

11. Wincanton Community Sports Centre – Lessons Learnt

Purpose of the Report

This report has been prepared as requested by Scrutiny Committee members at their meeting on 30th March 2010. It outlines the service responses to the issues identified in the **Wincanton Sports Centre Report** as submitted by the Assistant Director – Health and Well-being to members in March.

Action Required

Members have already discussed this matter in some depth at previous meetings, therefore Scrutiny members are asked to **note** the comments contained in this report.

Report

At the March Scrutiny Committee meeting, members considered a report from the Assistant Director – Health and Well-being outlining the lessons that should be learnt from the Wincanton Community Sports Centre Project. That report asked members to consider how they wished the issues identified to be taken forward. Members agreed that a further update report should be prepared, seeking assurances from the relevant service areas in response to each of the lessons identified. This report sets out the lessons identified and the comments received below:

Lesson One: Procuring the right contractor

The construction of indoor swimming pool provision must be undertaken by specialist contractors with a successful track record of delivering these specialist concrete structures. There are arguably only 3 or 4 construction firms nationally who have consistently delivered to the quality and dimensional tolerances required for public swimming pools. In delivering any future project, the Council should pay particular attention to the procurement process to ensure it appropriately motivates a specialist constructor with the necessary track record to tender.

Does the new Procurement Strategy make adequate reference to the need to procure technical specialists balanced against the preference for procuring locally?

Response from Gary Russ – Procurement and Risk Manager

On significant projects such as this I feel the corporate procurement manager should be involved in all aspects of the project and can advise and step back as necessary. Officers within the services simply do not have the skills or the experience to be able to make the correct decisions and relying simply of strategy guidance and or procedure document would not in my view prevent this from happening again.

Lesson Two: Establish strong quality control measures

- (a) Do we have clear quality control plans paying particular attention to the critical components of the construction project?
- (b) Is an external clerk of works with suitable experience and relevant insurance cover routinely employed as part of construction projects of this scale? Is the

work of the Clerk of Works or similar routinely inspected by the SSDC Construction Contracts Manager and the Property Services Team?

- (c) Are there adequate resources within the Property Services Team to ensure all the above steps can be implemented?

Response from Ian Johns – Property Services Manager

- (a) All approved projects have to have a defined process to demonstrate that there is a Project Manager. A role of Project Sponsor is also identified, whose duty it is to ensure that there are adequate measures in place for effective project management. This is either an internal officer appointment or is sourced externally.

In addition projects of this kind are unlikely to be initiated without a considerable amount of external funding, whether from Lottery or Sports Foundations. It would be a part of any such submission for funding that the details of the Project Governance, including a project manager together with details of their professional qualifications/experience for the task, would need to be clearly established before the project commenced.

The extent of quality control for any Project, and the extent to which this is provided depends upon both the organisational, and the technical complexities which the project presents.

So all major projects are subject to a Risk Assessment, which identifies the nature of the risk and how to mitigate these risks. On all future projects this would also include quality. This RA would be continuously reviewed throughout the project and regularly reported to a Project Board.

All current major projects within Property Services are inspected for quality on a daily basis by the Team Contracts Manager.

Specific elements within a project requiring special attention will be identified, and the contractors method statements for construction of these specific elements will be called for, reviewed as the works progress, and monitored.

- (b) Clerk of Works

An external Clerk of Works would be employed for any other project of a similar size and complexity, on a one off basis for that specific project.

In view of the issues raised at the Wincanton Pool, a Clerk of Works would need to be appointed with a detailed technical knowledge of all of the specific constructional elements of the project. All external Clerks of Works, would be appointed from reputable companies with insurance cover. The Clerk of Works would work together with the Contracts Manager from the Property Team to ensure that the correct quality was achieved on the project.

- (c) Resources

It is not anticipated that Property Services would provide the Project Management role or the Clerk of Works role on major projects of the complexity of a Swimming Pool, this would be largely carried out by external organisations appointed specifically for that Project. The Contracts Manager would however need to be

involved in major schemes, to ensure that the correct quality levels were being achieved.

Generally the range of projects being carried out by Property Services is extensive, and our ability to be involved with any project would need to be reviewed on a Project-by-Project basis.

Lesson Three: Understand the risk of building and operator failure rests with SSDC

No operator will cover the risk of a building failure as the resulting substantial liability cannot be sustained by the operator. The failure to secure the operator would generally lead to bankruptcy, particularly where the facility operator is a single site charitable trust. Such operator failure then leads to substantial further costs to the Council as operations transfer back in-house, with the loss of beneficial business rate and VAT exemptions, whilst another operator is procured

What steps are we / can SSDC take to investigate whether it is financially beneficial to insure against these risks?

Having developed the Pool Closure Protocol based on standard industry practice to provide emergency cashflow and consequential loss support, these measures should be incorporated into future management or grant funding agreements to provide clarity and certainty to the operator.

Response from Financial Services:

The steps SSDC can take to protect its interest in a similar situation to that of Wincanton Sports centre could be to carry out regular monitoring of the financial statements in order to assess the business continuing and should any difficulties be on the horizon look to minimize the impact immediately. Each venture would need to be assessed individually on their own merits in terms of size/value and the impact on stakeholders

Background Papers: *Wincanton Community Sports Centre – (For information) 30/03/10 Confidential report.*
