

	<p style="text-align: center;">Addendum Report - Barnet Cophall Diving Feasibility Study</p> <p style="text-align: center;">Full Council 13th December 2016</p>
<p style="text-align: right;">Title</p>	<p>Addendum Report - Barnet Cophall Diving Feasibility Study</p>
<p style="text-align: right;">Report of</p>	<p>Dawn Wakeling, Commissioning Director (Adults & Health) Dawn.Wakeling@barnet.gov.uk</p>
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<p style="text-align: right;">Enclosures</p>	<p>Barnet Cophall Diving Feasibility Report Barnet Cophall Diving Feasibility Study</p>
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Summary

At Policy & Resources Committee on the 1st December 2016, the Committee approved recommendations 1 – 5 of the *Barnet Cophall Leisure Centre: Diving Feasibility* report and then the Chairman referred the item to be considered at Full Council.

In referring the item, the Committee requested that officers provide additional information on the financial implications and the analysis of options, which were set out in the Diving Feasibility Study.

This addendum report provides this further detail: the breakdown of capital costs associated with the options in the diving feasibility study; and further information relating to the revenue implications of each option. This report also presents a summary of the additional design and build amendments which would be required to develop the alternative option submitted to the Council by the Amateur Swimming Association, referred to as 'Option 3'.

Recommendations

That Full Council:

- 1. Notes the information included within this addendum report.**

1. WHY THIS REPORT IS NEEDED

Background information

- 1.1 On the 16th December 2015 Policy & Resources unanimously approved the proposed core facilities mix for the redevelopment of Barnet Cophall Leisure Centre, from which diving was excluded. The report and appendices set out the rationale and information used to develop the agreed mix of facilities, which included: public consultation, health impact assessment, usage, facilities analysis and demand, and affordability modelling.
- 1.2 On the 1st September 2016, Policy and Resources Committee resolved to review the feasibility of including diving within the core facilities mix of the proposed new Barnet Cophall Leisure Centre. The Policy and Resources Committee asked officers to identify:
 - The additional capital costs of including diving
 - The impact of including diving on revenue costs and income.
 - The participation numbers for diving and other aquatic activities.
 - Planning implications as a result of the possible inclusion of diving.
- 1.3 The report to Policy and Resources Committee on 1st December 2016 set this out in the feasibility study, along with supporting evidence.
- 1.4 The diving feasibility study was undertaken throughout October and November 2016, co-ordinated by Council officers and included architects, quantity surveyors, cost consultants, and independent sport and physical activity analysts specialising in costs and income. The capital costs presented to Policy and Resources Committee in December have also been independently verified by an external engineering and cost consultancy firm.
- 1.5 In referring the diving feasibility study to full Council, the Committee asked for additional information on the capital costs and revenue impact of the options to be presented.

2. REASONS FOR RECOMMENDATIONS

Capital cost increase

- 2.1 It is usual for the costs of any construction scheme to increase as proposals enter a more detailed and technical design phase. The introduction of alternative layouts, configurations and locations will have an impact on the capital costs of the proposed facilities. The total costs of the construction of the two leisure centres have increased as they have progressed through the Royal Institute of British Architects (RIBA) design and build process, from £23m to £35m.

- 2.2 It should be noted that in the past year, activity within the construction market has increased and market rates have risen. This has also contributed to the increase in costs.
- 2.3 The Policy & Resources Committee report in December 2015, quoted an assumed indicative cost related to the inclusion of diving of £675,000. This value was a pre-feasibility (RIBA Stage 0) estimate, based on industry benchmark costs, which was intended to assist the affordability assessment and did not include detailed costings or take any site specific factors into account.
- 2.4 As a design progresses through the RIBA stages, costs are subject to further refinement and are likely to increase as requirements are developed and site-specific factors are taken into account. Retro-fitting diving provision into schemes which are advanced to RIBA Stage 3 and submitted to the Local Planning Authority will entail increased costs, in comparison to existing agreed designs.
- 2.5 The two options presented within the diving feasibility study, particularly option 1, the inclusion of diving in the 25m community pool, require a number of significant technical amendments associated with mechanical and structural items. This has led to increased costs through redesign and the necessary mechanical amendments which need to be factored in, in addition to the inclusion of a moveable floor and diving boards.
- 2.6 The capital cost plan elements are outlined in table 1 below and indicate that the cost of the movable floor and diving board platforms ranges from £629,900 - £827,500, without factoring in the wider building costs (physical building structure, mechanical and electrical). It is therefore plausible that the inclusion of diving within the scheme at any design stage would place pressure on the affordability of the scheme.

