

Birmingham City Council

Report to Cabinet

25 July 2023



Subject: Small Heath Swimming Pool Refurbishment Outline Business Case (OBC)

Report of: Strategic Director City Operations

Relevant Cabinet Member: Councillor Mariam Khan, Health & Social Care

Relevant O & S Chair(s): Councillor Mick Brown, Health & Social Car

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Bordesley Green and Small Heath		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011614/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 The report seeks approval to an Outline Business Case (OBC) to repair and refurbish the swimming pool at Small Heath Wellbeing Centre (WBC) which has been closed to the public since 2016 following local flooding and consequent structural damage, to allow the local community to access the physical and mental health benefits of swimming.
- 1.2 It also seeks approval to undertake design, feasibility and enabling works to RIBA (Royal Institute of British Architects) Stage 4 Technical Design to enable the Full Business Case (FBC) and Contract Award to be presented to Cabinet for approval to deliver the project.

- 1.3 The report seeks approval for the strategy and commencement of the procurement activity for the programme of works required to refurbish the swimming pool to enable it to re-open using Acivico Ltd's Constructing West Midlands (CWM) Framework Agreement.
- 1.4 An Outline Business Case is attached at Appendix 1. This sets out that of the three options considered the preferred option at this stage is to undertake the work required to re-open the swimming pool at an estimated cost of £3.900m to enable the community, one of the most deprived in Birmingham, to access the health benefits of learning to swim and participating in regular swimming. The option of doing nothing and continuing to operate only "dry" side activities has been rejected because the needs of the community (including single sex sessions, free access via the Be Active scheme etc) cannot be easily met elsewhere at alternative sites; and because the on-going closure of the pool is exacerbating a deficit of water space in the central east area of the city (see paragraphs 3.3 to 3.6).
- 1.5 A further option of undertaking a renovation of the rest of the facility, including all the "dry" side activities and the areas occupied by Small Heath School and the Youth Service, is estimated at upwards of £8.000m. Given the age of the overall facility and the limited life expectancy such a refurbishment would give this option is not recommended at this stage. Instead, officers will explore the option of building a new leisure facility in the locality which is likely to offer better value for money. The development of a business case for a new build and delivery of the project, which would require the acquisition of a suitable site, would take around another five years during which time the community would continue to be deprived of local access to swimming. The refurbishment of the pool is therefore proposed as a solution to meet the immediate needs for swimming provision in the area.

2 Recommendations

That Cabinet :

- 2.1 Approves the OBC (Appendix 1) to repair and refurbish the Small Heath Wellbeing Centre swimming pool to enable it to reopen to the public at an estimated capital cost of £3.900m subject to a Full Business Case (FBC).
- 2.2 Approves the allocation and spend of a capital sum of £0.450m funded from the corporate capital contingency budget (prudential borrowing) for the design and enabling works to develop the project to RIBA Stage 4 Technical Design and development of the Full Business Case.

- 2.3 Authorises the Strategic Director, City Operations to instruct Acivico Ltd to progress the project proposal to RIBA Plan of Work to Stage 4 (Technical Design) at a cost not to exceed £0.178m.
- 2.4 Approves the strategy and commencement of the procurement activity for the works to undertake a further competition exercise using Acivico Ltd's Constructing West Midlands 2 (CWM2) Framework Agreement.
- 2.5 Delegates authority to the Strategic Director of City Operations in conjunction with the Assistant Director, Procurement, the Interim Director Finance and the City Solicitor & Monitoring Officer (or their delegates) to award the contract for a Pre-Construction Services Agreement (PCSA) and notes the approval for the award of the main works contract will be in the FBC to Cabinet in June/July 2024.
- 2.6 Authorises the City Solicitor and Monitoring Officer (or their delegate) to negotiate, execute and complete all necessary documents to give effect to the above recommendations.
- 2.7 Notes the future intention to develop a business case for a new leisure facility in the locality and transfer public swimming provision and dry site activities from Small Heath WBC to that new facility and agree with the Star Academy Trust the structure of an arrangement to allow the School (Small Heath Leadership Academy) on-going use of the existing facility to deliver the curriculum to their students.

