

Cheshire East Council

Crewe Cumberland Lifestyle Centre

Detailed Business Case

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Introduction

This detailed Business Case is a live document that continually justifies the building of a new Lifestyle Centre on the existing Crewe Cumberland site, based on the estimated costs (of development, implementation and incremental ongoing operations and maintenance costs) against the anticipated benefits to be gained and offset by the associated risks. It will be updated throughout the life of the project and this version confirms that the project is 'technically possible' and endorsed by services directly involved in the solution. It outlines some initial views from those who would make technical appraisal during the design/planning stage. It expands on the benefits and delivery risks outlined in the Lifestyle Concept Outline Business Case by PWC for Crewe. Finally, it provides less/more aggressive applications of the concept to allow the Council to position the proposal in the realms of the possible and make informed decision to progress the chosen proposal to project initiation. It will help the Project Board and wider council to agree on the definition of what the Lifestyle Concept means for Crewe paving the way to deliver a new facility at the existing Cumberland site.

The report has five sections:

- 1) **Description of Proposal** - Description of each existing assets that will migrate to the new centre and any links to corporate strategies and objectives. It describes the initial views of key functions within the council that would, at some stage provide planning advice for the scheme or help enable delivery.
- 2) **Business Proposal & Sensitivity Analysis** – Describes in detail the proposal that would be taken forward to design outlining the Invest to save potential. It looks at lesser and more aggressive options allowing the appreciation on how the Invest to Save potential changes depending on how aggressive the Council applies the lifestyle concept. It is presented in 4 ways:
 - a. **Do nothing** – What would happen if the Council were to do nothing
 - b. **Less aggressive** – Invest to save potential on an 'easy, less contentious' application
 - c. **Preferred proposal** – Invest to save (essentially PWCs model recommendation)
 - d. **More aggressive** –Invest to save potential if the Council took a 'hard line' on combining as many local services into the centre
 - e. **Funding Potential** - Looks at the possible funding streams that the council could apply and the impact of additional funding on the financial business case.
- 3) **Benefits Management** – Outlines the key internal benefits to the council for each of the services participating in the migration to the new centre and; the primary external benefits to the public by the provision of a new facility.
- 4) **Risks & Opportunities** – Describes some of the key risks at Business Case stage identified from discussions in section 1.
- 5) **Recommendations and next steps** – Concisely describes the final solution and outline delivery plan. It highlights some of the next steps in preparing a business planning proposal.

The report has supporting appendices:

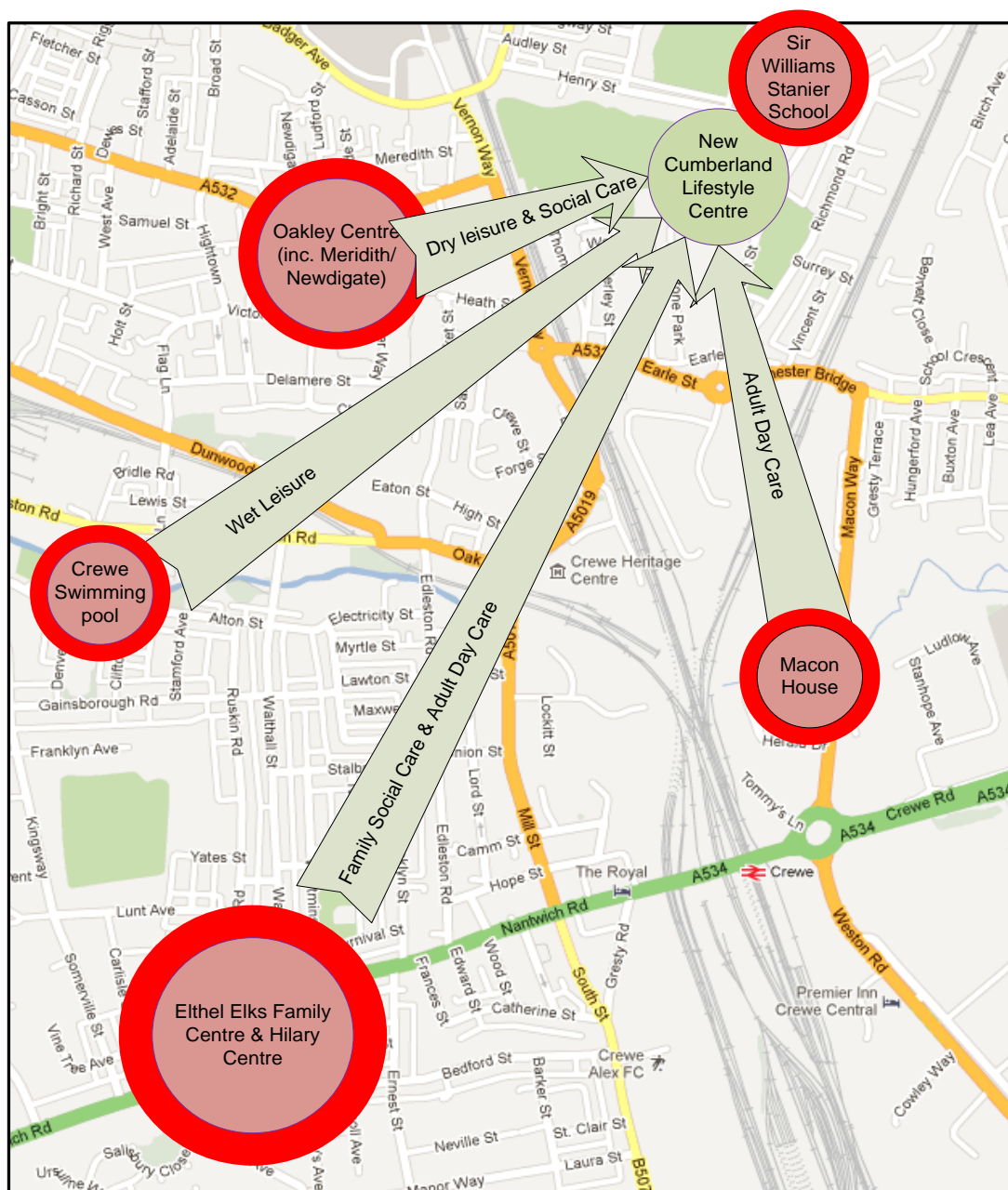
1. Summary of discussion from the Business Case Preparation meetings
2. Detailed spreadsheets supporting the business options (2 a-d)
3. High Level Risk Log formed from the meetings held to date
4. Draft Business Planning Proposal form based ready for EMB to consider

NB: The strategic, service and outline financial cases have already been investigated in the Outline Business Case from PwC. This report updates and validates the financial figures used in the report. It concentrates on defining the extent to which the lifestyle concept can be applied justifying the specific financial business case for Crewe, the business change issues and the resulting benefits for Crewe. For more information on the viability of the concept, please refer to the original report.

Description of Proposal

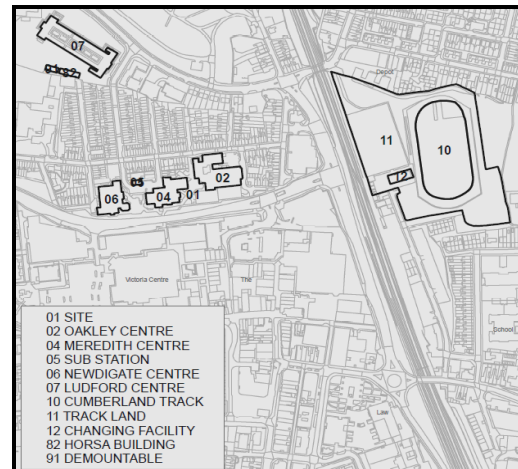
The Lifestyle Concept

The Lifestyle concept is the integration of all the services that citizens need in relation to their lifestyle in one place. A place to read and learn, to exercise, to have a health related check-up, to participate in community events and to receive social services on offer by the Council. For Cheshire East, the Crewe Cumberland Lifestyle Centre will provide new all-inclusive leisure facilities, modern family and adult social care provision and community facilities all in one place on the existing Cumberland Arena site. This will facilitate regeneration within Crewe, improve the customer experience, and enable more efficient delivery of services while providing a 21st century Lifestyle Centre for Crewe.



Description of Assets vacating to the new facility

Victoria Site – Oakley (Community Centre & Leisure Site), Meridith Centre, Newdigate Centre
– Gross internal area: 425m²

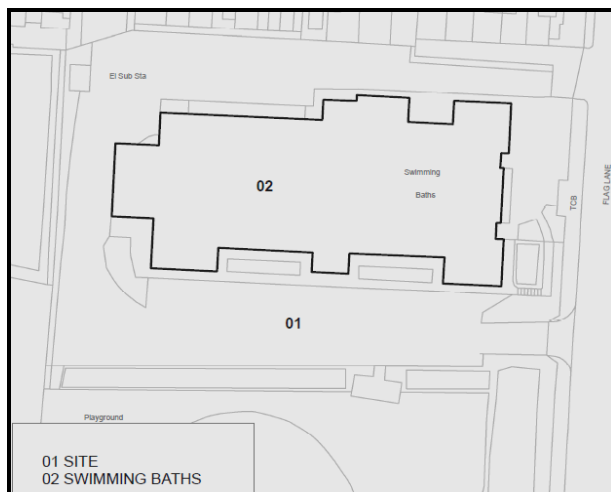


This development will bring together the dry leisure and social care services currently provided at the Oakley Centre (02) and disposal will include the currently mothballed buildings of Meridith (04) and Newdigate Centre (06). It is also used for community events though not ideally suited for that purpose. The existing Cumberland track, land and changing facilities have already benefitted from £0.5m improvements to date. These facilities will either remain or be moved into the new centre which could make way for spectator viewing.

SERVICE CONFIRMS RELOCATION IS POSSIBLE: **YES**
 CAPITAL VALUE: £1.62m

COMPLEXITY OF SERVICE INTEGRATION: **LOW**
 MAINTENANCE BACKLOG VALUE: **£437,205**

Crewe Swimming Pool – Gross Internal area: 2940m²

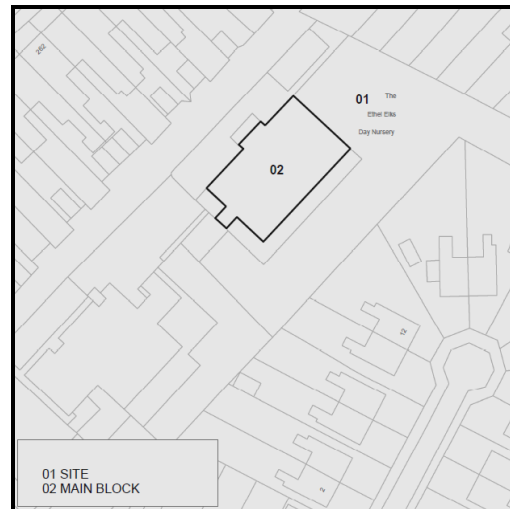


The development will replace wet and dry leisure services currently provided at Crewe pool. The service reports that the pool has exceeded its design life and is subject to escalating maintenance costs. The provision is basic and has little room for diversity of use.

SERVICE CONFIRMS RELOCATION IS POSSIBLE: **YES**
 CAPITAL VALUE: £ 250k

COMPLEXITY OF SERVICE INTEGRATION: **LOW**
 MAINTENANCE BACKLOG VALUE: **£309,646**

Ethel Elks Family Centre – Gross Internal area: 401m²

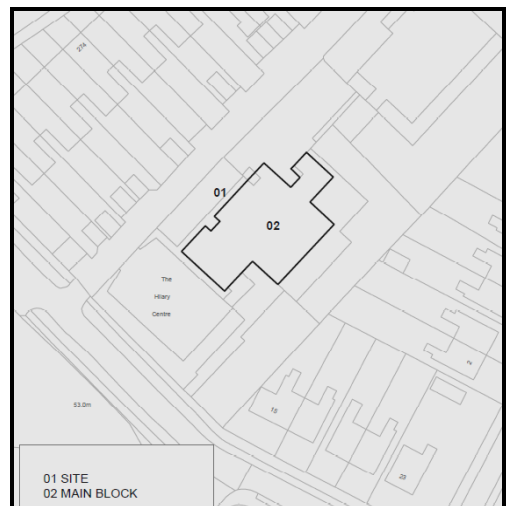


Ethel Elks, though described as a 'Family Centre' does not operate in the nationally recognised sense. Its primary business is operating as a 'contact' centre handling the sensitive work around vulnerable families. The building comprises a suite of self contained family rooms with group work and play therapy spaces.