Capital cost breakdown –options 1 and 2

- 2.7 The cost breakdown provides the approximate cost detail for each technical element of the options that were developed within the feasibility study. Costs are described as approximate because cost certainty is not achieved until the end of RIBA stage 4. Current designs are at RIBA stage 3.

Table 1

Technical breakdown area	Approximate cost values Option 1	Approximate cost values Option 2
Substructure- increased excavation for pool	£140,000	£382,000
Structure – building footprint	£20,000	£394,000
Façade (increased for option 1 and new for option 2)	£187,000	£183,000
Internal partitioning and fittings	£87,000	£257,000
Mechanical and electrical requirements	£334,960	£1,073,677

Movable floors and diving boards	£827,500	£629,900
Additional design development including external landscape, risk contingency*, inflation cost* and main contractor preliminary fees.	£515,225	£1,008,370
Professional fees*	£316,752	£589,192
Total inclusion of diving	£2,428,437	£4,517,319

* The costs presented in table 1 above have been verified and are aligned to building industry indices for RICS (Royal Institute of Chartered Surveyors).

- 2.8 The significant cost difference between Option 1 and 2 relates to the increase in the gross internal floor area (GIFA) of the building, which is enlarged by 1,224sqm. This results in a significant but proportionate cost increase, especially when factoring in required mechanical and electrical elements.
- 2.9 Other differences include the façade of the building, which requires an increase in option 1 due to the current flat roof area, and a new façade for option 2 as the building is extended in size. There is also a cost difference related to the technical amendments required to integrate a moveable floor into the current 25m community pool configuration for option 1, which costs more than providing it within option 2 as a standalone option.

Capital costs – independent technical assurance

- 2.10 An independent technical and cost review was undertaken by the Council's technical assurance partner: Focus FM, which is a multi-disciplinary engineering consultancy that specialises in the built environment, operating throughout the UK. Focus FM regularly provides independent assurance on construction costs for the Council as part of routine good practice.
- 2.11 The costs presented for both options 1 and 2 within the diving feasibility study have been validated by Focus FM, with confirmation that the costs outlined for both options are accurate and in accordance with current market conditions. The costs presented in table 1 above have been verified by Focus and are aligned to building industry indices for RICS (Royal Institute of Chartered Surveyors).
- 2.12 Focus FM noted that, for option 2 and to a lesser extent option 1, the allowance for potential contamination was at the low end (assumed for ground conditions and included within substructure). Their observation was that this should be increased as further excavation will be required for both these options. This would result in an additional cost to those shown in the table above.

Revenue Impact Information

- 2.13 The revenue impact estimates have been developed using The Sports Consultancy's (TSC) business planning model with all revenue projections benchmarked against TSC's Operational Database, which contains over

1,000 financial year records from over 350 public leisure facilities across the UK. The estimates also take into account historical participation figures for the existing Barnet Copthall Leisure Centre and the local population, the proposed facilities mix and an assessment of local demand.

