



Full Business Case

BLAIRGOWRIE RECREATION CENTRE - REPLACEMENT

Title:	Blairgowrie Recreation Centre - Replacement		
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Executive Summary

1. Strategic Case

1.1. Project Objectives

Perth and Kinross Council's [Learning Estate Strategy](#) outlines the strategy to consider the development and management of the Learning Estate in the context of meeting national and local outcomes, planning ahead and providing best value and benefits to our communities. The Learning Estate Strategy aligns with and complements the Council's recently approved Investment Blueprint and 30-year Investment Plan.

The [Learning Estate Management Plan \(2021-2024\)](#) which implements the Learning Estate Strategy was approved by Lifelong Learning Committee in November 2021 and includes the project to replace Blairgowrie Recreation Centre with a new, modern and carbon efficient facility for the delivery of Community Facilities and the Physical Education (PE) curriculum for the school.

Live Active Leisure (LAL) is a key strategic partner of the Council in delivering its Sport and Activity Strategy and is responsible for the management of the Blairgowrie Recreation Centre. The replacement facility will align with the strategic objective of the Council in *Supporting people to lead independent, healthy and active lives*, ensuring that Blairgowrie Recreation Centre continues as the central hub for Blairgowrie/ Coupar Angus communities.

The project to replace the Blairgowrie Recreation Centre contributes to the delivery of the new [Physical Activity & Sports Strategy](#).

1.2. Existing Arrangements

The current Blairgowrie Recreation Centre is the main indoor sports facility serving the Blairgowrie/Coupar Angus community and Blairgowrie High PE department. Although the existing Blairgowrie Recreation Centre has not been upgraded since it was built in 1982 it continues to meet the needs of curriculum delivery.

In 2015, the Council commissioned Nifes (through Hub East Central Scotland) to undertake a condition survey in order to determine the most appropriate capital investment strategy to improve the condition of the building. Thereafter, Property Services prepared a technical summary based on the outcomes of the Nifes summary as well as site specific information known by the technical team in Property Services. This identified the need for financial investment, mainly to the existing mechanical and electrical systems.

Over the last 5-year there has been investment to complete essential works, totalling £220k, to the building fabric and to improve existing mechanical and electrical services to ensure the building remains operational.

Further investment will be required in Blairgowrie Recreation Centre in future years. In accordance with the Scottish Government Core Facts, a building condition survey has been commissioned to highlight all building elements requiring improvement to ensure the building remains in a satisfactory condition.

Condition Summary

Blairgowrie High School and Recreation Centre are currently rated 'B' – Satisfactory for Condition. Condition 'Satisfactory' is defined as performing well but with minor problems.

Suitability Summary

Blairgowrie High School and Recreation Centre are currently rated 'C' – Poor for Suitability. Suitability 'Poor' is defined as showing major problems and/or not operating optimally.

1.3. Business Needs

There is a need for the Blairgowrie Recreation Centre to provide the facilities to deliver the PE curriculum for Blairgowrie High School pupils and access to leisure facilities for the Community.

In addition, responding to climate change is a major priority for Perth and Kinross Council and the carbon impact of the Council's current and future estate is required as a part of the Council's Investment Blueprint. Perth and Kinross Council has confirmed its commitment to meeting climate targets by giving approval to proceed with Passivhaus construction methods to achieve energy efficiency and quality with the Blairgowrie Recreation Centre Replacement project.

1.4. Scope

The scope was established through a consultation process undertaken by PMR Sports & Leisure Consultants.

The project scope is to provide a replacement Blairgowrie Recreation Centre on existing school playing fields providing a 6-lane swimming pool, 4 court hall, 2 court hall/ gym, dance studio, fitness suite, village changing, accessible changing, a teaching class for physical education and an all-weather pitch. This project will be at the cutting edge of building sustainably using the Passivhaus methodology.

Demolition of the existing Blairgowrie Recreation Centre and completion of the external works including the carpark will be undertaken once the new Blairgowrie Recreation Centre has been delivered.

