrics with regard to the particular target groups identified in the needs assessment are in development.

| | | | | | | |
|---|--|--|---|---|--|---|
| Increased satisfaction with leisure provision for residents | Residents, the council, | % increase will be established in next phase | 2027/2028 (visible improvement from January 2019) | Lead Commissionaire for Adults and Communities | <ul style="list-style-type: none"> Residents perception survey Implementation of SPA delivery plan Provider satisfaction survey | Recent resident perception survey will be used to create a baseline for residents satisfaction levels with leisure services |
| Better use of green spaces and a more integrated offer across sport and physical activity | Residents, local and national sport institutions, local clubs, local economy, Schools, the council, community groups | To be established when parks strategy is finalised | 2027/2028 (visible improvement from January 2019) | Join responsibility between Lead Commissionaire for Adults and Communities Lead Commissionaire for Environment | <ul style="list-style-type: none"> SPA Team strategic objectives FAB Partnership Board | To be developed at a later stage when more information becomes available |

*Improving public health outcomes and participation in sport and physical activity will also lead to further non-financial benefits such as meeting social outcomes e.g. link with reduced isolation through increased social networks, increased social cohesion and a contribution to the life chances for young and disadvantaged young people.

Table 8 SPA Financial Benefits⁸

| Financial benefits | | | | | | |
|-----------------------------|--|---------------------------------|--|--|--|---|
| Description of the benefit | Who will benefit | Expected benefit value | Financial year that the benefit will be realised | Benefit Owner | How will the benefit be measured | Impact |
| Income from leisure centres | The council, residents | £1.071m per annum | 2018/2019 | Lead Commissionaire for Adults and Communities | <ul style="list-style-type: none"> • Guaranteed income through new contract • Final income threshold to be agreed as part of the procurement process | <ul style="list-style-type: none"> • Income from the leisure centres will be used to fund the cost of prudential borrowing for Church Farm and Copthall. • Potential income from re-developed Finchley and Hendon is not included |
| Two new leisure centres | The council, residents, local businesses | Assets value £23.2 m (estimate) | 2018/2019 | Lead Commissionaire for Adults and Communities | <ul style="list-style-type: none"> • Through SPA project • Further testing and evaluation as part of revised OBC 2,3 and full business case • Programme board | <ul style="list-style-type: none"> • Increased asset value • Positive contribution to all non-financial benefits • Attractive leisure portfolio post 2028 • Achievement of PH outcomes |

⁸ Figures have been averaged over 25 years (length of prudential borrowing)

10.8 Assumptions

- **Feasibility study assumptions are attached at Appendix 6**
- New contracts will be of 10 years duration, starting on 01/01/2018
- Assumed flat management fee was used for 2015 (£1,159,399), 2016 (£1,202,162) and 2017 (£1,387,445)
- Planning permissions can be achieved for Church Farm and Copthall
- Capital costs for Hendon and Finchley Lido will be covered from the wider re-development scheme in these areas
- The council is not prepared to close down any leisure facilities
- Capital investment for Church Farm and Barnet Copthall re-provision will be funded by the council
- Borrowing has been modelled over the period of 25 years
- Demolition costs for Copthall and Church Farm have been modelled into the capital costs
- £500,000 capital receipt for the existing Church Farm has been included in the capital costs
- A total of £750,000 from Sport England Strategic Investment Fund has been assumed in the Church Farm and Copthall capital costs
- A zero revenue position cannot be achieved without capital investment
- Church Farm has three years of its natural life left
- Barnet Copthall leisure centre will remain within the SPA procurement process
- Little to no work has been done on repairs and maintenance identified in the condition survey from 2012
- Capital costs have been based on indicative designs from proposed facilities mix
- PM and Commercial Lead will have handed over to BAU by February 2016
- £260k underspend from previous SPA project phases can be carried over to partially fund the cost of pre-implementation phase.