- 2.14 Financial modelling was carried out for the RIBA 3 design proposals (the agreed facilities mix submitted to planning) and for both Option 1 and Option 2 to understand the revenue impact of each option development.
- 2.15 The business planning model creates three estimates: low income, median income and optimum income. The revenue loss figures used in the Diving Feasibility Report are based on the median income to provide a prudent assessment. Under the low income scenario, the potential negative revenue impact would be greater.
- 2.16 However, even if the optimum income had been used in the feasibility study for both option 1 and 2, there is still a negative revenue impact of £129,920 per annum (£3.8m over 30 years) under option 1 and £175,929 per annum (£5.2m over 30 years) under option 2. These costs are different to the mid range as the financial modelling takes account of the opportunity to increase participation, capacity and any secondary spend (e.g. café usage) and balances these against the estimated expenditure associated with each option.
- 2.17 The median revenue impact of Option 1 is £120,000 per annum (£3.6m over 30 years) and is primarily due to a reduction in swimming income. This is because:
- The diving programming in the 25m community pool displaces a high proportion of swimming activity, as diving takes place in peak hours.
 - The inclusion of diving in the community pool would displace approximately 332 individual swimming participants per week or 16,603 swimming visits per year
 - There is also an increase in running costs due to the increased building footprint.
- 2.18 Option 1 has been modelled with a diving programme that matches the existing programme at Barnet Copthall Leisure Centre. This has therefore displaced other programmed activity which generates revenue in the financial modelling for the main RIBA 3 option with the current agreed facilities mix.
- 2.19 The current diving programme utilises peak hours. This could be reviewed within option 1 to improve its affordability. However this would have a negative impact on participation, as the majority of participants are school-age children.
- 2.20 The revenue impact of Option 2 is £183,000 per annum (£5.49m over 30 years). There is no reduction to the swimming programme as a separate diving pool is provided. Diving and synchronised swimming usage is additional and income increases due to increased capacity. However, this is

outweighed by greater operating costs caused a significantly increased building footprint which requires:

- Increased premises costs (utilities – water, electric, gas)
- Increased staffing costs

2.21 Therefore while Option 2 increases participation and does not displace swimming, there is still an overall negative impact on revenue due to increased operating expenditure.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The results of the formal public consultation process in 2015 were that 2 x 25m swimming pools were ranked the top priority for respondents (1st), with the learner pool and fitness centre/gym rated as 2nd and 3rd most important respectively. The feasibility study presented to Policy and Resources Committee considered options to include diving without removing any parts of the agreed facilities mix.
- 3.2 As part of the assessment, four initial options were considered, of which two were not progressed for technical and practical reasons. These were firstly, the inclusion of a diving facility within the 'learner pool' in the existing design. In the current design, the fitness suite is located on the first floor above the learner pool. This would not permit the ceiling height required to include diving. This option would require a complete redesign of the new leisure centre (i.e. starting the RIBA process again from the beginning). This is due to the required standards for diving, policy guidelines for the pool surrounds and the degree of change to the building infrastructure. This option was therefore not progressed in detail.
- 3.3 The second option not progressed was to include diving in the 25m 'competition pool'. This option would further decrease the ability to provide swimming lessons, casual swimming, competitive swimming and galas. This option required the creation of a moveable boom across the whole of the 'competition pool' floor to enable the required depth for diving at programmed times. This option increased capital costs and significantly displaces swimming, as it would require a section of the pool to be closed off, resulting in reduced participation and revenue. This option was therefore not progressed in detail.

Additional design option (referred to as Option 3)

- 3.4 The Amateur Swimming Association (ASA) submitted an option, referred to as 'option 3', following publication of the Policy and Resources committee report.
- 3.5 This configuration is based on 'option 2' but deletes the learner pool (part of the approved facility mix) and suggests that this part of the building becomes 'dry side' use (village change / café reconfiguration). This option has:

- 25m community pool (static)
- 25m competition pool (static)
- Multi activity pool (moveable floor)

3.6 This option has been reviewed by council officers, architects and surveyors who have noted the following observations;

- The current changing area would need to be re-planned and it may not offer the same flexibility to be able to facilitate dedicated areas and use for single sex/ faith groups.
- There would need to be a long corridor to link the change / diving areas (potentially further affecting the ability to use the changing area flexibly).
- The diving pool would be the 'learner pool' for the majority of time. This pool would be sited at the back of the building and there would not be any facility to view from the café for parents of children in lessons.
- The village change would block views from the reception area, resulting in lack of promotion of the facilities and a more enclosed and unfriendly welcome area.
- In the current design, there is progression from learner pool to community pool and subsequently to competition pool. This natural evolution would be lost in option 3; the pool configuration would be in the wrong order with learners enclosed in their own pool hall.
- The pool sequencing (pool hall layout) would create operational issues for pool safety, e.g. deep water (competition pool) close to entrance / exit for multi activity pool (shallow water use).

3.7 These items were discussed with the ASA who agreed with this assessment of the operational and technical challenges in option 3 and also noted that to properly address these items a wholesale re-design of the scheme would be required, i.e. starting the RIBA process from the beginning.

