

Project Closure Report – Chard Leisure Centre

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Purpose of the Report

1. To provide members with a completion report for the Chard Leisure Centre Project and to seek agreement to implement End of Stage Assessments to capital projects with a value exceeding £1,000,000 or those over £250,000 that have a risk impact score of moderate or above.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 6th January 2022.

Public Interest

3. The Chard Leisure Centre build is now complete, with the exception of minor snagging issues. As part of the Project Closure, a Learning Through Experience report is required. The purpose of the report is to share knowledge gained throughout the project that can be applied when planning or implementing other similar projects.

Recommendations

4. That District Executive recommend that Full Council agree to:-
 - a. Implement End of Stage Assessments for all capital projects over £1,000,000
 - b. Implement End of Stage Assessments for all capital projects over £250,000 that also have a risk impact score of moderate or above in one or more risk categories

Background

5. In 2017 the Chard Regeneration Board requested that officers explore options for a community focussed scheme to improve the health, leisure, cultural and tourism opportunities, combined with a range of general public amenities to create additional footfall and support the town's existing retail provision. Officers commissioned an architectural practice, Norfolk Property Services (NPS) to undertake feasibility, design and costings to help identify the need and type of facilities and amenities that could be accommodated. In September 2017, NPS produced their initial concept designs that



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included; leisure facilities, a base for public services, location for a new library and museum building, health centre, learning hub, workspace and other potential facilities. Their designs included car parking and other public spaces that would lend themselves to a variety of uses.

6. In May 2018 the scheme concept proposals and the subsequent variations to the scheme were put to Full Council which were considered and approved. The key objectives of the proposed Chard Regeneration Programme were:
 - To provide a compelling reason to visit and use Chard Town Centre
 - To bring Key Sites back into economic and community use
 - To stimulate physical regeneration and improve the vitality of the town centre
 - To increase footfall within the town and support existing businesses
 - To improve the leisure and health offer in Chard
 - To reinvigorate and bolster the role of Chard as a Market Town and economic centre by supporting business growth and strengthening links with the hinterland and wider economy
 - To address market failure and stimulate wider commercially led development in the town, including allocating housing development sites
7. Following detailed design work, SSDC applied in May 2019 for Planning Consent and Listed Building Consent to build a new Leisure Centre, Library & Community Hub and public realm improvements at the Boden Mill (ACI site) in Chard. The proposal required the removal of buildings associated with the factory site but the retention of the Mill, Building 11, the listed arch and some adjoining buildings to the south of the arch. The planning application was heard by both SSDC's Area West Committee and then Regulation Committee on 3 September 2019 where it received approval. Work started onsite in November 2019 and the completed Centre opened on 8th November 2021.
8. SSDC also successfully applied for Historic England's High Street Heritage Action Zone programme to improve Chard's town centre alongside the Boden Mill works.

Post Completion Summary

Project Timescale and Milestones

9. The project was completed on time and opened ahead of schedule. The target for opening had originally been stated in the Council Plan as taking place in Quarter 4 but it was opened in Quarter 3 on 8th November 2021.
10. This is particularly impressive considering the challenging circumstances the contractors had to work through with both Brexit and Covid 19 Restrictions coming in to force during the build.

Project Budget

11. The initial costings for the Leisure Centre were based on Sport England per metre costings for Leisure Centres. However, this did not take in to account the difficulties of building on a brownfield site with ground contamination issues and the inclusion of historic and listed buildings. The design of the Leisure Centre also developed in response to public consultation, becoming a full sized 5 lane swimming pool. The initial costings were



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therefore unrealistic and the scope of the overall programme has been reduced in order to deliver the Leisure Centre within the budget available.

Project Outcomes

12. The Leisure Centre, alongside the current Heritage Action Zone work, meets the objectives stated in the Programme Initiation Document (PID):
- To provide a compelling reason to visit and use Chard Town Centre
 - To bring Key Sites back into economic and community use
 - To stimulate physical regeneration and improve the vitality of the town centre
 - To increase footfall within the town and support existing businesses
 - To improve the leisure and health offer in Chard
 - To reinvigorate and bolster the role of Chard as a Market Town and economic centre by supporting business growth and strengthening links with the hinterland and wider economy
 - To address market failure and stimulate wider commercially led development in the town, including allocating housing development sites
13. The feedback on the Leisure Centre has also been extremely positive.
14. However, the programme had originally included the redevelopment of the Boden Mill and Lace Mill, so these objectives have not been met. Officers continue to market these buildings as potential development sites but they have not been delivered alongside the Leisure Centre as stated in the original PID.

Project Benefits

15. The Leisure Centre has only recently opened so it is too early to be able to produce statistics on many of the anticipated benefits such as increased footfall in the town centre. However, early feedback suggests users are finding the Centre to be very accessible. This was an additional benefit not articulated in the original PID. The pool has an innovative 'dosing system' that makes the pool less chlorinated (although does make the water taste a little salty) which assists users with allergies and asthma. Both the main and learner pools are accessible via a hoist and new steps are being fitted for users with mobility issues or sight loss.