SERVICE CONFIRMS RELOCATION IS POSSIBLE: **YES**
CAPITAL VALUE: £350k

COMPLEXITY OF SERVICE INTEGRATION: **HIGH**
MAINTENANCE BACKLOG VALUE: **£29,062**

Hilary Centre – Gross internal area: 425m²

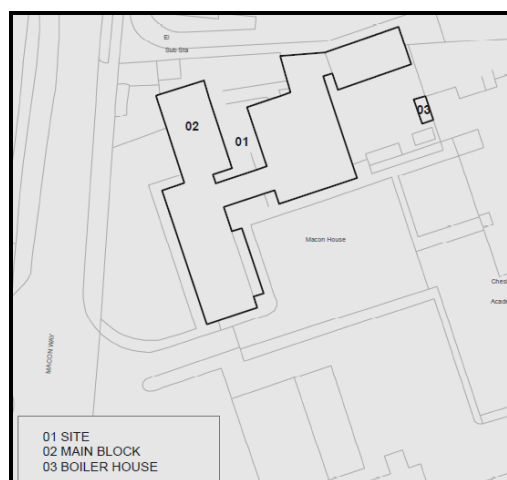


The Hilary Centre, though not in the original PwC report, is considered in this business case due to the access situation. The building comprises a main hall, relaxation and treatments rooms, a kitchen and space in extensions/conservatory. It is unlikely that Ethel Elks could be disposed easily without offering the whole plot with the land locked Hilary Centre. External area comprises car park, garden plots, service yard and ambulance ramp.

SERVICE CONFIRMS RELOCATION IS POSSIBLE: **YES**
CAPITAL VALUE: £200k

COMPLEXITY OF SERVICE INTEGRATION: **LOW**
MAINTENANCE BACKLOG VALUE: **£60,529**

Macon House (and Cheshire Academy) – Internal Area: 1147m²

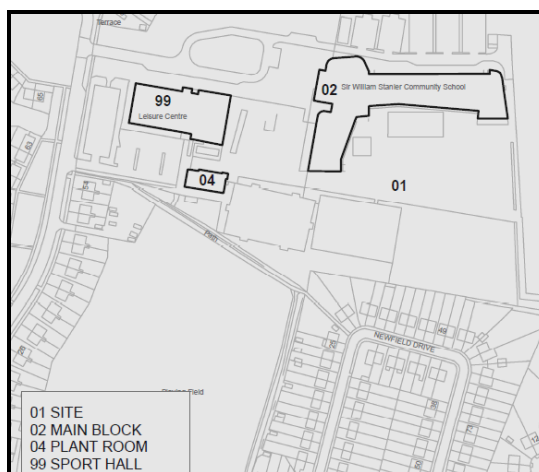


Services delivered at Macon House are described as ‘confined’ but facilities are fit for purpose. Adult day care is the primary role with users needing detailed, specialist support with bespoke fittings in rooms. Users are encouraged to use public transport and it currently has good links with services from the main road. This site also includes the Cheshire Academy for Integrated Sport and Arts which would also relocate to the new centre.

SERVICE CONFIRMS RELOCATION IS POSSIBLE: **YES**
CAPITAL VALUE: £875k

COMPLEXITY OF SERVICE INTEGRATION: **LOW**
MAINTENANCE BACKLOG VALUE: **£54,636**

Sir William Stanier (new School) – withdrawal of financial support



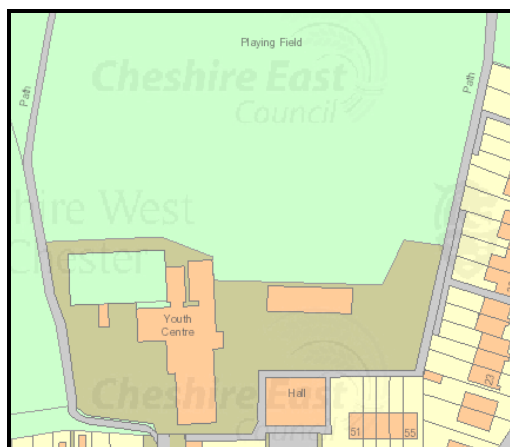
This new school with leisure facilities was built to replace the old school on the Victoria site, of which Oakley centre was part. This business case assumes that due to its close proximity to the new centre (500m), the council’s support of leisure facilities here would cease. The Council currently run the leisure provision and receive the profits while the school has free use of the facility. The joint agreement expires in 2018. It would be favourable to negotiate with the school and ensure facilities become owned/transferred to the school or otherwise before this date. Either way, it is expected that revenue contribution from the Council will be withdrawn and contribute to this business case.

SERVICE CONFIRMED TRANSFER IS POSSIBLE/DESIRED: **YES**

COMPLEXITY OF TRANSFER: **UNKNOWN**
MAINTENANCE BACKLOG VALUE: **£5,000**

Other property related issues that may impact on this business case

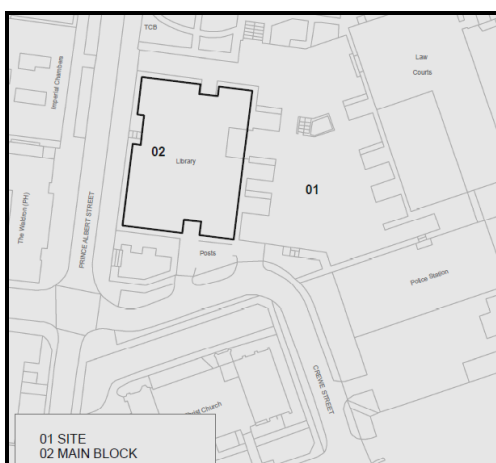
Kingdom Hall (Jehovah Witness) and Youth Centre



There is currently a request from the privately owned Kingdom Hall to purchase a section of land for car parking currently owned by the Youth Centre, land that Crewe & Nantwich Borough Council sold previous. This will require the lifting of covenants. Assets are negotiating and will protect the council against future costs and access rights. However, the deal may include the relocating of both the youth centre (potentially into the new building) and the rebuilding of the Hall (which currently blocks access) elsewhere on the site. There are no disposal benefits here and likely costs have been included in the proposal.

OWNERS CONFIRMED TRANSFER IS POSSIBLE/DESIRED: **NO** COMPLEXITY OF TRANSFER: **UNKNOWN**

Crewe Library – Internal Area: 1676m²



There are proposals at this time to move Crewe library facilities into Municipal Buildings. However, a move to the Lifestyle Centre has been considered in the sensitivity analysis.

Independent Living Centre

The Councils strategy is to have two in the borough and we have one established so far. An alternative site is desired because of high rental charges at the current proposed site at Eagle Bridge. This centre could be included in the new centre.

Crewe Fire Station (Existing)



Inset right shows Fire Station, Macon House and Cheshire Academy

The Fire Service is bidding for monies from DCLG for 2 new stations in Cheshire East. Crewe is thought to be a likely recipient. The new stations are smaller and do have a potential “Community” access and function. Cheshire West and Chester are implementing a similar approach called “Altogether better”.

There are discussions for 2 CEC owned land holdings that may be of interest. Though the capital receipt from the holding is not included in this business case (but could be), the sale of the existing fire station at B&Q roundabout in conjunction with the Macon House site may bring in more relative capital from Macon House.

Ethos behind the new centre

As an early part of the ‘All Change for Crewe’ programme, this newly designed and built centre will provide a much needed, visible and aspirational investment in Crewe. This will contribute directly to the regeneration of the town and will also free up other sites and locations for further regeneration projects. This development would deliver the preferred option for Crewe as identified in the Lifestyle Centres feasibility study report.

The Cumberland Arena is already established within Crewe as an important community facility, with a specific focus on the provision of athletics facilities for the local and wider population. The existing facility has the potential for expansion including combining current uses with the expansion of provision to provide a leisure and community hub designed to a high standard, with improved access to the local community enabling it to meet strategic need across Crewe. There is a strong desire to ensure that new leisure facilities are ‘inclusive’ and provide state of the art fittings allowing use by all citizens.

This development gives the opportunity to secure improved physical connectivity between the Cumberland site, the surrounding residential communities and critically the town centre including the public transport interchange at the station.

The relocation of services from the Crewe pool, Oakley Centre, Macon Way Ethel Elks/Hilary Centre will make these sites available. These are also seen as critical sites in the regeneration of Crewe and provide real opportunities for further commercial or council lead developments.

Outline consultation with services and enablers

At some point the scheme will need planning permission and the application will require consent from various services in the council. The following is a summary of an outline consultation:

Adults and Children

There are a number of facilities that could be migrated to the new centre. The primary external benefit is that inclusion of adults using the day care facilities in a publically used building will help to de-stigmatise specialist care provision. The 'contact' function at Ethel Elks will be the hardest service to integrate given its potentially hostile environment due to the sensitive work with vulnerable families. The services confirm that should the strategic council wish, it is technically possible for the services to migrate however these potential integration issues which will need to be carefully mitigated through careful design at detailed design stage.

Regeneration

The Cumberland Arena site is seen as a key and priority element of the 'All Change for Crewe' regeneration programme and features prominently in the latest prospectus. This development, and the other opportunities it enables by making land available, is an important part of the strategy and vision that will tackle deprivation in central Crewe:

- 23% of its neighbourhoods fall into the most deprived 20% nationally (only 7% for CE as a whole)
- 12% of its 16-18 year olds are NEET (4.7% CE)
- 4.6% unemployment rate (2.8% CE, 4% GB)

There is full support for the lifestyle concept from the service. However, the proposed location of the Lifestyle Centre on the edge of town may not maximize regeneration benefit and should be tested.

A Lifestyle Centre in the town centre could generate significant additional footfall to support the underperforming town centre core and could provide the opportunity to create an iconic individual landmark building that stimulates additional private sector investment and adds to the mix of uses in the town centre. Such a building could enhance the urban environment within Crewe town centre and complement the investment the Council has already made in Public Squares and landmark buildings. It could also be a building which could promote Crewe's Industrial and Rail heritage in its design.

The 'All Change for Crewe' Prospectus highlights the ambition to have an enhanced leisure and cultural offer in the town centre. A modern iconic lifestyle centre that included a new library and Swimming Pool amongst many other uses could help to achieve this.

Opportunities to better utilize and develop land in the existing and accessible Civic & Cultural Quarter at the Library, Christ Church and Christ Church Car Park sites could be considered alongside the Cumberland Arena proposal. An overall review of town centre land uses to include an accessibility appraisal may be beneficial, this should make reference to any parking review recommendations.

The original concept for the lifestyle centre was that it would be a place to read and learn. The current proposal does not include the re-location of the library.

The Oakley Centre and Macon House were not purpose built and designed for their current use and the Crewe swimming pool is now an old, expensive to maintain building that has also outlived its initial purpose. The current clients and users of services at the Oakley Centre, Crewe pool and Macon House will benefit from a modern, well designed, newly built and fit for purpose building. The users of the services provided by the Cheshire Academy will also share in these benefits.

The new Cumberland Centre ideally would be a well designed, modern, contemporary building built to the highest standards. It will be possible, with the necessary commitment, to build to BREEAM excellent standards and aim for a low or zero carbon building. This new building will be far more efficient, effective, economical and sustainable than those it will replace.