In September 2020, as a result of direction in the Interim Climate Change Strategy, options were presented across all major school projects for developing as low carbon projects, Council approved the Investment Blueprint & Capital Budget 20/21– 28/29 including approval to proceed on the basis of a Passivhaus design at Blairgowrie Recreation Centre. Council committed to the Passivhaus design which will ensure the energy efficiency of the building and comply with actions set out in the [Interim Climate Emergency Report](#) and [Action Plan](#).

1.5. Strategic Risks

The strategic risks of undertaking this project are:

- The cost of the Council's overall capital programme has risen considerably, and it is now unaffordable to deliver all the approved capital projects within the existing funding available.
- There is still a risk of escalating costs given the volatility of the market, high rate of inflation, increased cost of borrowing
- Insufficient revenue funding to operate the centre to the existing opening hours due to increased costs being exacerbated by the proposed new larger centre. This could mean the new facility operating reduced opening hours which may not meet the Community demand
- Projected increased use from the Community does not materialise
- Cost escalation and potential contractor/ manufacturer insolvency due to construction market conditions and possible predicted recession
- The Design Team do not satisfy the terms of the prestart Planning Conditions which prevent the project being taken forward within the required timescale

The strategic risks of not undertaking this project are:

- Existing facility potentially not meeting the demand for Community use
- Reputational damage
- Poor existing building fabric resulting in continued reliance on fossil fuels and a high energy consumption – particularly relevant for the swimming pool
- Reliance on ageing mechanical and electrical systems
- Not reducing the Council's carbon impact

1.6. Constraints

Financial Constraints

The latest cost received from hub requires a further financial commitment of £9.3m to build the new Blairgowrie Recreation Centre. Increased cost of borrowing and rising running costs means the actual cost to the Council both in terms of capital and revenue expenditure is now significantly higher than originally forecast.

Operational Constraints

It is a necessity that Blairgowrie Recreation Centre and PE facilities are available to the community and school throughout the life of the project. This necessitates a tandem build approach with the replacement Blairgowrie Recreation Centre built on part of the school playing fields.

Due to the current financial climate and anticipated increased costs, LAL cannot currently commit to increasing the opening hours or improving the offer in terms of programme of classes due to the financial pressures they are facing.

Commercial Constraints

The market must be able to build modern fit for purpose leisure and PE facilities to the required Passivhaus standard.

The predicted recession in 2023 may impact the availability of resource and materials due to contractor/ manufacturer insolvency. However, hubco have been appointed as development partner and with Perth and Kinross Council they have appointed through their supply chain a Tier 1 contractor (BAM) and key subcontractors to deliver the contract through a design and build contract. hubco / BAM continually monitor the financial health of their supply chain to mitigate /manage the risk of supply side failure due to contractor insolvency.

1.7. Dependencies

Internal		External	
Area	Description of dependency	Area	Description of dependency
Planning legislation	Planning permission conditions	Scottish Water	Increased surface water drainage requirement
Live Active Leisure	Community access		

Blairgowrie High School Operations	School operations		

1.8. Impact on the Community and Community Co-production

It is anticipated that the completed project will have a positive impact on the community with improved facilities including a 6 lane 25m pool and all-weather pitch – for use by the community, sports clubs and the school. Due to the current financial climate LAL cannot currently commit to increasing the opening hours or improving the offer to the Community. This will potentially restrict the positive impact the new facilities could have for the Community.

During construction, measurable community benefits may be provided through construction suppliers – the most likely direct benefit will be in encouraging trade apprenticeships and providing skills training to Blairgowrie High School. In addition, the agreed procurement route for project via Hub East Central Scotland (hubco) provides a genuine opportunity to obtain community benefits and to recycle capital spend directly back into the local economy by using local suppliers and labour where possible.

1.9. Sustainability

The building will be designed and constructed to meet the Passivhaus standard. By adopting this standard for new builds and refurbishments this sets a high specification for a sustainable building with a low carbon footprint and a properly ventilated environment conducive to end user wellbeing and learning. By adopting this approach, Perth and Kinross Council will be able to comply with actions set out in its own [Interim Climate Emergency Report](#) and [Action Plan](#) and to work towards Scottish Government targets of a 75% reduction in CO2 by 2030 and Net Zero by 2045.

