

Subject:	Council's Strategic Projects	Status:	For Publication
Report to:	Cabinet	Date:	29 th June 2011
Report of:	The Chief Executive	Portfolio Holder:	Leader of the Council
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Community Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Helen Lockwood	Telephone:	01706 242492
Email:	helenlockwood@rossendalebc.gov.uk		

1.	RECOMMENDATION
1.1	That Members consider the report and make recommendations as they consider necessary in light of their consideration of Council's strategic projects and in light of the Council's Priorities and its direction of travel.

2. PURPOSE OF REPORT

- 2.1 In light of the recent change in political balance and Leadership of the Council, the report gives the opportunity for Members to take stock and consider the progress to date of a number of current strategic projects in relation to Council priorities, its direction of travel and the use of available resources.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A clean and green Rossendale** – creating a better environment for all.
 - **A healthy and successful Rossendale** – supporting vibrant communities and a strong economy.
 - **Responsive and value for money local services** – responding to and meeting the different needs of customers and improving the cost effectiveness of services.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation in this report involve risk considerations as set out below:
- Reputation of Council with regard to expectations of the public, partners and key stakeholders given previous communication and commitments by the previous administration.
 - Changes in the economical environment and assumptions from those on which previous aspirations were formulated.
 - Ensuring that the Council's finite resources (financial or otherwise) are prioritised and utilised to their maximum potential

5. BACKGROUND AND OPTIONS

- 5.1 Following the change in administration and political leadership arising from the May 2011 local elections the new administration has the opportunity to take stock of a number of key

strategic Council projects and their links to Council's priorities (noted in 3 above). The council priorities were confirmed by Council in February 2011 following a period involving a Member engagement session with the Chief Executive and further Member and public consultation via the Overview and Scrutiny process.

- 5.2 The current key projects, which seek to advance the Council's priorities are as follows:
- The Medium Term Financial Strategy. Council has to find a further c. £1m of efficiency savings by 2014/15.
 - The Rossendale Gateway encompassing: the Manchester commuter rail link, New Hall Hey, the Valley Centre (including the Rawtenstall bus interchange) and the wider regeneration of Rossendale as a whole.
 - Leisure: being the current £5.6m investment programme into leisure facilities, the long term sustainability of Rossendale Leisure Trust and the future of Ski Rossendale (linked also to The Rossendale Gateway).
- 5.3 Each of the above originally sought to advance and deliver the Council's priorities but are commonly linked by both scarce and finite resources. Therefore it is reasonable to review the current key projects programme to ensure that they all: continue to be aligned to Council priorities, have the appropriate focus and have the appropriate Member commitment.
- 5.4 The current status of each of the above projects is as follows:
- 5.5 **The Medium Term Financial Strategy (MTFS)**
The MTFS commenced in 2010 resulting in amongst other things: the identification of £1.6m of savings efficiencies for 2011/12, a strategy to balance Council budgets over the next 2 years but with the need to identify a further £1m of savings efficiencies by 2014/15. All of which were based on a set of assumptions.
- 5.6 A separate report is on the agenda which details the Councils progress in delivering the efficiencies for 2011/12 and the projected net revenue outcome. A programme of work has already commenced, under the direction of the Chief Executive, to identify the required savings needed by 2014/15 and to reaffirm or otherwise with Members the assumptions on which our MTFS is based, some of the key assumptions being in relation to:
- Pay inflation.
 - Other employment costs.
 - The level of future Council Tax increases.
 - The level of income generation particularly in relation to volatile markets (property, recycling etc.).
 - Existing contractual arrangements with Green Vale Homes and the implications as these come to an end.

It is the intention of the Chief Executive to ensure that Members remain fully engaged in the MTFS process particularly as we seek to deliver the required level of efficiencies.

5.7 **The Rossendale Gateway**

With regard to the Manchester Community Rail Link, The Association of Greater Manchester Authorities (AGMA) have confirmed that the project remains within their priorities and will form part of the Greater Manchester Local Transport Plan (LTP3). The Greater Manchester

Integrated Transport Association has requested, inter alia, full details of costs in order to fully consider the project.

5.8 The Council is currently working with Lancashire County Developments Ltd (LCDL) in relation to New Hey Hall to consider if the further development of this site fits within their business model.

5.9 The Valley Centre: a steering committee has been established being a mix of Cabinet Members, senior offices and local business representatives in order to find a mutually agreeable way forward with the current owner of the site (Ashcap).

5.10 The wider regeneration of the valley progresses with initiatives such as the Vocational Training Centre using resources secured by the disposal of Bacup Leisure Hall. A separate report is on this agenda dealing specifically with this matter.

5.11 **Leisure**

Leisure projects proceed on a number of fronts.

5.12 *Ski Rossendale.*

The facility closed to the public on 31st March 2011, as previously agreed by Members. A tender process commenced at the same time initially seeking expressions of interest via the completion of a pre-qualification questionnaire (PQQ). Following the assessment of the PQQs two potential bidders have been identified. The two potential bidders will now submit formal tenders including a business plan on which Officers will make a final evaluation during mid July 2011.

5.13 *Marl Pits and Haslingden Sports Centre redevelopment.*

Following planning approval, granted in March 2011, the detailed procurement of materials and services commenced and was completed early April 2011. This involved the Council's contractor (Kier Northern) taking the design and service requirements to the market to establish a firm cost base for the two designs. The anticipation at the time from all parties was that market testing should unlock significant procurement savings given the current pressures the construction market was and still is facing. This anticipation proved to be too optimistic.