3.8 The ASA have outlined in principle their support to redevelop Barnet Copthall Leisure Centre.

Other alternative options

3.9 In future building developments, it is possible to consider the inclusion of diving. The level of capital expenditure is difficult to estimate without site plans or locations.

3.10 The cost elements of a pool tank, moveable floor and plant requirement would be likely to be similar to those reflected in the diving feasibility study options, but would also be dependent the following considerations:

- External wall requirements
- Changing room area and requirements
- Access and management
- Car park availability

3.11 As a standalone unit it would be more expensive in term of the plant required (no economies of scale / sharing with the other pools) and area for changing, circulation etc. would be likely to be larger as a standalone, also more expensive.

4. POST DECISION IMPLEMENTATION

4.1 Subject to the approval of the recommendations by Full Council, the project will continue with the milestones previously agreed by the Policy & Resources Committee.

5. IMPLICATIONS OF DECISION

Corporate Priorities and Performance

5.1 There is a budget gap of £967,000 in the Council's Medium Term Financial Strategy (MTFS). If the proposed development is delayed, as a result of a decision to review the entire Barnet Copthall Leisure Centre scheme, the MTFS saving is unlikely to be achieved and the Adults & Safeguarding Committee will be required to identify other savings. To afford the capital borrowing required to build the new centres at Barnet Copthall and New Barnet, the Council needs to close this budget gap and achieve significant additional revenue income to pay back the borrowing costs.

5.2 Both the current facilities at Barnet Copthall Leisure Centre and Church Farm Leisure Centre are over 40 years old. The Revised Outline Business Case (Feb 2015) indicated that without investment, closing Barnet Copthall and Church Farm Leisure centres was a likely possibility as both facilities have reached the end of their life and will become a risk to operate, as well as being financially unsustainable to maintain.

5.3 Potentially, without investment into the buildings, leisure operators would be unwilling to take on the management of this building given the condition and layout issues, affecting the Council's position on a future leisure contract.

Social Value

5.4 Please refer to the 1st December Policy and Resources Committee Report.

Legal and Constitutional References

5.5 Please refer to the 1st December Policy & Resources Committee Report.

Risk Management

5.6 The potential inclusion of diving at a redeveloped Barnet Copthall Leisure Centre would lead to:

- Within the current affordable budget, a need to delete other provision from the facility mix developed in public consultation and agreed by Policy & Resources Committee.
- Unaffordable capital costs if diving is included and no other facilities are deleted.
- Loss of revenue, affecting the affordability of the proposed schemes and borrowing payback.
- Reduced swimming or other opportunities to maximise participation in physical activity for the mass population of Barnet.
- Delays to the construction programme, of a minimum of 6 months, also incurring additional programme costs.
- Delay to leisure management procurement, impacting the proposed date of contract award, recommendation and commencement. This may result in the need to extend the current leisure contract and incur the costs of additional management fees (£123,000 per month) to the operator beyond December 2017.

Equalities and Diversity

5.7 Please refer to the 1st December Policy & Resources Committee Report.

Consultation and Engagement

5.8 Two phases of extensive consultation were conducted by Opinion Research Services in 2014 and 2015. The initial phase took place from October – December 2014 and received 968 responses.

5.9 The second stage of consultation took place from June – September 2015 and received 1046 resident responses with an additional 365 residents attending drop-in sessions.

5.10 The consultation carried out from July – September 2015 lasted for 13 weeks and consisted of online surveys, hard copy questionnaires, telephone interviews, public drop-in sessions and focus groups which included a wide cross-section of Barnet residents and included the following;

- 12 drop in sessions delivered, including 3 sessions on different dates hosted at Barnet Copthall Leisure Centre.
- The consultation was promoted on the Local Authority website and available on the Engage Barnet portal (13 weeks). It was also promoted via hard copy posters displayed within leisure centres, pop up stands within Barnet Copthall Leisure Centre, community venues and libraries across the borough.
- Promotion also took place via social media, screens within the leisure facilities and on the Barnet Copthall Swimming Club webpage.
- An email newsletter was also sent to approximately 5,215 Barnet Better Leisure Centre members by Greenwich Leisure Limited (GLL).
- 4 SPA Bulletins were sent out to approximately 100 partner organisations and interested residents across Barnet, outlining consultation, current update information and FAQs.
- Subsequent to agreement of the core facilities mix in December 2015, two informal public engagement sessions were held in March and July 2016 at Barnet Copthall Leisure Centre and near to Victoria Recreation Ground as part of the pre-application process for a planning application.
- 367 informal questionnaires were completed either at the sessions or online, with 145 relating to Barnet Copthall. These showed that 76% (March) and 66% (July) supported the new scheme at Barnet Copthall as shown in the preliminary designs.
- Subsequently 53 comments were also received as part of this engagement phase. The questionnaire responses and comments submitted were used to inform and assist in developing designs as part of the pre-application process.