10.9 Key Risks

| Risk | Impact | Likelihood | Mitigating action |
|---|--------|------------|--|
| Residents do not support the vision for leisure | High | Low | The vision for sport and physical activity was defined using the findings from the consultation with residents conducted in Autumn 2013. Further engagement took place in Autumn 2014 to incorporate resident's views. Further consultation is planned for the next phase of the project. |
| The relocation of some of the leisure facilities is not supported by residents | High | Medium | Any proposed relocation of facilities will take into account findings from the feasibility study, to date consultation and need assessment. Further consultation will take place as appropriate to ensure residents' views are further integrated in the planning process and procurement specification |
| Project will not be able to deliver a zero revenue subsidy from day one of a new contract. | High | Medium | A soft market testing took place between August-November 2014. Market is confident that a zero revenue subsidy can be achieved from day one of the new contract, subject to levels of capital investment and length of the contract. The council will need to confirm the levels of capital investment before it goes out to procurement to ensure suppliers are able to accurately estimate their costs. |
| Project will not be able to deliver a zero revenue subsidy model due to high costs of borrowing. | High | Medium | The financial modelling has taken a prudent view when estimating the capital costs and cost of borrowing and potential income estimates. The model will be further tested during the next phase. The Council is preparing a master plan and will consult on that plan. This plan will also be produced in collaboration with the GLA, Sport England and other key bodies involved in the planning process. The master plan will set out how new facilities can be provided on the site that will minimise the built developments impact on the Green Belt and enhance the landscape. |
| Planning approvals for Copthall will not be achieved as it falls within the Green Belt where development is restricted by national planning policy. | High | Medium | The council has set out the approach to minimise this risk in an initial strategic planning advice document. The recommendations in this document will be acted upon to maximise the chances of success. The council is also in discussions with partners to ensure an integrated approach to plans for the site. The planning applications will be submitted in accordance with planning briefs for the sites |

| Risk | Impact | Likelihood | Mitigating action |
|---|--------|------------|---|
| Planning approvals for a development of Church Farm will not be achieved. | High | High | The council has set out the approach to minimise this risk in an initial strategic planning advice document. The recommendations in this document will be acted upon to maximise the chances of success. The council is also in discussions with relevant stakeholders to ensure it follows an integrated approach for this redevelopment. |
| Weak sports development will not secure a successful relationship with clubs and schools and would mean a lack of accountability for leisure services and delivery of the SPA objectives within LBB | Medium | Medium | New Sport and Physical Activity Structure commences on 1 st April. Case studies from other boroughs will be used to define final SPA Team structure and its role in delivering wider SPA objectives. |
| Reduced competition due a number of London and non-London boroughs going out to procurement around the same time as Barnet. | High | Low | Findings from market engagement and the feasibility study strongly suggest that the Barnet has a very strong portfolio which should attract at least 5-6 bidders. Potential bidders were very complementary of Barnet's innovative approach to this procurement and expressed high levels of interest in bidding. |
| Any delays in re-providing Church Farm and Copthall may have a negative impact on income share. | High | Medium | Early supplier engagement for the design and build procurement will ensure robust planning for the construction phase. The leisure management procurement has been aligned to the design and build process to mitigate the risk of delays to the re-development of the new leisure centres. |
| Council will be commercially liable for any increase in the capital costs. | High | Medium | The feasibility study findings have formed a cautious baseline for the capital costs and income estimates. Further financial modelling and testing will be done to refine these figures. Project has built in gateways in a form of two revised OBCs and a FBC to ensure the financial model is being reviewed as new information becomes available. Project will also seek Legal advice to minimise commercial exposure. |
| Funding from Sport England's Strategic Facilities Investment Fund may not be available. | High | Medium | Sport England has been consulted about the potential for securing funding from their Strategic Facilities Investment fund. They indicated that these were the kind of schemes they would support with funding of up to £1.5 million. However, they also emphasised the demand for this funding is very high (over 70 potential schemes at present), so the £750,000 included is a prudent estimate. More meetings with Sport England are planned for the next phase to ensure the |

| Risk | Impact | Likelihood | Mitigating action |
|---|--------|------------|--|
| Some Public Health outcomes may be difficult to convert to KPIs. | Medium | Low | application put forward is robust. The cost of specialist health advice was added to next phase to help with converting PH outcomes into KPIs and review existing contract management framework. |
| Existing contract management framework is not robust enough to manage an innovative contract. | High | Low | Next phase will review existing contract management framework to ensure it is fit for purpose and is able to build a strong partnership between the council and the provider and realise PH outcomes and benefits. In addition, the council is looking in to schedule 40 of the Barnet and Capita partnering agreement which could provide the commercial management skills for the new contract and during the remaining period of the existing arrangements. |
| The use of new procurement procedure mean that the existing skills may not be sufficient to fully deal with such an innovative and untried procurement process. | High | Medium | The cost of specialist legal and leisure advice was built into the budget in case if there is a need to seek external expertise. |