1.10. Inclusion and Equality

The improved facilities will offer access to all members of the Community. The new Blairgowrie Recreation Centre will have a lift making the PE classroom, Fitness Suite and Dance Studio accessible to all, in addition to accessible changing and showering provision on the ground and first floors, there will also be a Changing Place on both floors.

1.11. Resource efficiency

The use of an energy efficient design and plant, reduction of waste to landfill, reduction of vehicle miles by sourcing locally, use of local labour where possible, consideration of habitat protection during construction can all contribute to an environmentally aware build.

2. Economic Case

2.1 Critical Success Factors

- Ensuring that the provision of recreational facilities in Blairgowrie meet the needs of the joint community and educational leisure usage promoting physical activity
- Improve the energy efficiency of the Blairgowrie Recreation Centre
- Maintaining the financial viability of the Blairgowrie Recreation Centre
- Maintaining the operation of the existing Recreation Centre whilst the construction works are ongoing

2.2 2016 Options Appraisal

The options considered at the time of the Outline Business Case in 2016 were:

	Option	Accepted/ Rejected	Outcome
(a)	Do nothing	Rejected	Did not meet objectives, did not address strategic risk.
(b)	Address condition in line with updated Business Condition report and provide an all-weather pitch	Rejected	This would address the condition of the whole building however limited the option to enhance the provision.
(c)	Refurbish and extend the existing facilities including a 25m pool.	Rejected	There were restrictions with this option in terms of meeting current building standards in a cost-effective manner. This was not considered good value for money.

(d)	New build recreation centre including a 25m pool and all-weather pitch.	Accepted	This would address condition and provide the opportunity to enhance the facilities.
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2.3 Recommendation

The option approved by Council in 2016 was to take forward option (d).

Recent years have seen dramatic changes to the financial landscape and peoples' behaviours and lifestyle choices. These changes have been caused by the Covid-19 Pandemic, Brexit and more recently the war in Ukraine and have necessitated a re-assessment of the Council's Corporate Priorities.

While the replacement of the Blairgowrie Recreation Centre meets the following Corporate Plan Priorities:

- Tackling climate change and supporting sustainable places
- Enabling our children and young people to achieve their full potential
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

The main benefits being are for our children and young people to achieve their full potential and supporting and promoting physical and mental wellbeing.

It has minimal impact on addressing the remaining Corporate Plan Priorities of:

- Tackling poverty
- Growing a sustainable and inclusive local economy
- Protecting and caring for our most vulnerable people

The current financial situation where the Council has insufficient capital funding to deliver all the approved capital projects, combined with the additional revenue pressure estimated at £258,535 which the new Blairgowrie Recreation Centre will attract (with the existing opening hours and offer) has led to the re-evaluation of the viability and value for money of the current project.

The LAL funding information (section 4.4) is based on the existing opening hours and the current offer, engagement with the User Reference Group throughout the design development has identified a perception and need for the Centre to increase the opening hours and the offer to the Community. LAL are unable currently to commit to increased opening hours or improving the offer to the Community.

It is also appropriate to review the project against the Critical Success Factors:

- Ensuring that the provision of recreational facilities in Blairgowrie meet the needs of the joint educational and Community leisure usage promoting physical activity.

The school are delivering the PE curriculum in the existing Blairgowrie Recreation Centre. However, the new centre will enhance the offer to the pupils. Analysis is required to establish whether LAL can offer these additional facilities to the community or whether due to the financial climate and revenue constraints the Community leisure usage will remain as it is or in fact be reduced from the offer and opening hours of the current centre. On the information available it isn't currently possible to determine whether this Critical Success Factor can be achieved.

- Increasing the energy efficiency of the Blairgowrie Recreation Centre.

The passivhaus construction will ensure the building is more energy efficient than the current building, therefore meeting the terms of this Critical Success Factor.

- Maintaining the financial viability of the Blairgowrie Recreation Centre.