Insight

5.11 Please refer to the 1st December Policy & Resources Committee Report.

6. BACKGROUND PAPERS

Committee Papers

- 6.1 Cabinet Resources Committee, 27 September 2011 (Decision item 15) – approved the negotiation of terms, with the Contractor, Greenwich Leisure Limited, for termination of the current Leisure Management Contract.
<http://barnet.moderngov.co.uk/CeListDocuments.aspx?CommitteId=151&MeetingId=456&DF=27%2f09%2f2011&Ver=2>
- 6.2 Cabinet Resources Committee, 18 October 2012 (Decision item 15) – approved the Sport and Physical Activity Strategic Outline Case, including the draft SPA Strategy Statement.
<http://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=4416>

- 6.3 Cabinet Resources Committee, 4 November 2013 (Decision item 5) – approved the Sport and Physical Activity Outline Business Case.
<http://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=5035>
- 6.4 Health and Well-Being Board, 12 June 2014 (agenda item 14) – approved the establishment of the Fit and Active Barnet (FAB) Partnership Board and noted the Sport and Physical Activity (SPA) Strategy delivery plan
<http://barnet.moderngov.co.uk/documents/s15393/Fit%20and%20Active%20Barnet%20Partnership%20Board%20and%20Sport%20and%20Physical%20Activity%20Strategy%20Delivery%20Plan.pdf>
- 6.5 Policy and Resources Committee, 21 July 2014 (agenda Item 8) – approved the Sport and Physical Activity Outline Business Case.
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7860>
- 6.6 Policy and Resources Committee, Tuesday 17th February 2015 7.00pm (Agenda Item 9) Sport and Physical Activity Review Revised Outline Business Case
<http://barnet.moderngov.co.uk/mgAi.aspx?ID=11370#mgDocuments>
- 6.7 Policy and Resources Committee, Wednesday 16th December 2015 7.00pm (Agenda Item 12) The relocation and redevelopment of Church Farm Leisure Centre and the redevelopment of Barnet Copthall Leisure Centre
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8349&Ver=4>
- 6.8 Policy and Resources Committee, Thursday 1st September 2016, 7.00pm (Agenda Item 6c) Member’s Item: Cllr Alison Moore - #SaveBarnetDiving and (Agenda Item 7)
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8729&Ver=4>

Consultation Reports

- 6.9 **Phase 1 2012 – Needs assessment;**
<http://barnet.moderngov.co.uk/documents/s16260/Appendix%20C%20-%20SPA%20Needs%20Assessment.pdf>
- 6.10 **Phase 2 2013 – ORS Final report-**
https://engage.barnet.gov.uk/adult-social-services/sport-and-physical-activity-review/user_uploads/final-leisure-services-report.pdf
- 6.11 **Phase 3 2014 - ORS Final report**
<http://barnet.moderngov.co.uk/documents/s21252/Appendix%205%20-%20ORS%20Consultation%20report.pdf>
- 6.12 **Phase 4 2015 - ORS Final report – Appendix 1**
<https://engage.barnet.gov.uk/adult-social-services/sports-and-physical-activity-cf->

[copthall/supporting_documents/Barnet%20SPA%20Phase%204%20%20Final%20report%20v6.0.pdf](https://engage.barnet.gov.uk/adult-social-services/sports-and-physical-activity-cf-copthall/supporting_documents/Barnet%20SPA%20Phase%204%20%20Final%20report%20v6.0.pdf)

- 6.13 **Health Impact Assessment (HIA) 2015 – Appendix 2**
https://engage.barnet.gov.uk/adult-social-services/sports-and-physical-activity-cf-copthall/supporting_documents/CF%20%20HIA%202015%20Final.pdf