10.10 Key Dependencies

| Ref | Dependency | Level of dependency | Give /Get | Impact | Impact date | Mitigation (if required) | Owner |
|-----|--|---------------------|-----------|---|---------------|---|--|
| ID1 | Projects looking at green assets (for Copthall site) | Medium | Get | Opportunities may be missed if Parks do not finalise their strategy and no decision is made whether green spaces are in or out of SPA procurement. | December 2015 | Regular updates between projects. | Lead Commissioner for Environment |
| ID2 | Projects looking at green assets (for Copthall site) | Medium | Give | Project to issue a PIN to test market's appetite for bidding for leisure centres and green spaces and to inform Parks strategy. | June 2015 | Regular updates between projects. | Lead Commissioner for Environment |
| ID3 | Decision on re-development of LBB's Depot to Copthall | Low | Get | Depot will not be included in the Copthall Masterplan. Opportunities for cost efficiencies may be missed. | 25/05/2014 | Re is developing a masterplan which takes into account all Copthall estate stakeholders including the Depot. Regular with meetings to be arranged in the next phase | Street Scene / Planning |
| ID4 | Public Health KPIs for new leisure management contract | High | Get | New contract will be let as a standard leisure management agreement. Opportunities will be missed to let an innovative leisure contract and to achieve economies of scale from bundling Public Health outcomes into one contract. | December 2015 | Leisure related PH outcomes have been identified, meetings are planned post 17 th February to ensure work is on track to turn these in to KPIs. | Lead Commissioner for Public Health/ Head of Procurement |
| ID5 | Decision on SPA structure | High | Get | Project cannot let an | December | New Sport and Physical Activity | Lead |

| Ref | Dependency | Level of dependency | Give /Get | Impact | Impact date | Mitigation (if required) | Owner |
|-----|---|---------------------|-----------|---|-------------|--|--|
| | and their roles and responsibilities | | | innovative contract without a strong contract management. Lack of sport development will result in missed opportunities, e.g. utilising educational space for community use | 2015 | Structure commences on 1 st April. Procurement is looking into schedule 40 to finalise the contract management aspect. | Commissioner for Adults and Communities |
| ID6 | Development of Hendon Leisure centre as part of the Brent Cross Cricklewood regeneration | Medium | Get | Funding opportunities could be missed if the council loses sight of Hendon in the wider Brent Cross scheme. This will have further impact on income from the leisure centres and its ability to operate on revenue neutral basis. | 2028 | On-going engagement to keep relevant parties informed. | Planning / Lead Commissioner for Growth and Enterprise |
| ID7 | Masterplan for Copthall | High | Give | Work on a Copthall Partnership cannot continue without the masterplan | 25/05/2015 | Regular updates between workstreams. | Planning |
| ED1 | Market's ability to put forward an income guarantee proposal in response to the council's tender. | High | Get | The council will face difficulties to fund re-development of Church Farm and Copthall. | March 2017 | To date conversations with the potential suppliers, local authorities and findings from the feasibility study give confidence that the suppliers will be able to put forward a proposal based on income guarantee. | Procurement |
| ED2 | Market interest in providing | High | Get/ | Funding opportunities may be missed if the council | 2022 | On-going engagement to keep relevant | Planning/ |

| Ref | Dependency | Level of dependency | Give /Get | Impact | Impact date | Mitigation (if required) | Owner |
|-----|--|---------------------|-----------|---|-------------|--------------------------|-----------------|
| | funding for a development of Finchley Leisure Centre | | Give | does not engage with the interested parties. Opportunities may be missed to develop a more detailed and all-encompassing masterplan for Finchley. | | parties informed. | Project sponsor |