The increase in costs requires an additional £9.3m to be added to the budget in order to deliver the project. However, the cost of the Council's overall capital programme has risen considerably and is it now unaffordable to deliver all the approved capital projects within the existing funding available. Additionally, the revenue pressure to operate the new building with the existing opening hours and programme offer is in the region of £258,535 per annum. The combination of the capital and revenue implications mean the project to replace the Blairgowrie Recreation Centre is an affordability challenge for the Council.

With all the information available the preferred option from 2016 to replace the Blairgowrie Recreation Centre is no longer the preferred option. The Council Officer recommendation is to pause the project and to re-evaluate the options as part of the Capital Blueprint.

2.4 Mandate for Investment

The project to replace the Blairgowrie Recreation Centre has been a priority for Perth and Kinross Council as reflected in the mandate for investment based on the recommendation above originally put forward in the Outline Business Case.

Addressing climate change is one of the agreed Council corporate priorities. This large investment contributes to this by being designed to Passivhaus standards.

The following table reflects the budget approvals at Council:

Date	Link to Papers	Decision/ Narrative	Approved Budget
22 June 2016	Report No. 16/277 Appendix	Approval of Composite Capital Budget 2016-2023 including OBC cost for newbuild	£17.7m
20 June 2018	Report No. 18/212	Approval of Composite Capital Budget 2018- 2028 including rescope to reduce recurring revenue costs (reduction of £3M)	£14.7m
20 February 2019	Report No. 19/47 Appendix II Minute Council Mtg 20 Feb 2019	Approval of Composite Capital Budget 2019-2029 including rescope to increase size of gym and add an extra lane in the pool.	£15.1m
30 September 2020	Report No. 20/175 Appendix 5	Approval of Investment Blueprint & Capital Budget 20/21 – 28/29 including approval to proceed on the basis of a Passivhaus design with the budget subsequently uplifted.	£24m
23 February 2022	Report No. 22/36 Appendix 1	Approval of Capital Budget 2022/23 - 2027/28 including increased project budget as a consequence of inflation within the construction sector as well as supply chain issues and increased demand for commodities.	£26.7m

The following table reflects the budget increase required to meet the current project cost:

Date	Link to Papers	Decision/ Narrative	Estimated Total Cost
1 March 2023	TBC	Additional funding required to meet current project cost £9.3m.	£36m

3. Commercial Case

3.1 Procurement Strategy

The strategy is for full replacement as a tandem build through the hubco Design & Build delivery model. The New Project Request was submitted to hubco and Tier 1 and Tier 2 contractors were appointed.

The established contract strategy with use of hubco is fully compliant with national procurement strategies and is promoted by the Scottish Government and the Scottish Futures Trust (SFT) as the first-choice delivery vehicle for this type of capital project. Perth and Kinross Council and hubco are parties to the Territory Partnering Agreement which establishes a long-term strategic partnership.

3.2 Service Requirements

The Project Agreement between Perth and Kinross Council and hubco is administered by an Authority Representative (AR) from Property Services. Project Management resource is committed and technical support (M&E, architectural, Energy Team etc) is being provided. Project specific Authority Construction Requirements (ACRs) have been developed.

3.3 Charging Mechanism

The Project Agreement is administered utilising the SFT's standard form Design & Build Development Agreement (DBDA) including standard construction payment mechanisms such as interim valuations, applications for payment, interim certificates, deduction of retentions and payment. Payment is made direct to hubco for works properly executed and, as relevant, the value of any goods and materials delivered to site.

3.3 Risk Transfer

It is proposed the contract sum agreed at Financial Close (FC) shall be a lump sum fixed price to be paid to hubco for carrying out the full obligations agreed within the Project Agreement namely the design and construction of the replacement Blairgowrie Recreation Centre.

3.4 Key Contractual Arrangements

Key contractual arrangements as found within standard forms of building contract such as provisions for quality assurance, change control, transfer of intellectual property rights, delay events, making good defects, liquidated damages and dispute resolution are contained within the Project Agreement.