Local Plan

The draft Crewe Town Strategy has been out to public consultation and the results are awaited. Within that document there are a number of 'Town Project' areas, including a zone for the Cumberland Arena. The potential for the established community recreational facility to provide a high standard leisure and community hub is identified, along with the need to ensure that any future facility on the site is easily accessible to the community.

It is considered that the key issue here is the accessibility of the site to the wide variety of potential users of this site. A vast majority of those users will currently be able to easily walk, cycle or use public transport to access such facilities; it is imperative that the facilities to be provided at the Cumberland Arena will be just as easily accessed, if not better.

In terms of any new built development on the site, care will need to be taken that this does not lead to the loss of current pitches on the site. The Open Space Study for Crewe shows that there is a shortfall of open space provision within Crewe, particularly in terms of adult provision, in the form of pitches.

It is noted that the library is included for sensitivity analysis only, but if relocation was considered to this site, there would be some concern that this will reduce both the number of people that visit the library (those that just happen to be walking past) and the footfall in Crewe town centre, as people may be less likely to make linked trips to the library and to shop in the town centre if the library is relocated here and especially if there is free parking.

Highways

The main risk to mitigate is the accessibility of the site, rather than the highway issues. Many of the existing sites appear to pass main bus routes which will be served by a mixture of commercial / subsidised bus services. Further, the library and Oakley Centre are currently well served by the existing town centre bus station.

Given the age profile of many users of these facilities I would expect a material number of people to use public transport to access them. The proposed Cumberland site is not an attractive route from the town centre – particularly by foot. The library could well suffer from loss of ‘pass by’ trips also affecting income.

It is recommended that data is analysed from the services on the how users access existing sites: public transport, car, walking etc. This should be compared to traffic modelling which will reveal any highway capacity issues.

Transport

Bus subsidy is likely during the first few years of operation until the commercial sector pick up the market. There are similar services to that which would be required to serve the new Lifestyle centre at Cumberland based on a half-hour service in the area of the same length of route. This bus is supported CEC at just under £18k per annum but the operator retains the revenue from the bus. There are a number of buses in this area, including the 16 that is on the low priority list so only with further study can it be determined if we could enhance an existing route or whether we would have to set up a new bus service. Should a new bus service be required, the cost of a standalone service would be in the region of £40k - £50k per annum.

Air Quality

The Cumberland Arena sits on the edge of an Air Quality Management Area designated along a proportion of Earle Street in Crewe (the Grand Junction Retail Park side). This area was declared on the basis that it fails the annual air quality standard for nitrogen dioxide. Standards are set to protect health. The problem is as a result of vehicular traffic in the area combined with issues relating to vehicle type, flow, congestion etc. As a result of this failure the site has been designated an AQMA following the completion of a Further Assessment to ratify our original findings.

The site is not included in our Air Quality Action Plan which details our general plans for air quality improvement and also takes each site in turn, reviews its limitations and issues and proposes further work/research etc to address air quality issues. All of our plans and assessments are subject to peer review and approval by Defra. The council is about to start consultation with local residents about the designation and the way forward.

Any additional traffic to the area is going to impact on already high levels of nitrogen dioxide and goes against the need of the authority to work towards reduction of levels across the borough as a whole and also within Air Quality Management Areas.

It is recommended that proposals for changes to the highway and access are modelled to determine impacts on health alongside any mitigation measures being proposed as part of the development.

Key stakeholders would include; public protection and health air quality team, local residents, highways, local interest groups via the Cheshire East Air Quality Steering Group.

ICT

Early involvement with ICT will ensure that systems are correctly installed in the new facility. There are some multi-partner initiatives underway at this time including the Council's link to the new Public Sector Network, Social care system redesign and leisure centre systems amalgamation. In terms of impact on the core network, only the library is a core site and will need relocating if the library is included in the proposal at a later date.

There is an opportunity to offer a rentable hot-desk Hub as part of the new Public Sector Network.

Business Proposal & Sensitivity Analysis

The new centre

The Cumberland Centre will provide a range of services provided both by the council and the voluntary community sector. Services and facilities, which will be finalised in the detailed design phase, are likely to include:

- Swimming Pool
- Sports hall
- Sports courts
- Fitness suites
- Day centre – adults of all ages with learning disabilities
- Community day services – adults with a wide range of needs including autism, sensory impairment and complex medical needs – currently provided through groups such as Wind chimes, Starlight and Cuppas n Cakes which will continue
- Contact Centre – a safe place for vulnerable families to meet and develop
- Touchdown space
- Functions, parties and exhibitions
- Bar and catering facilities
- Sporting opportunities for individuals, mainly young people, with physical, sensory or learning disabilities; where possible in an integrated environment – Cheshire Academy
- Shared reception and communal facilities and space
- Space for use by other community groups or GPs etc for surgeries and drop ins
- The athletics club based at the adjoining track are looking to make a bid for a new facility with regional significance that would provide some spectator seating and indoor training and competition space for athletics and at least one other sport (possibly Netball). If this bid was successful this offer would be combined with the Cumberland Centre in one facility.

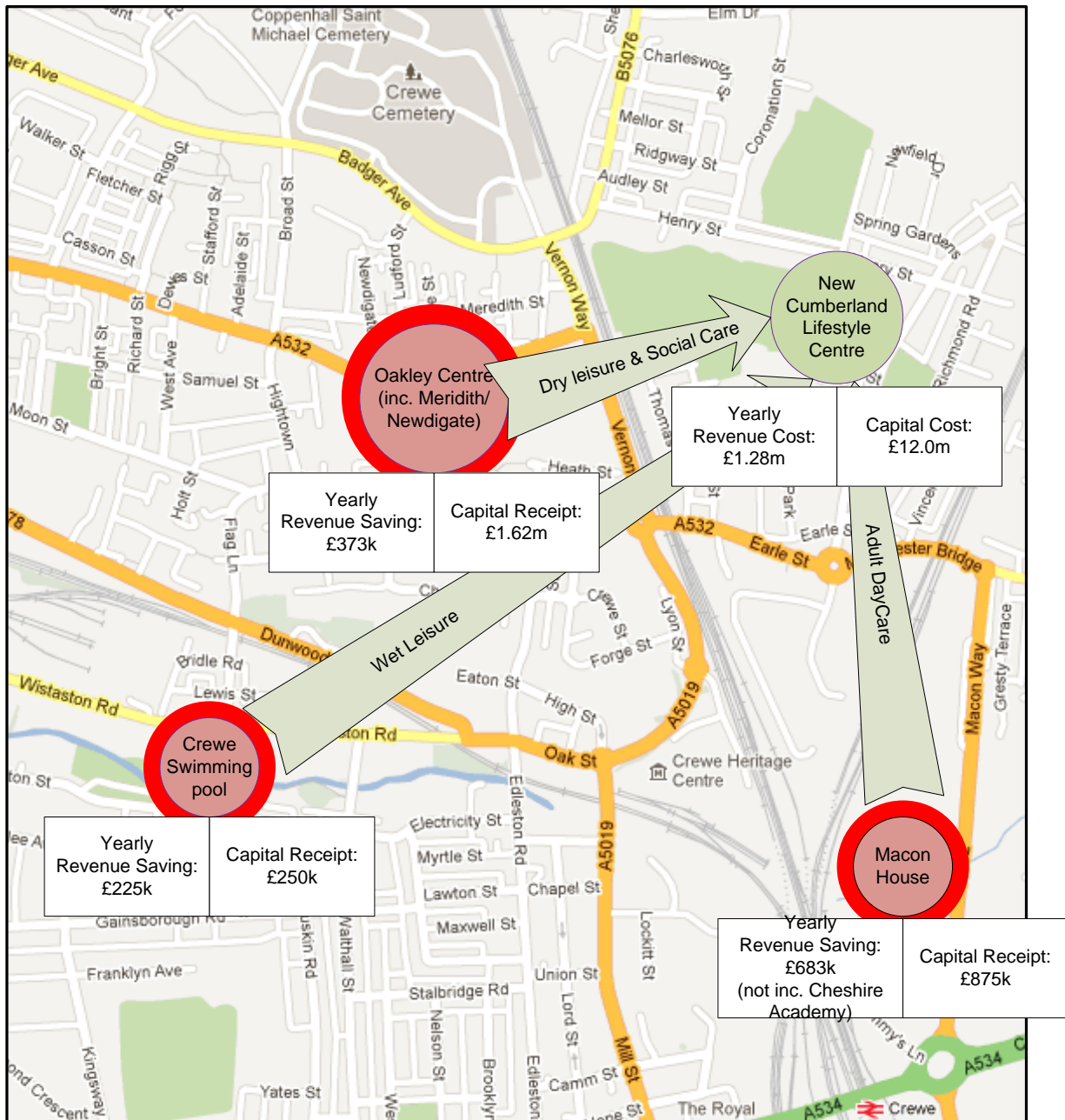
Do nothing Proposal

Below are the net revenue impact costs of running the services and Capital liability against the assets defined in the proposal:

DO NOTHING - FINANCIAL CASE

CATEGORY	Oakley Centre	Security Holdings	Macon House	Crewe Pool	Sir William Stanier School	Ethel Elks	Hilary Centre	Crewe Library	Total
Expenditure									
Employees	£ 295,462		£ 597,340	£ 491,000	£ 140,686	£ 373,245	£ 221,895	£ 378,710	£ 2,498,338
Premises	£ 195,000		£ 69,000	£ 115,000	£ 64,080	£ 32,655	£ 26,500	£ 101,000	£ 603,235
Transport	£ 588		£ 996	£ 1,278	£ -	£ 17,934	£ 57	£ 142	£ 20,995
Supplies & Services	£ 39,209		£ 33,973	£ 44,562	£ 16,964	£ 9,750	£ 27,315	£ 7,357	£ 179,130
Transfer / Third Party Payment	£ -	£ 30,000	£ -	£ -	£ -	£ 1,089		£ -	£ 31,089
TOTAL EXPENDITURE	£ 530,259	£ 30,000	£ 701,309	£ 651,840	£ 221,730	£ 434,673	£ 275,767	£ 487,209	£ 3,332,787
Income									
Grant, Reimbs & Contributions		£ -	-£ 3,402			£ -	-£ 654	-£ 188	-£ 4,244
Customer & Client Receipts	-£ 152,792	£ -	-£ 14,444	-£ 426,797	-£ 70,256	£ -	-£ 31,034	-£ 57,340	-£ 752,663
Recharge	-£ 34,417	£ -	£ -	£ -	-£ 8,241	£ -	£ -	-£ 714	-£ 43,372
TOTAL INCOME	-£ 187,209	£ -	-£ 17,846	-£ 426,797	-£ 78,497	£ -	-£ 31,688	-£ 58,242	-£ 800,279
NET EXPENDITURE TOTAL	£ 343,050	£ 30,000	£ 683,463	£ 225,043	£ 143,233	£ 434,673	£ 244,079	£ 428,967	
COMBINED EXPENDITURE TO THE COUNCIL	£ 2,532,508								£ 2,532,508
Maintenance Backlog									
Category 1&2 (immediate work underway)	£ 211,370	£ -	£ 10,414	£ 288,500	£ -	£ 22,156	£ 6,350	£ 16,760	
Category 3&4 (would take place over payback period)	£ 225,835	£ -	£ 44,222	£ 21,146	£ 5,000	£ 6,906	£ 54,179	£ 30,493	
MAINTENANCE LIABILITY TOTAL	£ 437,205	£ -	£ 54,636	£ 309,646	£ 5,000	£ 29,062	£ 60,529	£ 47,253	
CAPITAL LIABILITY OF EXISTING ASSETS	£ 943,331								