10.11 Stakeholder Management

A number of stakeholders will need to be informed and engaged in the next phase of the project. Key internal and external stakeholders and communications methods are outlined below.

| Stakeholder | Purpose of Communication / Engagement/ Consultation | Channel & method | Frequency / due date |
|--|--|---|---|
| Members / Policy and Resources Committee | Update on progress and submit decisions for approval | Member briefings and committee meetings | As required |
| Public | Full consultation on the OBC and further planning consultation | Drop in sessions, online survey, exhibitions, workshops | As required |
| Health and Wellbeing Board | Update on the progress of the project and seek input as required | HWBB Committee meetings | As required |
| Asset, Regeneration and Growth Committee | Decisions on future of assets and to ensure that Brent Cross / Cricklewood redevelopment of Hendon leisure centre is aligned to this outline business case | Updates at committee meetings | As required |
| Leisure providers | Further market testing to feed into the design of the new leisure centres and public health outcomes | Online procurement portal and further meetings | As required |
| Department of education | Engage to discuss relocation of Church Farm to Danegrove Playing Fields | Meetings, planning process | As required |
| Danegrove Primary School Governors and the Headteacher | Engage to discuss relocation of Church Farm to Danegrove Playing Fields. Obtain information about links with other schools in the 1 mile radius, and what is proposed for the site | Meetings, emails, planning process | Monthly until November 2015, thereafter as required |
| GLL | Obtain information as required, discuss commercially sensitive information before procurement starts, arrange handover to the new provider (if different than GLL) | GLL contract manager | As required |
| Clubs and schools | Explore options to provide access to existing facilities to the community | Sports development officer | As required |
| Sport England | Engage to explore funding opportunities, seek advice with reference to the design of leisure centres, SPA team, procurement and development of Copthall and Hendon | Planning process, emails, meetings | As required |

| Stakeholder | Purpose of Communication / Engagement/ Consultation | Channel & method | Frequency / due date |
|---|---|---|--|
| Partners (e.g. Middlesex University, CCG) | Explore opportunities for collaboration and development of a trust for the Copthall area | Partnership strategic commissioning board, meetings | Every two months |
| Leaseholders | Engage to discuss the impact of the SPA option on their day-to-day business | Planning process | |
| Internal stakeholders (e.g. Adults and Communities, Children) | Update on project progress and engage to support the development of the specifications and key desired outcomes for each facility | Emails, meetings, through the project board | Monthly |
| Parks and Libraries | Engage to ensure projects are aligned and opportunities for future development are fully explored | Emails, meetings, through the project board | Monthly |
| Public Health | Finalise Public Health Outcomes, contribute to writing procurement specification for the design and build and management of the leisure centres | Emails, meetings, through the project board | Feb 2014 to Nov 2014 Fortnightly, thereafter as required |
| Procurement Board | Update on the progress of the project; seek approval for Public Health KPIs and procurement evaluation | Procurement Board meetings | As required |
| Design and Build Project Manager | Update on the progress of the project; ensure PH, Trust, Parks and SPA Team Workstreams feed into the design of new builds | Emails, meetings, through the project board | Fortnightly |
| FAB Partnership Board | Update on the progress of the project and explore how the FAB campaign and partnership board can support the project | FAB Partnership Board meetings | Monthly |

Any consultation process will use existing mechanisms/resources, for instance, in targeting those with specific needs using the expertise in Adults & Communities and Children's Services and service users and carer forums already in place, alongside the wider consultative approaches.