3.5 Personnel Implications

The current school PE staff working in the existing Blairgowrie Recreation Centre will transfer to the new facility.

An increase of 2 fulltime Pool Attendants will be employed by LAL in the new facility. This is due to regulations in relation to the increased size of pool. These additional staff requirements are based on the current programme and opening hours remaining in place for the new centre. Longer opening hours and an increased offer will result in higher staff costs.

3.6 Accountancy Treatment

The completed Blairgowrie Recreation Centre will be a fixed asset sitting within the Council's balance sheet.

Recognition expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

4. Financial Case

4.1 Capital and Revenue Requirements

The current capital spend on Stage 1 and Stage 2 project development so far has been £1.9m.

The estimated total project cost is currently projected to be £36m. It should be noted that this is the current estimated capital cost prior to Financial Close and, given current volatility with the construction sector, this value should be treated as tentative.

A financial model has been prepared forecasting revenue implications (see item 4.4). The table highlights expected increases in participation and income based on the current opening hours and programme offer, tempered with increased running costs, due to the larger building, increased staff/staffing costs and increased energy costs. An increased net shortfall in revenue funding of £258,535 has been identified which will need to be included as an additional expenditure pressure through the revenue budget process.

The additional £9.3m required to meet the latest costs has been included in the unallocated borrowing capacity.

However, it should be noted that if using unallocated borrowing capacity to fund the shortfall is rejected, the additional cost of borrowing associated with £9.3m over 40 years is estimated at £435k per annum equating to £17.5m over the term. The total additional revenue pressure to operate the new building with the existing opening hours and programme offer could therefore be in the region of £693,535k per annum.

Should the project be paused and following review subsequently cancelled, the abortive costs incurred to Financial Close would be £3.03m.

4.2 Net Effect on Prices

LAL forecast an annual price increase to Community users of 5% will be charged each year following the new facility opening.

4.3 Impact on Balance Sheet

The balance sheet value will be in accordance with the value of the new asset once completed.

4.4 Impact on Revenue Budget

Estimated revenue implications of proposed new Blairgowrie Recreation Centre:

Service Responsible for the Pressure	2022/23 Actual/Projected Spend	2024/25 Estimated Budget - Existing building	2024/25 Estimated Budget - New Building	New Budget Pressure 2024/25 - Existing Building	New Budget Pressure 2024/25 - New Building
CDS					
Energy	£141,569	£266,404	**£166,910	£124,835	£25,341
Repairs & Maintenance	£39,364	***£49,733	****£147,987	£10,369	£108,623
	£180,933	£316,137	£314,897	£135,204	£133,964
ECS					
Cleaning	£44,766	£57,914	£84,766	£13,148	£40,000
	£44,766	£57,914	£84,766	£13,148	£40,000
Communities					
LAL – Expenditure*	£449,170	£457,840	£544,646	£8,680	£95,476
LAL – Income*	-£338,672	-£335,640	-£349,577	£3,032	-£10,905
LAL Contract Cost	£110,498	£122,200	£195,069	£11,702	£84,571
Total Cost to PKC	£336,197	£496,251	£594,732	£160,054	£258,535

* These figures are based on the current programme and opening hours. Increased opening hours and an improved offer will result in increased expenditure and income.

** The energy cost for the new building has been calculated using estimated consumption data provided by the Passivhaus Designer combined with estimated energy prices projected by the Property Services Team.

*** This figure has been estimated using current spend figures. Should the building not be replaced the maintenance spend on the existing building may increase in future years.

**** This figure has been calculated using a square meter rate provided by the Project Design Team to estimate Life Cycle Costs for the level of spend

required to ensure the building remains in good condition. This cost is averaged out over a 25-year period.

LAL projected figures

The proposed new Blairgowrie Recreation Centre if opened in 2024/25 will incur an increased revenue cost to Live Active Leisure of £84,571 from £110,498 to £195,069. The following explains the rationale and assumptions used to determine the projected figures. These figures were developed by Live Active Leisure supported by external consultancy in the Live Active Leisure Blairgowrie Centre Financial & Demand Model November 2022 report, these are forecast figures based on industry standards, the current offer and historic data and are subject to change. Usage numbers are the number of times a user attends an activity. If someone attends the gym that is counted as 1 usage, if they attend the gym and swim that will be 2, 1 for each activity area. Usage numbers can be the same or different people e.g., 10,000 gym usages that could be 50 people using it 200 times each or 10,000 people each attending once.