Crewe Cumberland Arena Business Case - 'Do Minimum' Sensitivity Analysis



DO MINIMUM - FINANCIAL CASE

COST PLAN COMPARISON									
CATEGORY	BEFORE (2012/13 figures used)					AFTER			
	Oakley Centre	Security Holdings	Macon House	Crewe Pool	Total	New Centre		Assumptions:	
Expenditure									
Employees	£ 295,462		£ 597,340	£ 491,000	£ 1,383,802	£	1,245,422	10%	
Premises	£ 195,000		£ 69,000	£ 115,000	£ 379,000	£	225,000		
Transport	£ 588		£ 996	£ 1,278	£ 2,862	£	2,003	30%	
Supplies & Services	£ 39,209		£ 33,973	£ 44,562	£ 117,744	£	115,557	7%	
Transfer / Third Party Payment	£ -	£ 30,000	£ -	£ -	£ 30,000	£	-		
TOTAL EXPENDITURE	£ 530,259	£ 30,000	£ 701,309	£ 651,840	£ 1,913,408	£	1,587,982		
Income									
Grant, Reimbs & Contributions	£ -	-£ 3,402			-£ 3,402	-£	3,402		
Customer & Client Receipts	-£ 152,792	-£ 14,444	-£ 426,797		-£ 594,033	-£	594,033	no immediate increase	
Recharge	-£ 34,417	-£ -	-£ -		-£ 34,417	-£	34,417		
TOTAL INCOME	-£ 187,209	-£ -£ 17,846	-£ 426,797		-£ 631,852	-£	631,852		
NET EXPENDITURE TOTAL	£ 343,050	£ 30,000	£ 683,463	£ 225,043	£ 1,281,556	£ 956,130			
COMBINED EXPENDITURE TO THE COUNCIL	£ 1,281,556					£ 956,130			
CAPITAL COST FOR NEW ASSETS						£ 12,000,000			

NET REVENUE POSITION FOR THE COUNCIL		Before	=	After	+	Revenue saving
		£ 1,281,556		£ 956,130		£ 325,426

PAYBACK ENTIRELY ON PRUDENTIAL BORROWING:	£ 12,000,000	NPV based on projected savings over 25 years	£3,981,863.28
Immediate Capital Receipt injection to be self sustaining:	£ 1,913,408	Or an immediate 100% increase in Customer Receipts	

NOT SELF SUSTAINING

This represents a net cost to the council over the life of the asset

PAYBACK Assumptions:	
Inflation	3.00%
Income	2%

- Assumes Council consume temporary revenue increase as services migrate from the old assets into new centre

OPPORTUNITY 1: USE PROPORTION OF DISPOSAL RECEIPTS FROM PROJECT

(within council control)

	Oakley Centre	Security Holdings	Macon House	Crewe Pool
CAPITAL COST / RECEIPT POTENTIAL	£ 1,620,000	(Inc. in Oakley)	£ 875,000	£ 250,000
TOTAL CAPITAL RECEIPT VALUE	£ 2,745,000			

PAYBACK PRUDENTIAL BORROWING + RECEIPTS + ENHANCED INCOME GROWTH:	£ 12,000,000	NPV based on projected savings over 25 years	£696,728.74
Immediate Capital Receipt injection to be self sustaining:	£ 810,000	Or an immediate 29% increase in Customer Receipts	

NOT SELF SUSTAINING

This represents a net cost to the council over the life of the asset

Inflation	3.00%
Income	7.10% 2% inflation + growth for 3 years 2% after 3 years
Capital receipt year 5	£ 1,650,000.00 approx 60% asset value

OPPORTUNITY 2: GRANTS ARE APPLIED AND WON + OPT 2

(outside council control)

GRANTS AVAILABLE AT TIME OF BUSINESS CASE	Iconic Facilities:	minimum	£150,000	maximum	£500,000
	Inspired Facilitie	minimum	£20,000	maximum	£150,000

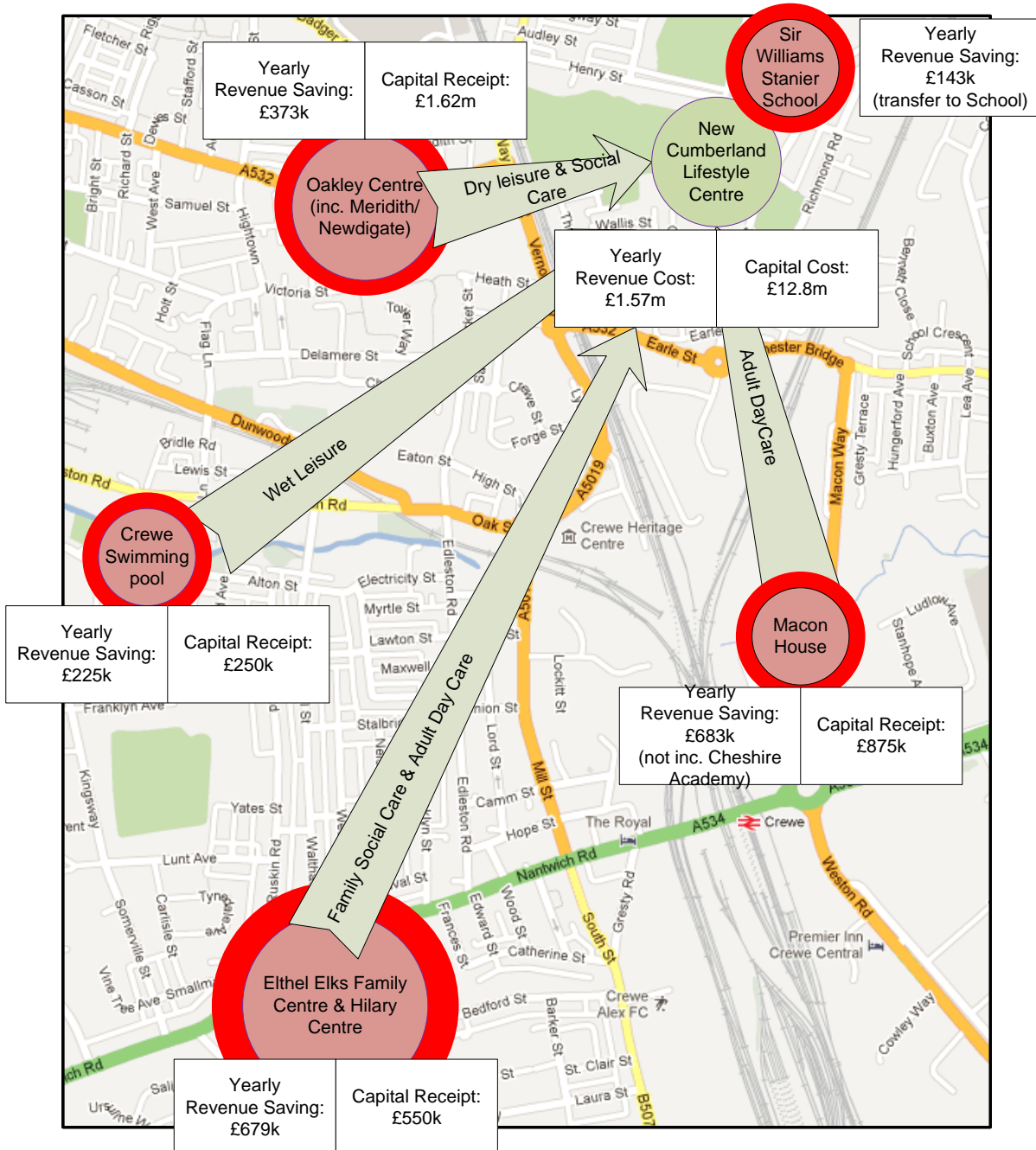
PAYBACK ON PRUDENTIAL BORROWING, ENHANCED GROWTH, RECEIPTS & GRANTS:	£ 12,000,000	NPV based on projected savings over 25 years	£225,430.79
Immediate Capital Receipt injection to be self sustaining:	£ 810,000	Or an immediate 29% increase in Customer Receipts	

NOT SELF SUSTAINING

This represents a net cost to the council over the life of the asset

Inflation	3.00%
Income	7.10% 2% inflation + growth for 3 years 2% after 3 years
Grant income year 1	£ 500,000.00
Capital receipt year 5	£ 1,650,000.00 approx 60% asset value

Crewe Cumberland Arena Business Case - The proposal (Based on PWC Report)



RECOMMENDED PROPOSAL - FINANCIAL CASE

COST PLAN COMPARISON												
BEFORE (2012/13 figures used)										AFTER		
CATEGORY	Oakley Centre	Security Holdings (Meridith & ...)	Macon House	Crewe Pool	Sir William Stanier School Leisure centre	Ethel Elks	Hilary Centre	Total		New Centre	Assumptions:	
Expenditure												
Employees	£ 295,462		£ 597,340	£ 491,000	£ 140,686	£ 373,245	£ 221,895	£ 2,119,628		£ 1,907,665	10%	
Premises	£ 195,000		£ 69,000	£ 115,000	£ 64,080	£ 32,655	£ 26,500	£ 502,235		£ 235,000		
Transport	£ 588		£ 996	£ 1,278	£ -	£ 17,934	£ 57	£ 20,853		£ 14,597	30%	
Supplies & Services	£ 39,209		£ 33,973	£ 44,562	£ 16,964	£ 9,750	£ 27,315	£ 171,773		£ 159,749	7%	
Transfer / Third Party Payment	£ -	£ 30,000	£ -	£ -	£ -	£ 1,089		£ 31,089		£ -		
TOTAL EXPENDITURE	£ 530,259	£ 30,000	£ 701,309	£ 651,840	£ 221,730	£ 434,673	£ 275,767	£ 2,845,578		£ 2,317,011		
Income												
Grant, Reimbs & Contributions	£ -	-£ -	£ 3,402		£ -	-£ -	£ 654	-£ 4,056		-£ 4,056		
Customer & Client Receipts	-£ 152,792	£ -	-£ 14,444	-£ 426,797	-£ 70,256	£ -	-£ 31,034	-£ 695,323		-£ 695,323	no immediate increase	
Recharge	-£ 34,417	£ -	£ -	£ -	-£ 8,241	£ -	£ -	-£ 42,658		-£ 42,658		
TOTAL INCOME	-£ 187,209	£ -	-£ 17,846	-£ 426,797	-£ 78,497	£ -	-£ 31,688	-£ 742,037		-£ 742,037		
NET EXPENDITURE TOTAL												
COMBINED EXPENDITURE TO THE COUNCIL	£ 343,050	£ 30,000	£ 683,463	£ 225,043	£ 143,233	£ 434,673	£ 244,079	£ 2,103,541		£ 1,574,974		
											£ 1,574,974	
CAPITAL COST FOR NEW ASSETS											£ 12,800,000	

NET REVENUE POSITION FOR THE COUNCIL		Before		After		Revenue saving
		£ 2,103,541	=	£ 1,574,974	+	£ 528,567
PAYBACK ENTIRELY ON PRUDENTIAL BORROWING:		£ 12,800,000	NPV based on projected savings over 25 years			-£28,438.35

SELF SUSTAINING

PAYBACK Assumptions:

Inflation	3.00%
Income	2%

OPPORTUNITY 1: USE PROPORTION OF DISPOSAL RECEIPTS FROM PROJECT (within council control)