11 Recommendations

That the Policy and Resources Committee

- Approves that the Danegrove Playing Field, Victoria Recreation Ground and Copthall sites are taken through to the next stage of the project for further public consultation and consideration by planning (section 4 Feasibility Study).
- Approves capital funding of £23.2m, including associated professional fees, for the re-provision of Church Farm and Copthall leisure centres. (section 4 Feasibility Study and Affordability Analysis).
- Approves the use of £3.4m from CIL through the Infrastructure Reserve funding to contribute to the £23.2m capital costs required to fund the re-provision of Church Farm and Copthall leisure centres.
- Approves the use of capital receipts from the existing Church Farm site to contribute to the £23.2m capital costs required to fund the re-provision of Church Farm and Copthall Leisure Centres.
- Approves the commencement of the procurement workstreams featuring a competitive procedure with negotiation (a new procurement procedure) for the leisure centre management contract and utilising existing government construction frameworks for the design and build contract of Church Farm and Copthall leisure centres (section 9 procurement strategy).
- Delegates authority to the Director of CSG to enter into dialogue with the council to look at the possibility of using Schedule 40 of the Capita / Barnet partnering agreement to commission CSG to provide managing agent services, both for the existing leisure management contract and the new arrangement once it is procured (section 9 Procurement Strategy).
- Approves a maximum budget of £440k for the delivery of the pre-implementation phases of the project (Section 10.2.1)
- Approves the project's continued involvement in progressing the opportunities for the re-provision of Hendon and Finchley Lido leisure centres.

12 Appendices

12.1 Appendix 1: Market Engagement

12.2 Appendix 2: Council Engagement Report

12.3 Appendix 3: Equalities Impact Assessment

12.4 Appendix 4: Health Impact Assessment

Option one of the enclosed rapid HIA is still considered to be relevant to this phase of the project. Public Health Team will develop a full health impact assessment as soon as options for Church Farm have been agreed.

12.5 Appendix 5: ORS consultation report

12.6 Appendix 6: Feasibility study report

12.7 Appendix 7: Trust for all leisure sites

12.8 Appendix 8: Planning guidance for Church Farm site options

12.9 Appendix 9: Public Health Outcomes

13 Document Control

| | |
|---------------------|-------------------|
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Document History

| Date | Version | Reason for change | Changes made by |
|------------|---------|---|--------------------|
| 07/01/2015 | 0.1 | First draft | Magdalena Kosowska |
| 08/01/2015 | 0.2 | Updates to all document following comments from Andy Spriggs | Magdalena Kosowska |
| 08/01/2015 | 0.3 | Updates to Next Phase section following comments from Matthew Waters | Magdalena Kosowska |
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| 19/01/2015 | 0.7 | Dependencies and procurement sections were update following comments from Matthew Waters and Elizabeth Stavreski. | Magdalena Kosowska |
| 26/01/2015 | 0.8 | Updates to benefits section following comments from Anthony Wilkinson (finance). Added executive summary. Formatting and updates to all sections. | Magdalena Kosowska |
| 05/02/2015 | 0.9 | Updated all sections following comments received as part of the clearing process | Magdalena Kosowska |
| 06/02/2015 | 0.10 | Updates to finance section following comments from Ruth Hodson | Andy Spriggs |
| 09/02/2015 | 0.11 | Updates to formatting and table of contents | Magdalena Kosowska |

Distribution List:

| Name | Role | Date |
|-------------------|--|-------------|
| Kate Kennally | Project sponsor | 07/01/2015 |
| Andy Spriggs | SPA Commercial Lead | 07/01/2015 |
| Matthew Waters | Head of Corporate Programmes (CSG) | 07/01/2015 |
| Tom Pike | Head of Performance and Programmes | 07/01/2015 |
| Andrew Howe | Director of Public Health | 07/01/2015 |
| Rachel Wells | Lead Public Health consultant | 07/01/2015 |
| Simon Molden | Director of the Sports Consultancy (Feasibility Study) | 07/01/2015 |
| Matt James | Feasibility Study Project Manager | 07/01/2015 |
| John Hooton | Deputy chief Operating Officer | 07/01/2015 |
| Paul Thorogood | Head of Finance | 07/01/2015 |
| Martin Cowie | Associate Director, Planning | 07/01/2015 |
| Ian Butt | Head of Strategic Planning | 07/01/2015 |
| Stephen Dorrian | HB Public Law | 07/01/2015 |
| Matthew Kendall | Adults and Communities Director | 07/01/2015 |
| Claire Symonds | Commercial and Customer Services Director | 07/01/2015 |
| Alan Bowley | Interim Commissioning Director Environment | 07/01/2015 |
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| Anthony Wilkinson | Head of Finance | 07/01/2015 |