LAL Demand

It is expected that the usage based on 2022/23 of 79,359 will increase by 23,752 to 103,111 in 2024/25.

LAL Demand Assumptions

- Sport Go Play activities is forecast to return to 92.5% of pre-Covid-19 levels by 2023/24. Following opening, the increase in Sport Go Play of 10% is due to an increase in casual swimming.
- Membership and Fitness demand is forecast to return to 80% of post-Covid-19 levels by the end of 2023/24. The new facility is forecast to increase demand by 15% in the first year and return usage to pre-Covid-19 levels during 2024/25, with a further increase in demand of 15% for 2025/26 due to the improved service offering.
- Fun Coached activities is expected to increase by 10% with the opening of the new facility due to the additional pool space and increased capacity for Swimming Lessons.

LAL Income

If the facility was to open in 2024/25 it is projected that income will increase by £10,905 from £338,672 to £349,577. This is based on recovery rates following COVID.

LAL Income Assumptions

- Sport Go Play activities is forecast to return to 92.5% of pre-Covid-19 levels by 2023/24. The additional pool space within the new venue is expected to enable growth of 10% in Sport Go Play activity income and demand. The

forecast also includes an annual price increase of 5% for the years following the new facility opening.

- Membership and Fitness income is forecast to return to 80% of pre-Covid-19 levels by the end of 2023/24. The new facility is forecast to increase demand and income by 15% in the first year which would return income and usage to pre-covid levels during 2024/25. Further growth is forecast in 2025/26. In addition to forecasted growth, the model assumes a 2.5% price increases from 2024/25 onwards.
- Fun Coached income activities is forecast to increase by 10% with the opening of the new facility due to the additional pool space. An annual price increase of 5% has also been included in the income forecasts for the new facility.

LAL Expenditure

If the facility was to open in 2024/25 it is projected that expenditure will increase by £95,476 from £449,170 to £544,646.

LAL Expenditure Assumptions

- Cost of Sales have reduced and reflects the new vending contract that is in place. Royalties paid as part of this vending contract have been added to the vending income line. The costs associated with merchandising have had a further 3% inflation added to the baseline to account for inflationary pressures.
- Staff Costs The new venue will require additional staff in addition to inflationary pressures and therefore costs will increase significantly when compared to the old facility. This is as a result of:
 - Additional staff
 - An increase of 2 fulltime Leisure Attendants required for larger pool (2 lifeguards are required compared to 1 in the current facility)
 - Salary
 - 4.5% increase for year 2022/23
 - 7% annual increase for year 2023/24
 - 3% annual increase for years 2024/25 onwards
- Supplies and Services has risen significantly when compared to the baseline forecast, although costs remain low. The new and larger venue will have increased equipment costs and fitness class delivery costs as a result of increased demand and larger spaces. Additional annual inflationary increases of 5% in 2023/24, and 3% in the following years will lead to an increase of £5,000 by 2028/29.
- Property Costs are low due to the utility costs being met by Perth and Kinross Council. However, an additional 40% increase has been applied to the baseline forecast for pool Chemicals in 2022/23, and an additional 5% to cleaning chemicals and repairs in 2023/24, and 3% in the following years.

An increase in pool chemicals and cleaning chemicals of 50% is assumed due to the larger water volume of the new pool and the increased floor space of the new facility. In addition, an annual increase of 3% has been applied to the final 2 years of the model.

It should be noted:

1. These figures will be required to be reviewed on a regular basis to ensure the LAL demand and income assumptions remain current.
2. These figures do not take into account potential impact of LAL savings targets identified in the budget process for 2023/2024 to 2025/2026.