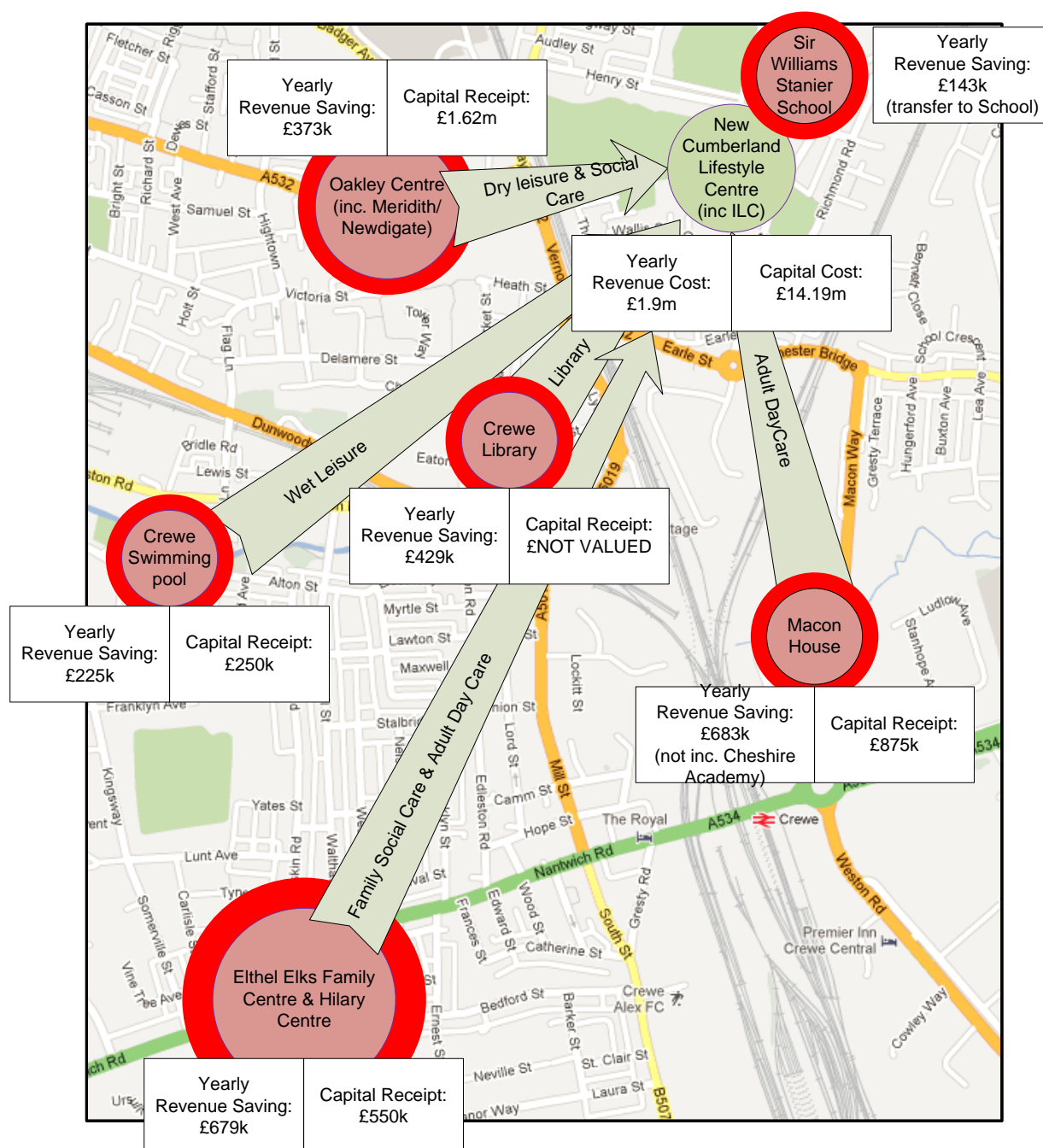
	(within council control)		Oakley Centre	Security Holdings	Macon House	Crewe Pool	Sir William Stanier School	Ethel Elks	Hilary Centre				
CAPITAL COST / RECEIPT POTENTIAL	£	1,620,000	(inc. in Oakley)	£	875,000	£	250,000	£	-	£	350,000	£	200,000
TOTAL CAPITAL RECEIPT VALUE	£ 3,295,000												
PAYBACK PRUDENTIAL BORROWING + RECEIPTS + INCOME GROWTH:	£	12,800,000	NPV based on projected savings over 25 years					-£1,703,406.87					
Immediate Capital Release potential to support wider programme:	£	2,395,000	(Amount we could further borrow now with an NPV still self sustaining)										
Inflation		3.00%											
Income		2%											
Capital receipt year 5	£	2,000,000.00											

OPPORTUNITY 2: GRANTS ARE APPLIED AND WON + OPT 2 (outside council control)

GRANTS AVAILABLE AT TIME OF BUSINESS CASE		Iconic Facilities:	minimum	£150,000	maximum	£500,000
		Inspired Facilities:	minimum	£20,000	maximum	£150,000
PAYBACK ON PRUDENTIAL BORROWING, GROWTH, RECEIPTS & GRANTS:		£ 12,800,000	NPV based on projected savings over 25 years			-£2,174,704.82
Immediate Capital Release potential to support wider programme:		£ 2,395,000	(Amount we could further borrow now with an NPV still self sustaining)			
Inflation		3.00%				
Income		2%				
Grant income year 1		500,000.00				
Capital receipt year 5		£ 2,000,000.00 approx 60% asset value				

SELF SUSTAINING

Crewe Cumberland Arena Business Case - 'Do more' Sensitivity Analysis



DO MORE - FINANCIAL CASE

COST PLAN COMPARISON												
CATEGORY	BEFORE (2012/13 figures used)										AFTER	
	Oakley Centre	Security Holdings	Macon House	Crewe Pool	Sir William Stanier School	Ethel Elks	Hilary Centre	Crewe Library	Total		New Centre	Assumptions:
Expenditure												
Employees	£ 295,462		£ 597,340	£ 491,000	£ 140,686	£ 373,245	£ 221,895	£ 378,710	£ 2,498,338		£ 2,248,504	10%
Premises	£ 195,000		£ 69,000	£ 115,000	£ 64,080	£ 32,655	£ 26,500	£ 101,000	£ 603,235		£ 275,000	
Transport	£ 588		£ 996	£ 1,278	£ -	£ 17,934	£ 57	£ 142	£ 20,995		£ 14,697	30%
Supplies & Services	£ 39,209		£ 33,973	£ 44,562	£ 16,964	£ 9,750	£ 27,315	£ 7,357	£ 179,130		£ 166,591	7%
Transfer / Third Party Payment	£ -	£ 30,000	£ -	£ -	£ -	£ 1,089		£ -	£ 31,089		£ -	
TOTAL EXPENDITURE	£ 530,259	£ 30,000	£ 701,309	£ 651,840	£ 221,730	£ 434,673	£ 275,767	£ 487,209	£ 3,332,787		£ 2,704,792	
Income												
Grant, Reimbs & Contributions		£ -	-£ 3,402			£ -	-£ 654	-£ 188	-£ 4,244		-£ 4,244	
Customer & Client Receipts	-£ 152,792	£ -	-£ 14,444	-£ 426,797	-£ 70,256	£ -	-£ 31,034	-£ 57,340	-£ 752,663		-£ 752,663	no immediate incre
Recharge	-£ 34,417	£ -	£ -	£ -	-£ 8,241	£ -	£ -	-£ 714	-£ 43,372		-£ 43,372	
TOTAL INCOME	-£ 187,209	£ -	-£ 17,846	-£ 426,797	-£ 78,497	£ -	-£ 31,688	-£ 58,242	-£ 800,279		-£ 800,279	
NET EXPENDITURE TOTAL	£ 343,050	£ 30,000	£ 683,463	£ 225,043	£ 143,233	£ 434,673	£ 244,079	£ 428,967	£ 2,532,508		£ 1,904,513	
COMBINED EXPENDITURE TO THE COUNCIL									£ 2,532,508		£ 1,904,513	
CAPITAL COST FOR NEW ASSETS											£ 14,185,000	

NET REVENUE POSITION FOR THE COUNCIL

Before	£ 2,532,508	=	After	£ 1,904,513	+	Revenue saving	£ 627,995
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PAYBACK ENTIRELY ON PRUDENTIAL BORROWING: £ 14,185,000 NPV based on projected savings over 25 years -£1,026,802.71 **SELF SUSTAINING**

Immediate Capital Release potential to support wider programme: £ 1,904,513 (Amount we could further borrow now with an NPV still self sustaining)

PAYBACK Assumptions:

Inflation	3.00%
Income	2%

OPPORTUNITY 1: USE PROPORTION OF DISPOSAL RECEIPTS FROM PROJECT (within council control)

	Oakley Centre	Security Holdings	Macon House	Crewe Pool	Sir William Stanier School	Ethel Elks	Hilary Centre	Crewe Library
CAPITAL COST / RECEIPT POTENTIAL	£ 1,620,000	(inc. in Oakley)	£ 875,000	£ 250,000	£ -	£ 350,000	£ 200,000	UNKNOWN
TOTAL CAPITAL RECEIPT VALUE	£ 3,295,000							

PAYBACK PRUDENTIAL BORROWING + RECEIPTS + INCOME GROWTH: £ 14,185,000 NPV based on projected savings over 25 years -£2,701,771.23 **SELF SUSTAINING**

Immediate Capital Release potential to support wider programme: £ 1,904,513 (Amount we could further borrow now with an NPV still self sustaining)

Inflation	3.00%
Income	2%
Capital receipt year 5	£ 2,000,000.00 approx 60% asset value excl Library

OPPORTUNITY 2: GRANTS ARE APPLIED AND WON + OPT 2 (outside council control)

GRANTS AVAILABLE AT TIME OF BUSINESS CASE

Iconic Facilities:	minimum	£150,000	maximum	£500,000
Inspired Facilities:	minimum	£20,000	maximum	£150,000

PAYBACK ON PRUDENTIAL BORROWING, GROWTH, RECEIPTS & GRANTS: £ 14,185,000 NPV based on projected savings over 25 years -£3,173,069.18 **SELF SUSTAINING**

Immediate Capital Release potential to support wider programme: £ 1,904,513 (Amount we could further borrow now with an NPV still self sustaining)

Inflation	3.00%
Income	2%
Grant income year 1	£ 500,000.00
Capital receipt year 5	£ 2,000,000.00 approx 60% asset value excl Library

Funding Potential

There are two funding streams recognised as potential funding contributors. They are highlighted in Opportunity 2 within the financial cases. More detail will be included in funding potential in later version of the business case.

Benefits Management

Cheshire East's sustainable community strategy

Ambition for All, Cheshire East's sustainable community strategy sets out seven priorities for action. This development supports all of these priorities; in particular it will make a direct contribution to the following:

- Create conditions for business growth – this will not only see a significant council funded scheme but will free up land for residential and commercial developments
- Unlock the potential of our towns; regenerate Crewe – this a significant element of the All Change for Crewe programme and a short term priority for investment
- Support our children and young people – the improved facilities for children and young people will present opportunities for improved services, engagement and outcomes. The youth centre and Cheshire academy will be as important as services provided directly by the council
- Drive out the causes of poor health – the new improved facilities will make it easier for more people to be more active more often, benefits will also be realised from the integration of leisure, social care and community services.