3 Background

- 3.1 Small Heath WBC is a large leisure facility built in 1976 and still directly managed by the Council. It contains a learner and main swimming pool, multiple gyms, dance studio, sports hall, squash courts and outdoor sports pitches. The Centre is part of a bigger complex that includes Small Heath Leadership Academy (part of Star Academy Trust) and Small Heath Library, and both the Council Youth Service and the School occupy the first floor of the Wellbeing Centre. The School and the Wellbeing Centre are physically connected by shared corridors and doorways and the plant room located in the Wellbeing Centre provides heating and hot water to the rest of the complex.
- 3.2 In 2016 the pool was closed to the public after local flooding caused tiles to lift from the side of the pool and subsequent temperature changes caused movement in the pool structure. The need to remove asbestos and replace the ageing and inefficient pool plant (boilers, filters, air handling units etc) has increased the costs to re-commission the pool to £3.900m. This is based on a pre-tender estimate prepared by Acivico Ltd reflective of current market conditions. The actual costs

will be reported in the FBC when the design, feasibility and tender exercises have been completed.

- 3.3 The Centre is located on Muntz Street in Bordesley Green Ward, on the border with Small Heath Ward, in an area of the city with significant deprivation. The ward ranks second highest most deprived in Birmingham and sits in the 10% most deprived in England (Indices of Deprivation 2019). Residents have some of the poorest health outcomes and life expectancy is almost 8 years lower than in the most affluent ward and childhood obesity is running at 28.5% by the time children reach Year 6 (Public Health ward profiles 2019). The customer base reflects the demography of the surrounding locality with most customers living within 1 mile of the Centre and 90%+ being from Black, Asian and Minority Ethnic groups.
- 3.4 Covid19 highlighted existing health inequalities in communities such as this and the importance of having opportunities to maintain physical and mental wellbeing is critical to community recovery post pandemic, and to tackling entrenched health inequalities.
- 3.5 An analysis of swimming facilities against the Council's Swimming Strategy showed not only an overall deficit of water provision in Birmingham, but a particular lack of alternative sites in the central east of the city, and there is a decade long ambition to deliver a new swimming pool in this part of Birmingham. The closure of the Small Heath pool has exacerbated that deficit.
- 3.6 The Centre is open to the public from 07.00 to 21.00 on weekdays and shorter hours at weekends. However, the current Shared Use Agreement with the School gives them exclusive access to the sports hall, squash courts, dance studio, and outdoor areas from 09.00 until 17.00 (Monday to Friday during term time). and use of the sports hall during exam periods. The School also used the swimming pool whilst it was still operational.
- 3.7 Tentative discussions about transferring management of the facility to the Star Academy Trust, with appropriate safeguards for on-going community use, were on-going for a considerable period of time, but the Trust has now concluded that it is unable to progress this option in light of the financial liabilities it would bring.
- 3.8 In addition to the pool and wet side facilities, the rest of the ageing building requires substantial investment of such as scale that a new facility probably offers better value for money. The longer-term ambition is therefore to develop a new purpose-built leisure facility in the locality, with modern energy efficient building materials and systems, that will be cheaper to run and offer a much better customer experience. However, given the time it will take to identify and acquire

land and develop a business case, it is proposed to undertake the immediate work required to bring the existing swimming pool back into operation as a stop-gap solution, to provide the local community with swimming facilities whilst a new build is explored. The School would still require use of the existing facility in the future to deliver the curriculum and discussions have opened with the Trust and the Children & Families Directorate about how that arrangement could be structured.

3.9 Given the level of local interest in the project and the number of representations that have been received from the community it is proposed to undertake a community engagement exercise as part of the development of the FBC.

3.10 The works to be undertaken include :

- re-lining the pool and refurbishment of pool area and the surrounding walkways;
- re-tiling to the deck surround and decoration to pool area;
- light refurbishment of wet changing facilities to ensure they are fit for purpose (including facilities for customers with disabilities);
- removing asbestos from the ceiling void, installing a suspended ceiling and new LED lighting to the pool area;
- provision of new plant (boilers, filters, water systems etc) which is beyond its economic life span and is increasingly costly to run;
- replacement of the air handling unit.

4 Options considered and Recommended Proposal (Option 1)

An Outline Business Case has been appended to the report (Appendix 1).

4.1 **Option 1 - Recommended Option**: complete the programme of repairs and refurbishment of the swimming pool and wet changing areas including provision of facilities for customers with disabilities; and install modern energy efficient plant.