Energy Cost Assumptions

The energy cost for the new building has been calculated using estimated consumption data provided by the Passivhaus Designer combined with estimated energy prices projected by the Property Services Team.

Cost of Capital Borrowing

The cost to the revenue budget of the borrowing the additional £9.3m Capital required, should the decision to use unallocated borrowing provision to fund the shortfall not be approved, is £17.5m over 40 years which equates to £435k per annum.

Any future revenue implications beyond this that are identified above would be included as an expenditure pressure through the revenue budget process.

4.5 Funding Mechanisms and Affordability

The project will be funded as part of Perth and Kinross Council's approved Capital Budget.

5. Management Case

5.1 Programme and Project Management Methodology

The project has full governance and is resourced in accordance with the PKC project management toolkit.

Project Structure/ Roles & Responsibilities:

Senior
Responsible
Officer:

Greg Boland – Head of ECS Business & Resources

Senior Supplier:	Stephen Crawford – Head of Property Services - CDS
Executive Sponsor:	Sheena Devlin – Executive Director Education & Children’s Services
Project Manager:	Mairi Milne – ECS Team Leader Resource Management (Project Support)
Authority Representative:	Robert Meiklejohn - Project Manager – CDS – (Projects & Operational Support)
Project Board:	<p>Greg Boland – Head of ECS Business & Resources</p> <p>Brian Reid – ECS Service Manager – Resource Management</p> <p>Jim Cockburn – ECS Finance & Governance Manager</p> <p>Stephen Crawford – Head of Property Services - CDS</p> <p>Alison O’Brien – Manager CDS – Accountancy</p> <p>Gary Watson – Director of Operational Services – LAL</p> <p>Norman Ballantine – Capital Programme Manager – Communities</p> <p>Stewart MacKenzie – Head of Finance – CDS</p> <p>Alan Fraser – Education and Business Change Officer (Learning Estate)</p> <p>David Macluskey – Service Manager (Secondary) Education ECS</p>

5.2 Programme and Project Management Plans

In line with approved processes.

5.3 Use of Specialist Advisers

Legal specialists have been outsourced; all other consultants are procured through hubco.

5.4 Change and Contract Management Arrangements

Robust change control processes are instigated and maintained by the Project Board and hubco to ensure that change management is in line with approved processes.

5.5 Benefits Realisation

Benefit	Measurement	Timescale
Expansion of facilities identified through consultation and scoping exercise.	Design that satisfies all scope requirements including enlarged pool, dance studio, increased fitness suite and all-weather pitch.	Proposals reviewed throughout Stage 1 and 2 project development to ensure delivery of identified scope.
Building to be high quality, air-tight, well insulated, properly ventilated, and efficiently serviced.	Suitable design and construction methodology used to ensure delivery of required building standards and performance as specified in the Authority's Construction Requirements.	Passivhaus designers/ assessors used throughout design and construction phases and relevant certification on completion.
Reduction in Perth and Kinross Council's carbon footprint.	Annual CO2 reduction of 281 tonnes.	Modelling carried out to demonstrate design delivers required reduction and Year 1 in use analysis to be carried out.

5.6 Risk Management

The risk profile is managed through reporting which has been developed into a contract risk register with regular risk meetings and risk mitigation procedures and reported to the Project Board.

Early strategic services provided by hubco during Stage 1 involved extensive site investigations which aim to reduce risks to the project.

5.7 Post Implementation Evaluation Arrangements

Post project evaluation at 6 months, 12 months and internal lesson learned meetings updating Authority Construction Requirements will be undertaken.

5.8 Contingency Arrangements

Contingency arrangements are imbedded in the hubco delivery process and managed through the Project Manager and Project Board.

Financial Contingency

As required by all capital projects within Perth and Kinross Council (PKC) a financial contingency will be held by the client. Within the current total project cost there is a 5% contingency held for any unforeseen issues not included in the construction contract, for example dark ground under the existing Recreation Centre. Contingency will also be utilised for any changes requested by PKC during construction.

Operation Contingency

Should the new building not be completed on programme the existing Recreation Centre will remain active with the appropriate ongoing maintenance being undertaken.