Cheshire East's principles of budget planning

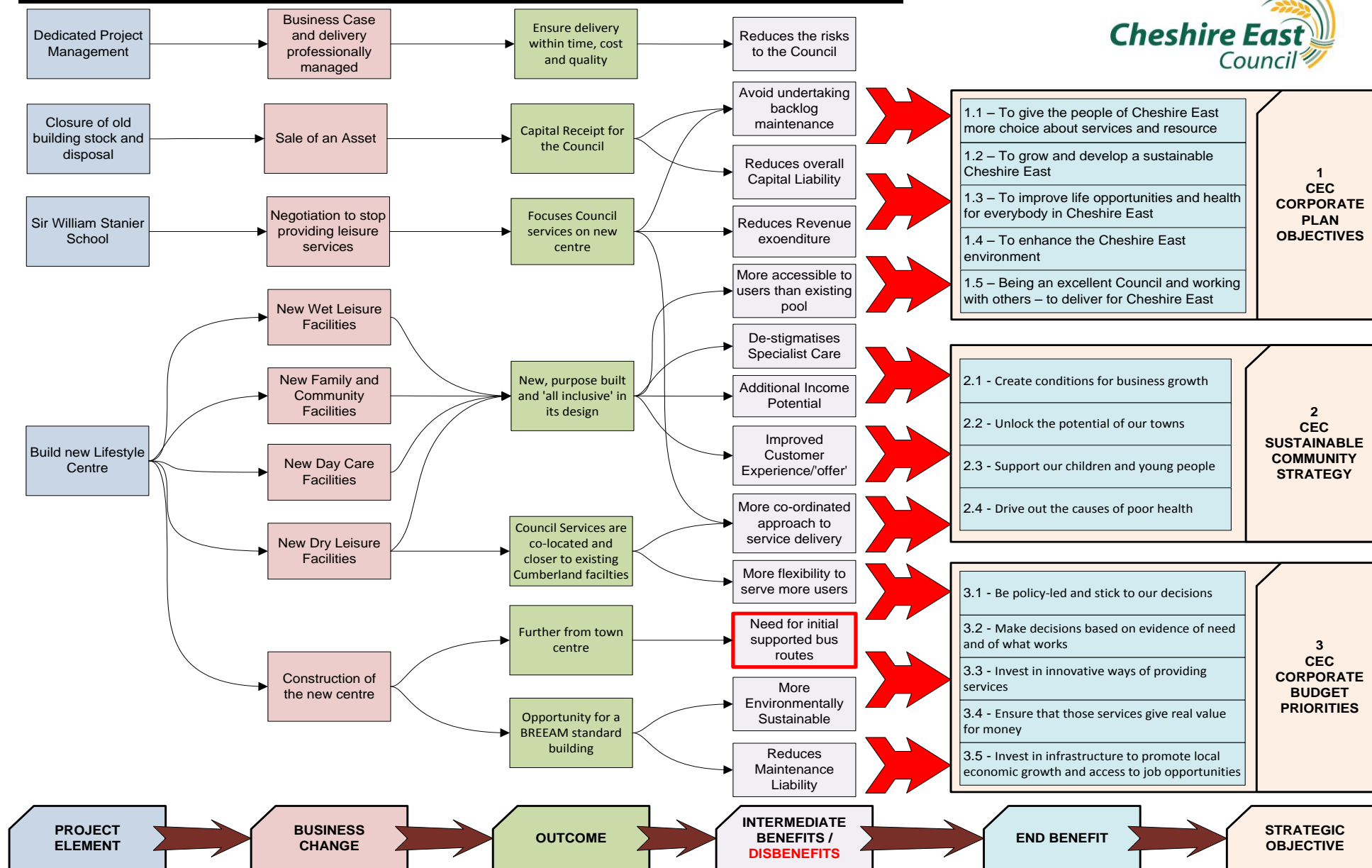
There are 10 principles underpinning good strategic budget decisions. The investment in this development supports many of these principles including:

- Be policy-led and stick to our decisions – This development delivers towards the new leisure strategy
- Make decisions based on evidence of need and of what works – this business case proves the financial model is self sustaining and our need to provide superior leisure facilities is defined in the new leisure strategy
- Invest in innovative ways of providing services – The lifestyle concept has been proven in other areas of the country
- Ensure that those services give real value for money – The new centre will be self financing and provide superior facilities to those currently available to the citizens of Crewe and the surrounding areas
- Invest in infrastructure to promote local economic growth and access to job opportunities – This development will provide job opportunities during construction.

Direct benefits as a result of the development

The following benefits map describes the key changes the business as a result of this development which will lead to be measured to ensure the development was a success.

CREWE LIFESTYLE CENTRE BENEFITS MAP



Benefits Measuring

It is important to ensure that the benefits are measured pre-project and measured after to ensure that the desired improvement has been accomplished. The section below demonstrates that the benefits could be measured and tracked.

Reduces the risks to the Council	<ul style="list-style-type: none"> The project is delivered on time, cost and quality and this is measured by the Project Management reports.
Avoid undertaking backlog maintenance	<ul style="list-style-type: none"> Assets are sold before items on maintenance log are committed to the maintenance programme.
Reduces overall Capital Liability	<ul style="list-style-type: none"> The overall capital liability of the council is lower as a result of disposals from this project.
Reduces Revenue expenditure	<ul style="list-style-type: none"> The new centre's net revenue impact to the council is less than the combined net revenue impact to the council of the services pre development.
More accessible to users than existing pool	<ul style="list-style-type: none"> User survey undertaken before and after.
De-stigmatises Specialist Care	<ul style="list-style-type: none"> Step change in attitude of non specialist care users leisure facilities via before and after surveys.
Additional Income Potential	<ul style="list-style-type: none"> Net income from the new development is more than the combined income from the services pre development
Improved Customer Experience/'offer'	<ul style="list-style-type: none"> Satisfaction surveys undertaken before and after the new development is operational
More co-ordinated approach to service delivery	<ul style="list-style-type: none"> Future policies adopted by the council incorporate new approaches to delivering joint services as a result of operations at the new development.
More flexibility to serve more users	<ul style="list-style-type: none"> An increase in the numbers of events/classes/at the new facilities compared to those that could be undertaken at the old centres.
Need for initial supported bus routes	<ul style="list-style-type: none"> The council adopts temporary bus subsidy to compensate for lack of commercial bus support as a result of the centres location.
More Environmentally Sustainable	<ul style="list-style-type: none"> The new development yields improved environmental measures as recorded by Assets, with reduced fuel consumption
Reduces Maintenance Liability	<ul style="list-style-type: none"> The required maintenance undertaken in the new building is less than the maintenance undertaken on the old assets.

Risks and Opportunities

Key Risks for 'acceptance' of the business case.

During the business case preparation meetings and subsequent outline consultation with enablers, the following highlights the three key risks at the time of writing the business case. A successful launch to the project will depend on each of these being satisfactorily mitigated.

- ALTERNATIVE SITES - No assessment has been made on alternative sites in Crewe including VCC site and KGV fields opposite Queens Park CAUSES objections to the location RESULTING IN reputational damage to the Council and missing a potentially better business case
 - *MITIGATION – Relevant studies to prove that there is not better location within Crewe*
- TRANSPORT LINKS - inadequate transport links means social care users require alternative transport CAUSING increased costs to CEC RESULTING IN a weakened Business Case
 - *MITIGATION – Relevant transport modelling developing network improvements to prove the site can cope. Discussions with transport operators on likely improvement to routes adjacent to the site. Possibly bus support in the short term until commercial market develops*
- CONSULTATION – no formal consultation with users of Cheshire East services nor the wider public has taken place CAUSING objections to changes (most likely adult care and libraries if included) RESULTING IN reputational damage to the Council and an invalid business case
 - *MITIGATION – The All Change for Crewe forum are used to strengthen public support for the concept, key service users are privately consulted and a road show advertising campaign is undertaken.*

Note that mitigation measures from the first two risks will strengthen the ability to achieve the third. A full list of risks at business case stage can be seen at Appendix 3.

Key Opportunities to be explored to strengthen the business case

There are a number of opportunities to be explored as the project develops but would need to be finalised before the design brief is awarded.

Strategic Management

- Grants are pursued and won that lower the overall cost of the project
- Agreement is made to re-invest the capital receipts as part of the invest to save

Additional income

- Social Care facilities to the public (those low level users who would not ordinarily qualify)
- Inclusion of spectator stands to allow paid events to take place
- Retail or Public Sector Office space (rentable) is included in the design
- Health partners extend services into the centre

Joint collaboration

- The Independent Living Centre which is currently planned for Eagle Bridge could be included in this development
- A sale is made in conjunction with the Fire Station increasing the relative value of Macon House
- As part of the 'All Change for Crewe' agenda and in approval of this development, there is the potential for the council to advocate and implement a wider review of the road infrastructure and to re-work the local road network (as a sister project)

Alternative Project Delivery Models

- The project could be the catalyst for a wider programme of delivery of the lifestyle concept using an asset holding vehicle or similar. The "Lifestyle Development Co." would work with a private strategic delivery partner who could gain tax benefits that the council can't claim.
- The chosen contractor as a strategic partner could then net the benefits above off the overall construction cost, offsetting the benefits reached by the private company into the building cost.
- However, a change in council direction (politically) during the delivery of the programme could be seen as the key risk to this. Also the central government rules governing this are changing in 2013 meaning the Asset Holding Vehicle, if not delivered soon would not deliver as many benefits as it can today.

Recommendations and Next Steps

This Business Case was discussed at the Lifestyle Project Board on Thursday 11 October 2012. It provides evidence that at this time, the recommended proposal to build a development at Crewe Cumberland is financially self sustaining based on the following assumptions:

- 10% Employee saving
- 30% Transport saving
- 7 % Services and Supplies saving
- No immediate increase in income but;
- 2% income growth
- 3% inflation

All the above assumes the risk of bus subsidy at £18-£50k is mitigated as a base revenue increase in the council's budget setting processes. Initial internal consultation also recommends that its location needs to be proven to be the best location on balance. It also proved that assets from Adults and Children's Services are required to balance the financial case viability and Ethel Elks and Hilary Centre are to be included in the recommended proposal.

The analysis also points out that the self sustaining recommended proposal can be strengthened by the council including receipts from the disposals and potential grant money giving the project a theoretical spending power of between £1.7-£2.2m while still maintaining NPV for the final asset. This could be pump primed into an alternative delivery model as suggested in the previous section of this report to 'kick start' other centres elsewhere in the Borough.

The following direction was given by the Board to strengthen the business case which will be incorporated into Version 2.

- A desktop site appraisal survey of Crewe is undertaken to confirm that on balance the Cumberland Arena site is the most suitable location for the development.
- The asset base under consideration should be extended in line with the emerging new Leisure Strategy to consider the disposal of leisure assets in other areas of the borough, to feed into discussions regarding this project as a catalyst for a programme of centres in other towns.
- The Business Case is strengthened to demonstrate that the development is beneficial to the demographics of Crewe. This detail was in the Outline Business Case for the concept by PwC and can be transferred into this report.
- We start dialogue with providers of grants to raise the profile of this development and work towards assurances on grant funding availability
- This business case is shared with public sector partners to encourage integration and the next report describes the likely commitment, even if we design for inclusion on site at a later date (Health partners, Police etc)

Version 2 of this business case expanded to include the above will be re-presented to the Project Board. It is expected that the financial case can be made self sustaining and when accepted, the next step is to progress through the Technical Enabler Group (paperwork in Appendix 4) and gain approval from the Executive Monitoring Board. With approval, the project should be initiated as outlined in the Programme Initiation Document previously tabled to the Project Board.

Appendices

Appendix 1

Crewe Lifestyle Centre – Business Case Preparation – Notes

Present: Lee Baumanis (Project Management)
David Laycock (representing Adults)
Jonathon Potter (Ethel Elks Family Centre)
Helen McGourlay (Project Accountant)
Peter Broughton (Assets Framework)
Paul Bayley (Customer Service/Libraries)
Lydia Rafferty (ICT)
Mark Wheelton (Leisure /Cultural)
Keith Pickerton (Leisure Facilities)
Pete Kelleher (Care4CE)

Service Requirements

Adults – Possibly Office Accommodation for Social Care Assessment and Independent Living Centre if Eaglebridge (another project) doesn't happen
Adults - ICT Suite
Adults – Specialist Equipment
Adults – Good Public Transport
Families – Separate reception for contact users
Families – Controlled access to manage risks to children/carers/family members (domestic Violence Relationships)
Cabinet Promises – New Youth Centre (Existing Youth Centre)
Cabinet promises – Specialist indoor athletics training facility (Athletics Club)
Leisure – a more flexible swimming pool with moveable floors and booms
Leisure – space to use for wider community uses i.e. wedding receptions, entertainment events
ICT – to move the core site (if moving Crewe Library is in the final design)

Wider Implications

Adults – Potential externalisation of Care4CE
Leisure – Future Delivery Models for Leisure facilities
Libraries – Already a desire to have a combined Heritage Centre/Library at Municipal Buildings

Benefits

Adults – De-stigmatises specialist care
Families – Better working environment
Leisure – a more flexible facility to serve more users
Leisure – Increased efficiencies through newer buildings and facilities
Leisure – More co-ordinated approach with other council services, new ways of working

Opportunities

Adults – New facility could be offered to market

ICT – could offer other public sector staff facilities via Public Sector Network

ICT – to house other public sector services like Fire Health and Police

Alternatives

Entire VCC site (Oakley, Meridith, Newgate)

Land Adjacent to Queens Park at KGV playing fields.