4.2 **Option 2 - Do Nothing**: leave the pool closed and continue to run “dry” activities from other parts of the Wellbeing Centre leaving the local community without access to swimming facilities

4.3 **Option 3 – Complete Renovation**: carry out a full programme of renovation to the pool and pool side areas; install modern energy efficient plant; ; **and undertake a full renovation of the rest of the Wellbeing Centre, including the sports hall, gyms, and those areas occupied by the School and Youth Service; eg flooring, roof, windows, external façade, etc**

5 Consultation

5.1 The Ward Councillors for Bordesley Green and Small Heath were consulted in November 2022 when the proposal was being developed and were supportive of work being undertaken to bring the swimming pool back into operation. The Ward Councillor for Bordesley Green has subsequently confirmed his support for the

swimming pool being refurbished with a view to building a new leisure centre in the future.

- 5.2 The local community has previously indicated through Ward Forums, petitions and correspondence direct or via their elected representatives, and on social media posts, their enthusiastic support for the Centre, and on-going enquiries from customers suggest there is a strong desire to see the pool re-opened as soon as possible.
- 5.3 As noted above it is proposed to undertake a programme of community engagement as part of the development of the FBC.
- 5.4 Capital Board was consulted about the proposed project on 11.05.2023 and it was supported.

6 Risk Management

A risk register is included in the OBC (Appendix 1).

- 6.1 The main risk is that unexpected and unbudgeted costs will emerge once building work starts. This risk will be mitigated during the development phase which will include the completion of intrusive surveys and expert assessments eg asbestos reports to ascertain the true condition of the building; a valid pre-tender estimate reflecting market conditions; a robust specification for tenderers to bid against and robust contract management; and provision of a contingency cost for any unforeseen works during the construction phase.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

The proposed scheme will contribute to the Council's Corporate Plan 2022 - 2026 Key Priorities, specifically:

A Bold Healthy Birmingham :

Encourage and enable physical activity and healthy living, and Tackle health Inequalities

Re-opening the pool would allow local residents to regain the physical and mental health benefits of learning to swim and engaging in regular swimming. In the 12 months prior to closure there were :

- 21,860 attendances at general swimming
- 32,000 attendances at Strokes sessions (swimming tuition)
- the Centre was also home to two swimming clubs, one for elite athletes and the other serving the LBBTQ+ community.

The Be Active offer allows all Birmingham residents free access to activities at our leisure facilities to remove cost as a barrier to exercise, in order to tackle health inequalities and increase participation in physical activity. Small Heath WBC currently offers 90 hours a week free access to gyms, group fitness classes, children's fitness classes and prior to the pool closure also provided free Be Active swimming sessions for 41 hours a week.

The provision of swimming facilities in this locality is consistent with the funding agreement between the Wellbeing Service and Public Health which seeks to drive up participation in physical activity, particularly amongst under-represented groups such as Black, Asian and Minority Ethnic women who previously were able to access women only sessions at the Centre.

**A Bold Inclusive Birmingham:
Support and enable all children and young people to thrive**

Learning to swim is a key target within the schools' curriculum and when open the Centre offered school swimming lessons, previously accommodating 29 local primary and secondary schools with an average of around 3,000 attendances per week, in addition to offering free swimming for all under 16's.

Empower the Citizen and Enable the Citizen Voice

The project would respond to the numerous representations and petitions received from members of the community to bring the pool back into operation, submitted either direct or through their MPs and Ward Councillors, or via social media.

**A Bold Green Birmingham :
Continue on the Route to Net Zero**

Replacing the ageing pool plant with modern, more energy efficient equipment and replacing traditional light bulbs with LED ones would contribute to the Council's ambition to achieve net zero carbon emissions by 2030.

7.1.2 The proposal also supports the **Property Strategy 2018/19 – 2023/24** by putting forward a solution whereby a Council asset is maintained, and an operational facility is re-opened to the public.

7.1.3 Birmingham Business Charter for Social Responsibility (BBCSR)

The value of the contract is below the threshold for a works contract to apply. However, the payment of the Real Living Wage is a mandatory requirement that will form part of the conditions of the contract for the works and tenderers will be encouraged to support projects advertised on www.matchmyproject.org.

7.2 Legal Implications

- 7.2.1 Under S.2 Local Government Act 2000 the Council is empowered to do anything which it considers is likely to further the social wellbeing of its area. Repairing and refurbishing the swimming pool to allow it to re-open to the local community and local schools will further the wellbeing of local residents.
- 7.2.2 The Council has a best value duty under the Local Government Act 1999 to improve the efficiency, economy and effectiveness of the services it delivers. The Council has powers under the Local Government Act 1972 to effectively manage its assets. The refurbishment programme will bring an operational asset back into use, and the replacement of the ageing pool plant with more energy efficient models will deliver environmental and cost benefits.