5.14 The procurement process resulted in market tested costs above the Council's £5.6m budget resources. The significant areas of price variance being, in the main: steel, mechanical & engineering, substructures & foundations, ground works & drainage, car parking and increased square metres compared to the original 2009 Knight Kavangh Page (KKP) plan.

5.15 Given the above, this required a fundamental review of the design and process resulting in a revised scheme that seeks to:

- Be affordable in the context of a £5.6m budget.
- Be capable of delivering the 2009 KKP cost model.
- Retain the integrity of internal facilities design particularly in light of the pool advisory groups design input and expectations.

5.16 The revised design scheme still retains the fundamentals of the KKP scheme, however, the

key areas of design change from that previously granted planning permission are:

- Marl Pits:
 - Reduction in the number of car parking spaces (80), revised provision now 70 (including disabled and family).
 - The 5-a-side pitches reduced by 1 to 4 pitches.
 - Loss of the multiuse community/training room.
 - Single storey building with an increase design “foot print”.
- Haslingden Sports Centre:
 - Loss of spa/treatment rooms.
 - Loss of steam / sauna provision.
 - Loss of first floor (eg: fitness room), therefore single storey extension.
 - Spectator viewing now poolside.
 - Reduction in the number of car parking spaces (69), revised provision now 83 (including disabled and family).
 - Tennis club now incorporated into main building.
 - Reduced office space.

No refurbishment to outside football and multi use changing facilities.

5.17 The revised completion cost is now proposed at £5,580,000 (and includes a client contingency of £100k) but excludes the features noted in 5.18 below. The revised designs are materially different, in planning terms, from those on which we have previously been granted planning permission, particularly the change to single storey design. The new designs will therefore require separate new planning approvals with the most likely Development Control meeting being 16th September 2011. Assuming the granting of planning permission, this would envisage the contractor being on site in October 2011 with completion (subject to winter disruption) being:

- Marl Pits: July 2012
- Haslingden Sports Centre: September 2012

5.18 Should Members be mindful, the capital cost of reinstating the facilities currently excluded (as noted in para 5.4), are estimated as follows:

- Marl Pits Car Parks
 - Car Park - Phase I (60 spaces) £110k
 - Car Park - Phase II (20 spaces) £48k
- HSC Car Parks
 - Car Park - Phase I (30 spaces) £95k
 - Car Park - Phase II (39 spaces) £98k
- Marl Pits Community Room £25k
- HSC Steam / Sauna facilities £45k
- HSC football/multi use change refurbishment £20k
- Total £441k (+ Kier 3.24% fee = £14k) = £455k

5.19 It is recognised that a number features noted above will enhance both the customer experience and add to the revenue generating potential of the site.

5.20 The inclusion of the items noted at 5.18 would bring the completion cost to £6,035,000 and allow for the inclusion of a £100k client contingency.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 A number of financial matters and their implicational are noted above; in particular Members should consider the next steps in relation to the redevelopment of leisure facilities as Members consider their direction in relation to Corporate Priorities.

6.2 Specifically in relation to leisure facilities redevelopment:

- £4.6M of Public Works Loan Board (PWLB) was secured in March 2010. Pre-construction interests cost are being accrued as planned. The loan is subject to early redemption penalties (c £360k).
- Council has contractual and committed project and design costs to date of c. £340k,
- The financial business case specifically behind Marl Pits remains valid and is the key financial driver behind the 2 investment schemes and is the facility that underwrites the investment in Haslingden Sports Centre and services, in full, the £4.6m PWLB borrowing.
- Members should ensure that its strategic delivery partner, Rossendale Leisure Trust, endorses, in due course, the revised design scheme and reconfirms its commitment to the delivery of the KKP business plan.

7. MONITORING OFFICER

7.1 Any legal implications are addressed within the report.

8. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

8.1 There are no material staff implications.

9. CONSULTATION CARRIED OUT

9.1 Members (all projects)

9.2 Rawtenstall and Rossendale Businesses (Rawtenstall Gateway / Leisure)

9.3 Rossendale Transport Limited (Rossendale Gateway)

9.4 LCDL (Rawtenstall Gateway)

9.5 Rossendale Leisure Trust (Leisure)

9.6 Pool user groups (Leisure)

10. CONCLUSION

10.1 Members are now in a position to take stock and consider a number of projects in relation to Corporate Priorities and reaffirm or otherwise the direction of travel.

Background Papers

Document	Place of Inspection
Corporate Priorities & MTFS	February 2011 Council: http://www.rossendale.gov.uk/site/scripts/meetings_info.php?meetingID=516
The Rossendale Gateway	February 2010 Cabinet http://www.rossendale.gov.uk/site/scripts/meetings_info.php?meetingID=427

<p>Previous Planning Applications (Marl Pits & Haslingden Sports Centre)</p> <p>2009 Leisure Review</p>	<p>March 2011 Development Control Ctte: http://www.rossendale.gov.uk/site/scripts/meetings_info.php?meetingID=589</p> <p>December 2009 Cabinet http://www.rossendale.gov.uk/site/scripts/meetings_info.php?meetingID=436</p>
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