Funding Opportunities

Sports England

Lottery

Other Stakeholders

Environmental Health

Other Authorities (Police/Fire)

MMU

Sport England

Michael Jones

Kirstie Hercules

Appendix 2

Do minimum

Inflation	3.00%																								
Income	2%																								
Do minimum																									
Current	Years																								
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16	18	19	20	21	22	23	24	25
Total costs	1,913,408	1,970,810	2,029,935	2,090,833	2,153,558	2,218,164	2,284,709	2,353,250	2,423,848	2,496,563	2,571,460	2,648,604	2,728,062	2,809,904	2,894,201	2,981,027	3,070,458	3,162,572	3,257,449	3,355,173	3,455,828	3,559,503	3,666,288	3,776,276	3,889,565
Total Revenue	631,852	644,489	657,379	670,526	683,937	697,616	711,568	725,799	740,315	755,122	770,224	785,629	801,341	817,368	833,715	850,390	867,397	884,745	902,440	920,489	938,899	957,677	976,830	996,367	1,016,294
Net cost	1,281,556	1,326,321	1,372,556	1,420,306	1,469,621	1,520,549	1,573,141	1,627,451	1,683,533	1,741,442	1,801,236	1,862,976	1,926,721	1,992,536	2,060,486	2,130,638	2,203,061	2,277,827	2,355,009	2,434,683	2,516,929	2,601,826	2,689,457	2,779,909	2,873,270
New Build																									
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16	18	19	20	21	22	23	24	25
Total costs	1,587,982	1,635,622	1,684,690	1,735,231	1,787,288	1,840,907	1,896,134	1,953,018	2,011,609	2,071,957	2,134,115	2,198,139	2,264,083	2,332,006	2,401,966	2,474,025	2,548,246	2,624,693	2,703,434	2,784,537	2,868,073	2,954,115	3,042,738	3,134,021	3,228,041
Total Revenue	631,852	644,489	657,379	670,526	683,937	697,616	711,568	725,799	740,315	755,122	770,224	785,629	801,341	817,368	833,715	850,390	867,397	884,745	902,440	920,489	938,899	957,677	976,830	996,367	1,016,294
Net cost	956,130	991,133	1,027,312	1,064,705	1,103,351	1,143,291	1,184,566	1,227,219	1,271,293	1,316,835	1,363,891	1,412,510	1,462,742	1,514,638	1,568,250	1,623,635	1,680,848	1,739,948	1,800,993	1,864,048	1,929,174	1,996,438	2,065,908	2,137,654	2,211,747
Saving	-325,426	-335,188	-345,244	-355,601	-366,269	-377,258	-388,575	-400,233	-412,239	-424,607	-437,345	-450,465	-463,979	-477,899	-492,235	-507,003	-522,213	-537,879	-554,015	-570,636	-587,755	-605,388	-623,549	-642,256	-661,523
Total discounted saving	-11,864,780																								
Capital build costs	12,000,000																								
NPV	£3,981,863.28																								

Inflation	3.00%																								
Income	7.10% 2% inflation + growth for 3 years 2% after 3 years																								
Capital receipt year 5	£ 1,650,000.00 60% of capital value																								
Do minimum																									
Current	Years																								
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16	18	19	20	21	22	23	24	25
Total costs	1,913,408	1,970,810	2,029,935	2,090,833	2,153,558	2,218,164	2,284,709	2,353,250	2,423,848	2,496,563	2,571,460	2,648,604	2,728,062	2,809,904	2,894,201	2,981,027	3,070,458	3,162,572	3,257,449	3,355,173	3,455,828	3,559,503	3,666,288	3,776,276	3,889,565
Total Revenue	631,852	644,489	657,379	670,526	683,937	697,616	711,568	725,799	740,315	755,122	770,224	785,629	801,341	817,368	833,715	850,390	867,397	884,745	902,440	920,489	938,899	957,677	976,830	996,367	1,016,294
Net cost	1,281,556	1,326,321	1,372,556	1,420,306	1,469,621	1,520,549	1,573,141	1,627,451	1,683,533	1,741,442	1,801,236	1,862,976	1,926,721	1,992,536	2,060,486	2,130,638	2,203,061	2,277,827	2,355,009	2,434,683	2,516,929	2,601,826	2,689,457	2,779,909	2,873,270
New Build																									
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16	18	19	20	21	22	23	24	25
Total costs	1,587,982	1,635,622	1,684,690	1,735,231	1,787,288	1,840,907	1,896,134	1,953,018	2,011,609	2,071,957	2,134,115	2,198,139	2,264,083	2,332,006	2,401,966	2,474,025	2,548,246	2,624,693	2,703,434	2,784,537	2,868,073	2,954,115	3,042,738	3,134,021	3,228,041
Total Revenue	631,852	676,713	724,760	776,218	2,441,742	807,577	823,729	840,203	857,008	874,148	891,631	909,463	927,653	946,206	965,130	984,432	1,004,121	1,024,203	1,044,687	1,065,581	1,086,893	1,108,631	1,130,803	1,153,419	1,176,488
Net cost	956,130	958,908	959,930	959,013	-654,454	1,033,329	1,072,405	1,112,815	1,154,601	1,197,809	1,242,485	1,288,676	1,336,431	1,385,800	1,436,836	1,489,592	1,544,125	1,600,490	1,658,746	1,718,956	1,781,180	1,845,484	1,911,935	1,980,601	2,051,553
Saving	-325,426	-367,413	-412,625	-461,293	-2,124,075	-487,219	-500,736	-514,637	-528,932	-543,633	-558,751	-574,300	-590,291	-606,736	-623,650	-641,045	-658,936	-677,337	-696,263	-715,728	-735,749	-756,341	-777,522	-799,308	-821,717
Capital build costs	12,000,000																								
NPV	£696,728.74																								

Inflation	3.00%																									
Income	7.10% 2% inflation + growth for 3 years 2% after 3 years																									
Grant income year 1	£ 500,000.00																									
Capital receipt year 5	£ 1,650,000.00 60% of capital value																									
Do minimum																										
Current	Years																									
Running costs		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16	18	19	20	21	22	23	24	25
Total costs		1,913,408	1,970,810	2,029,935	2,090,833	2,153,558	2,218,164	2,284,709	2,353,250	2,423,848	2,496,563	2,571,460	2,648,604	2,728,062	2,809,904	2,894,201	2,981,027	3,070,458	3,162,572	3,257,449	3,355,173	3,455,828	3,559,503	3,666,288	3,776,276	3,889,565
Total Revenue		631,852	644,489	657,379	670,526	683,937	697,616	711,568	725,799	740,315	755,122	770,224	785,629	801,341	817,368	833,715	850,390	867,397	884,745	902,440	920,489	938,899	957,677	976,830	996,367	1,016,294
Net cost		1,281,556	1,326,321	1,372,556	1,420,306	1,469,621	1,520,549	1,573,141	1,627,451	1,683,533	1,741,442	1,801,236	1,862,976	1,926,721	1,992,536	2,060,486	2,130,638	2,203,061	2,277,827	2,355,009	2,434,683	2,516,929	2,601,826	2,689,457	2,779,909	2,873,270
New Build																										
Running costs		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16	18	19	20	21	22	23	24	25
Total costs		1,587,982	1,635,622	1,684,690	1,735,231	1,787,288	1,840,907	1,896,134	1,953,018	2,011,609	2,071,957	2,134,115	2,198,139	2,264,083	2,332,006	2,401,966	2,474,025	2,548,246	2,624,693	2,703,434	2,784,537	2,868,073	2,954,115	3,042,738	3,134,021	3,228,041
Total Revenue		1,131,852	676,713	724,760	776,218	2,441,742	807,577	823,729	840,203	857,008	874,148	891,631	909,463	927,653	946,206	965,130	984,432	1,004,121	1,024,203	1,044,687	1,065,581	1,086,893	1,108,631	1,130,803	1,153,419	1,176,488
Net cost		456,130	958,908	959,930	959,013	-654,454	1,033,329	1,072,405	1,112,815	1,154,601	1,197,809	1,242,485	1,288,676	1,336,431	1,385,800	1,436,836	1,489,592	1,544,125	1,600,490	1,658,746	1,718,956	1,781,180	1,845,484	1,911,935	1,980,601	2,051,553
Saving		-825,426	-367,413	-412,625	-461,293	-2,124,075	-487,219	-500,736	-514,637	-528,932	-543,633	-558,751	-574,300	-590,291	-606,736	-623,650	-641,045	-658,936	-677,337	-696,263	-715,728	-735,749	-756,341	-777,522	-799,308	-821,717
Capital build costs		12,000,000																								
NPV		E225,430.79																								

Do recommended proposal

Inflation	3.00%																								
Income	2%																								
Proposed																									
Current	Years																								
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs	2,845,578	2,930,945	3,018,874	3,109,440	3,202,723	3,298,805	3,397,769	3,499,702	3,604,693	3,712,834	3,824,219	3,938,945	4,057,114	4,178,827	4,304,192	4,433,318	4,566,317	4,703,307	4,844,406	4,989,738	5,139,430	5,293,613	5,452,422	5,615,994	5,784,474
Total Revenue	742,037	756,878	772,015	787,456	803,205	819,269	835,654	852,367	869,415	886,803	904,539	922,630	941,082	959,904	979,102	998,684	1,018,658	1,039,031	1,059,812	1,081,008	1,102,628	1,124,681	1,147,174	1,170,118	1,193,520
Net cost	2,103,541	2,174,068	2,246,858	2,321,984	2,399,518	2,479,536	2,562,115	2,647,335	2,735,278	2,826,031	2,919,680	3,016,316	3,116,031	3,218,923	3,325,090	3,434,634	3,547,660	3,664,276	3,784,595	3,908,730	4,036,802	4,168,933	4,305,248	4,445,877	4,590,954
New Build																									
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs	2,317,011	2,386,522	2,458,117	2,531,861	2,607,817	2,686,051	2,766,633	2,849,632	2,935,120	3,023,174	3,113,869	3,207,285	3,303,504	3,402,609	3,504,687	3,609,828	3,718,123	3,829,666	3,944,556	4,062,893	4,184,780	4,310,323	4,439,633	4,572,822	4,710,007
Total Revenue	742,037	756,878	772,015	787,456	803,205	819,269	835,654	852,367	869,415	886,803	904,539	922,630	941,082	959,904	979,102	998,684	1,018,658	1,039,031	1,059,812	1,081,008	1,102,628	1,124,681	1,147,174	1,170,118	1,193,520
Net cost	1,574,974	1,629,644	1,686,102	1,744,405	1,804,612	1,866,782	1,930,978	1,997,264	2,065,706	2,136,371	2,209,330	2,284,656	2,362,422	2,442,705	2,525,585	2,611,144	2,699,465	2,790,636	2,884,745	2,981,885	3,082,152	3,185,643	3,292,459	3,402,704	3,516,487
Saving	-528,567	-544,424	-560,757	-577,579	-594,907	-612,754	-631,136	-650,071	-669,573	-689,660	-710,350	-731,660	-753,610	-776,218	-799,505	-823,490	-848,195	-873,640	-899,850	-926,845	-954,650	-983,290	#####	#####	#####
Capital build costs	12,800,000																								
NPV	-£28,438.35																								