7.3 Financial Implications

- 7.3.1 The report seeks approval of £0.450m capital funding to progress design and enabling works to develop the project to RIBA Stage 4 and prepare a Full Business Case. The capital costs will be met through the corporate capital contingency budget (prudential borrowing).

The current estimate of the full project cost is £3.900m, including the £0.450m requested within this report, and the costs will be finalised as part of the Full Business Case which will require further Cabinet approval. The estimated cost includes contingency provisions at industry standard rates and an inflation allowance.

The full cost of the works is to be funded through the corporate capital contingency budget (prudential borrowing). Any contribution arising from the existing Shared Use Agreement between the Council, the School and the Library will be set out within the Full Business Case.

7.4 Procurement Implications (if required)

- 7.4.1 The Council's primary procurement route for works of this nature is to use Acivico Ltd's Constructing West Midlands 2 Framework Agreement. This framework agreement is compliant with the Public Contracts Regulations 2015 (PCR15) and is suitable for use for a project of this nature.
- 7.4.2 A two-stage procurement process is being undertaken:
- the first stage is competitive, with the successful tenderer being selected on the basis of their ability and understanding of the project for the works,

together with the pricing of those elements of the works which are normally under the control of the main contractor, for example, preliminaries, overheads & profit, programme period, and cost of rates for identifiable sections of work. This will be documented in a PCSA that will be approved in accordance with paragraph 2.5.

- During the second stage, the Council’s design team develops and completes the design in conjunction with the successful tenderer. The successful tenderer undertakes a compliant procurement process for the various work packages that are reviewed by the Council’s technical cost control advisor to ensure that prices are reflective of current market conditions, are within budget and deliver Best Value. Once the overall tender price is confirmed for the works, the Council will enter into the main works contract subject to authorisation as per recommendation 2.5.

7.4.3 The evaluation criteria for the procurement process is quality 60% and price 40% as follows:

- Quality (60% Weighting)

Criteria	Sub-weighting
Methodology and Delivery	40%
Programme Management	30%
Organisation and Resources	30%
Total	100%

Tenderers who score less than 60% of the quality threshold i.e. a score of 60 out of a maximum quality score of 100 (60 marks out of 100) will not proceed to the next stage of the evaluation.

- Price (40% Weighting)

Criteria	Sub-weighting
Contractor Overheads and Profit	25%
Preliminaries Cost	50%
PCSA (inclusive of Early Contractor Involvement (ECI) fee and design fee RIBA Stage 4	25%
Total	100%

7.5 Human Resources Implications (if required)

The staff specifically employed for the pool operations such as swimming instructors have been transferred to other sites or have left since the pool closed. In advance of the pool being re-opened these vacant posts will need to be refilled. The positions are within the budgeted establishment and there will no net financial impact as the costs will be offset by charges made for swimming lessons.

7.5 Public Sector Equality Duty

7.5.1 An initial impact assessment has been completed - EQUA1136

7.5.2 The Wellbeing Centre is located in an area of the City where the population and the clientele, is predominantly of Black, Asian and Minority Ethnic origin and thus owns protected characteristics relating to race. Over 90% of users are of Asian/British Asian, Black or Mixed/Other ethnic groups, compared to 42% for Birmingham as a whole, therefore should the work not proceed people of Black, Asian and Minority Ethnic origin would be disproportionately adversely affected by loss of access to the facility.

7.5.3 The Centre supports local schools to deliver the national curriculum requirement relating to swimming proficiency. When open the pool accommodated 29 local primary and secondary schools, averaging around 3,000 attendances per week. Together with the free swimming offered to all under 16's in Council funded leisure facilities via the Be Active scheme there would be a disproportionate adverse impact on younger citizens if the pool were not re-opened.

7.5.4 The teaching programme incorporated dedicated sessions for women, men, and people with disabilities, and a swimming club offered opportunities for the LGBTQ+ community therefore to not re-open the pool would adversely impact on these groups with protected characteristics relating to gender, disability and sexual orientation.

7.5.5 There would be no adverse impact on individuals with protected characteristics should the work to repair and refurbish the pool and re-open the facility proceed, as recommended.

8 Background Documents

8.1 None

List of appendices accompanying this report:

Appendix 1 Outline Business Case

Appendix 2 Consultation Matrix

Appendix 3 Environmental & Sustainability Assessment

Appendix 4 Equality Impact Assessment