Key Learning Points

16. It is clear that more robust costings are required during the feasibility stage of large capital projects. The former ACI site presented a number of challenges for development, hence why it required public sector intervention, and this should have been more accurately reflected in the initial budget. Therefore, the council needs to challenge costings at the feasibility stage and undertake independent market research.
17. Additionally, the PID for the Chard Regeneration Programme stated that the costings were estimated and subject to change as the project progressed. This was not reflected in the report to Full Council as the budget was agreed as stated at that time. Whilst this is necessary to enable the preparation of the Medium Term Financial Plan, it does create



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the situation where a project is progressing on an estimated budget created in 2017, not on the actual costs required to deliver the project a number of years later.

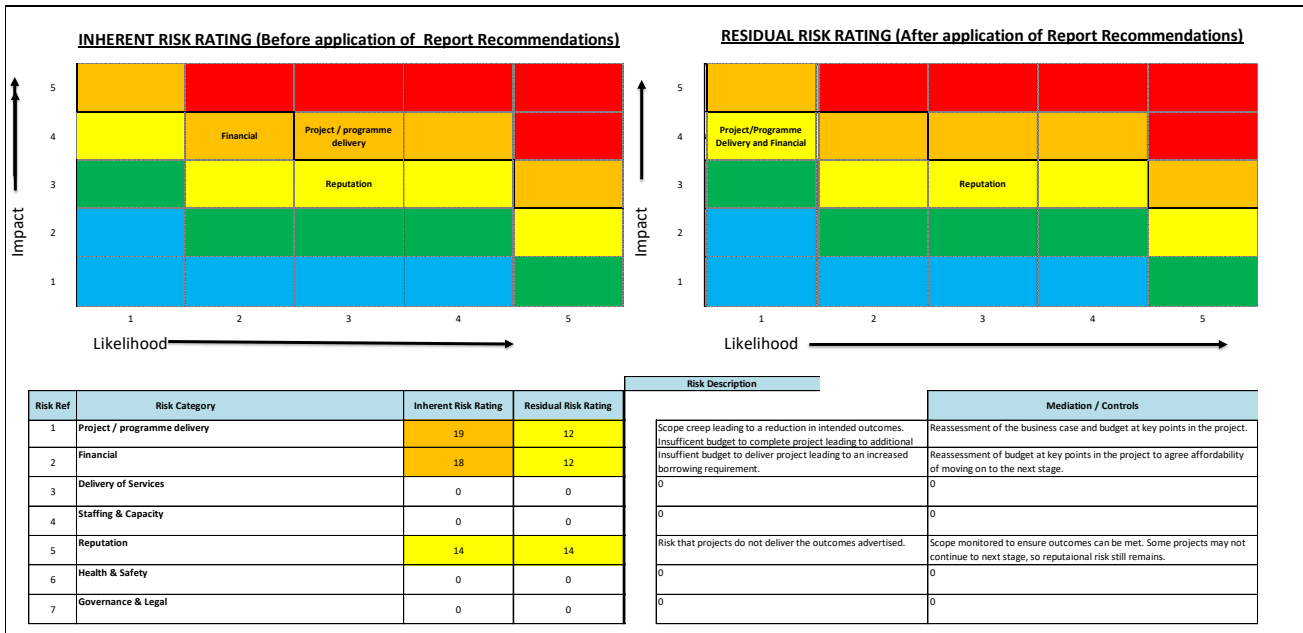
18. To mitigate this risk in future projects, it is recommended that the council implement a 'gateway' decision making process in the form of End of Stage Assessments. The business case should be reassessed at the end of each formal stage of the project and a decision should then be taken whether to proceed to the next stage. This approach is likely to result in projects not being progressed beyond the first stage, as further investigation may prove them to be unviable but it will help to ensure that those projects that do progress, deliver the outcomes required and remain within the agreed scope.
19. The End of Stage Assessment should cover whether the next stage of a project is affordable, realistic and achievable. The assessment should also review the scope and intended outcomes/benefits. Large construction projects take place over a number of years and the need that initially necessitated the project, could have increased or decreased during that time. If any amendment to budget, scope or anticipated outcomes is required, the report should be escalated to District Executive and Full Council for a decision on whether to approve the change or close down the project.
20. The number of End of Stage Assessments should be proportionate to the value of the project and the level of risk associated with undertaking the project. Therefore, the proposed stage plan should be included as part of the capital bid process.
21. Recent tenders for regeneration projects have been received that have ranged from 17% to 42% above the pre tender estimates. There are a number of reasons that the estimated costs may change, in fact, the current issues facing the construction industry is a good example of external factors affecting the viability of projects. The industry is currently experiencing an increase in construction projects, which is pushing up demand for construction resources and thereby increasing prices; global prices of materials such as iron and copper are increasing, with iron ore prices 97% higher than last year and imported timber products rising by 74%; supply chain disruptions are also affecting the availability and therefore price of materials.
22. The Office of National Statistics states that construction costs have been rising each month since December 2019 and the latest figures suggest that the average material costs are at least 23% higher than last year. Whilst a level of contingency is factored in to all projects, further work is required to understand how we ensure we have adequate contingency in our capital programme during such difficult market conditions and this work is to follow.

Financial Implications

23. None directly arising from this report. However, the introduction of 'gateway' decision-making will reduce the financial risk associated with large capital projects.

Legal implications (if any) and details of Statutory Powers

24. None arising from this report.



Council Plan Implications

25. None directly arising from this report.

Carbon Emissions and Climate Change Implications

26. None arising from this report.

Equality and Diversity Implications

27. None arising from this report.

Privacy Impact Assessment

28. No personal data will be collected.

Background Papers

29. None.