Inflation	3.00%																								
Income	2%																								
Capital receipt year	£ 2,000,000.00	60% of capital value																							
Proposed																									
Current	Years																								
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs	2,845,578	2,930,945	3,018,874	3,109,440	3,202,723	3,298,805	3,397,769	3,499,702	3,604,693	3,712,834	3,824,219	3,938,945	4,057,114	4,178,827	4,304,192	4,433,318	4,566,317	4,703,307	4,844,406	4,989,738	5,139,430	5,293,613	5,452,422	5,615,994	5,784,474
Total Revenue	742,037	756,878	772,015	787,456	803,205	819,269	835,654	852,367	869,415	886,803	904,539	922,630	941,082	959,904	979,102	998,684	1,018,658	1,039,031	1,059,812	1,081,008	1,102,628	1,124,681	1,147,174	1,170,118	1,193,520
Net cost	2,103,541	2,174,068	2,246,858	2,321,984	2,399,518	2,479,536	2,562,115	2,647,335	2,735,278	2,826,031	2,919,680	3,016,316	3,116,031	3,218,923	3,325,090	3,434,634	3,547,660	3,664,276	3,784,595	3,908,730	4,036,802	4,168,933	4,305,248	4,445,877	4,590,954
New Build																									
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs	2,317,011	2,386,522	2,458,117	2,531,861	2,607,817	2,686,051	2,766,633	2,849,632	2,935,120	3,023,174	3,113,869	3,207,285	3,303,504	3,402,609	3,504,687	3,609,828	3,718,123	3,829,666	3,944,556	4,062,893	4,184,780	4,310,323	4,439,633	4,572,822	4,710,007
Total Revenue	742,037	756,878	772,015	787,456	2,803,205	819,269	835,654	852,367	869,415	886,803	904,539	922,630	941,082	959,904	979,102	998,684	1,018,658	1,039,031	1,059,812	1,081,008	1,102,628	1,124,681	1,147,174	1,170,118	1,193,520
Net cost	1,574,974	1,629,644	1,686,102	1,744,405	-195,388	1,866,782	1,930,978	1,997,264	2,065,706	2,136,371	2,209,330	2,284,656	2,362,422	2,442,705	2,525,585	2,611,144	2,699,465	2,790,636	2,884,745	2,981,885	3,082,152	3,185,643	3,292,459	3,402,704	3,516,487
Saving	-528,567	-544,424	-560,757	-577,579	-2,594,907	-612,754	-631,136	-650,071	-669,573	-689,660	-710,350	-731,660	-753,610	-776,218	-799,505	-823,490	-848,195	-873,640	-899,850	-926,845	-954,650	-983,290	#####	#####	#####
Capital build costs	12,800,000																								
NPV	-£1,703,406.87																								

Inflation	3.00%																								
Income	2%																								
Grant income year	£	500,000.00																							
Capital receipt year	£	2,000,000.00																							
	60% of capital value																								
Proposed																									
Current	Years																								
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs	2,845,578	2,930,945	3,018,874	3,109,440	3,202,723	3,298,805	3,397,769	3,499,702	3,604,693	3,712,834	3,824,219	3,938,945	4,057,114	4,178,827	4,304,192	4,433,318	4,566,317	4,703,307	4,844,406	4,989,738	5,139,430	5,293,613	5,452,422	5,615,994	5,784,474
Total Revenue	742,037	756,878	772,015	787,456	803,205	819,269	835,654	852,367	869,415	886,803	904,539	922,630	941,082	959,904	979,102	998,684	1,018,658	1,039,031	1,059,812	1,081,008	1,102,628	1,124,681	1,147,174	1,170,118	1,193,520
Net cost	2,103,541	2,174,068	2,246,858	2,321,984	2,399,518	2,479,536	2,562,115	2,647,335	2,735,278	2,826,031	2,919,680	3,016,316	3,116,031	3,218,923	3,325,090	3,434,634	3,547,660	3,664,276	3,784,595	3,908,730	4,036,802	4,168,933	4,305,248	4,445,877	4,590,954
New Build																									
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs	2,317,011	2,386,522	2,458,117	2,531,861	2,607,817	2,686,051	2,766,633	2,849,632	2,935,120	3,023,174	3,113,869	3,207,285	3,303,504	3,402,609	3,504,687	3,609,828	3,718,123	3,829,666	3,944,556	4,062,893	4,184,780	4,310,323	4,439,633	4,572,822	4,710,007
Total Revenue	1,242,037	756,878	772,015	787,456	2,803,205	819,269	835,654	852,367	869,415	886,803	904,539	922,630	941,082	959,904	979,102	998,684	1,018,658	1,039,031	1,059,812	1,081,008	1,102,628	1,124,681	1,147,174	1,170,118	1,193,520
Net cost	1,074,974	1,629,644	1,686,102	1,744,405	-195,388	1,866,782	1,930,978	1,997,264	2,065,706	2,136,371	2,209,330	2,284,656	2,362,422	2,442,705	2,525,585	2,611,144	2,699,465	2,790,636	2,884,745	2,981,885	3,082,152	3,185,643	3,292,459	3,402,704	3,516,487
Saving	-1,028,567	-544,424	-560,757	-577,579	-2,594,907	-612,754	-631,136	-650,071	-669,573	-689,660	-710,350	-731,660	-753,610	-776,218	-799,505	-823,490	-848,195	-873,640	-899,850	-926,845	-954,650	-983,290	#####	#####	#####
Capital build costs	12,800,000																								
NPV	-£2,174,704.82																								


Do more proposal

Inflation	3.00%																									
Income	2%																									
Do more																										
Current	Years																									
Running costs		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs		3,332,787	3,432,771	3,535,754	3,641,826	3,751,081	3,863,614	3,979,522	4,098,908	4,221,875	4,348,531	4,478,987	4,613,357	4,751,757	4,894,310	5,041,139	5,192,374	5,348,145	5,508,589	5,673,847	5,844,062	6,019,384	6,199,966	6,385,965	6,577,543	6,774,870
Total Revenue		800,279	816,285	832,610	849,262	866,248	883,573	901,244	919,269	937,654	956,407	975,536	995,046	1,014,947	1,035,246	1,055,951	1,077,070	1,098,612	1,120,584	1,142,995	1,165,855	1,189,172	1,212,956	1,237,215	1,261,959	1,287,199
Net cost		2,532,508	2,616,486	2,703,143	2,792,564	2,884,833	2,980,041	3,078,278	3,179,639	3,284,220	3,392,124	3,503,451	3,618,310	3,736,810	3,859,064	3,985,188	4,115,303	4,249,533	4,388,005	4,530,851	4,678,207	4,830,212	4,987,010	5,148,749	5,315,584	5,487,671
New Build																										
Running costs		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs		2,704,792	2,785,935	2,869,513	2,955,599	3,044,267	3,135,595	3,229,663	3,326,553	3,426,349	3,529,140	3,635,014	3,744,064	3,856,386	3,972,078	4,091,240	4,213,977	4,340,396	4,470,608	4,604,727	4,742,868	4,885,154	5,031,709	5,182,660	5,338,140	5,498,284
Total Revenue		800,279	816,285	832,610	849,262	866,248	883,573	901,244	919,269	937,654	956,407	975,536	995,046	1,014,947	1,035,246	1,055,951	1,077,070	1,098,612	1,120,584	1,142,995	1,165,855	1,189,172	1,212,956	1,237,215	1,261,959	1,287,199
Net cost		1,904,513	1,969,651	2,036,903	2,106,336	2,178,019	2,252,022	2,328,418	2,407,283	2,488,695	2,572,732	2,659,478	2,749,018	2,841,439	2,936,831	3,035,289	3,136,907	3,241,785	3,350,025	3,461,731	3,577,013	3,695,982	3,818,753	3,945,445	4,076,181	4,211,086
Saving	🔴	-627,995	-646,835	-666,240	-686,228	-706,814	-728,019	-749,859	-772,355	-795,526	-819,392	-843,973	-869,293	-895,371	-922,232	-949,899	-978,396	#####	#####	#####	#####	#####	#####	#####	#####	#####
Capital build costs		14,185,000																								
NPV		-£1,026,802.71																								

Inflation	3.00%																								
Income	2%																								
Capital receipt year 5	2,000,000	60% of capital value excluding the library																							
Do more																									
Current	Years																								
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs	3,332,787	3,432,771	3,535,754	3,641,826	3,751,081	3,863,614	3,979,522	4,098,908	4,221,875	4,348,531	4,478,987	4,613,357	4,751,757	4,894,310	5,041,139	5,192,374	5,348,145	5,508,589	5,673,847	5,844,062	6,019,384	6,199,966	6,385,965	6,577,543	6,774,870
Total Revenue	800,279	816,285	832,610	849,262	866,248	883,573	901,244	919,269	937,654	956,407	975,536	995,046	1,014,947	1,035,246	1,055,951	1,077,070	1,098,612	1,120,584	1,142,995	1,165,855	1,189,172	1,212,956	1,237,215	1,261,959	1,287,199
Net cost	2,532,508	2,616,486	2,703,143	2,792,564	2,884,833	2,980,041	3,078,278	3,179,639	3,284,220	3,392,124	3,503,451	3,618,310	3,736,810	3,859,064	3,985,188	4,115,303	4,249,533	4,388,005	4,530,851	4,678,207	4,830,212	4,987,010	5,148,749	5,315,584	5,487,671
New Build																									
Running costs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs	2,704,792	2,785,935	2,869,513	2,955,599	3,044,267	3,135,595	3,229,663	3,326,553	3,426,349	3,529,140	3,635,014	3,744,064	3,856,386	3,972,078	4,091,240	4,213,977	4,340,396	4,470,608	4,604,727	4,742,868	4,885,154	5,031,709	5,182,660	5,338,140	5,498,284
Total Revenue	800,279	816,285	832,610	849,262	2,866,248	883,573	901,244	919,269	937,654	956,407	975,536	995,046	1,014,947	1,035,246	1,055,951	1,077,070	1,098,612	1,120,584	1,142,995	1,165,855	1,189,172	1,212,956	1,237,215	1,261,959	1,287,199
Net cost	1,904,513	1,969,651	2,036,903	2,106,336	178,019	2,252,022	2,328,418	2,407,283	2,488,695	2,572,732	2,659,478	2,749,018	2,841,439	2,936,831	3,035,289	3,136,907	3,241,785	3,350,025	3,461,731	3,577,013	3,695,982	3,818,753	3,945,445	4,076,181	4,211,086
Saving	-627,995	-646,835	-666,240	-686,228	-2,706,814	-728,019	-749,859	-772,355	-795,526	-819,392	-843,973	-869,293	-895,371	-922,232	-949,899	-978,396	#####	#####	#####	#####	#####	#####	#####	#####	#####
Capital build costs	14,185,000																								
NPV	-£2,701,771.23																								

Inflation	3.00%																									
Income	2%																									
Grant income year 1	£	500,000.00																								
Capital receipt year 5	2,000,000																									
Do more																										
Current	Years																									
Running costs		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs		3,332,787	3,432,771	3,535,754	3,641,826	3,751,081	3,863,614	3,979,522	4,098,908	4,221,875	4,348,531	4,478,987	4,613,357	4,751,757	4,894,310	5,041,139	5,192,374	5,348,145	5,508,589	5,673,847	5,844,062	6,019,384	6,199,966	6,385,965	6,577,543	6,774,870
Total Revenue		800,279	816,285	832,610	849,262	866,248	883,573	901,244	919,269	937,654	956,407	975,536	995,046	1,014,947	1,035,246	1,055,951	1,077,070	1,098,612	1,120,584	1,142,995	1,165,855	1,189,172	1,212,956	1,237,215	1,261,959	1,287,199
Net cost		2,532,508	2,616,486	2,703,143	2,792,564	2,884,833	2,980,041	3,078,278	3,179,639	3,284,220	3,392,124	3,503,451	3,618,310	3,736,810	3,859,064	3,985,188	4,115,303	4,249,533	4,388,005	4,530,851	4,678,207	4,830,212	4,987,010	5,148,749	5,315,584	5,487,671
New Build																										
Running costs		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	17	18	19	20	21	22	23	24	25
Total costs		2,704,792	2,785,935	2,869,513	2,955,599	3,044,267	3,135,595	3,229,663	3,326,553	3,426,349	3,529,140	3,635,014	3,744,064	3,856,386	3,972,078	4,091,240	4,213,977	4,340,396	4,470,608	4,604,727	4,742,868	4,885,154	5,031,709	5,182,660	5,338,140	5,498,284
Total Revenue		1,300,279	816,285	832,610	849,262	2,866,248	883,573	901,244	919,269	937,654	956,407	975,536	995,046	1,014,947	1,035,246	1,055,951	1,077,070	1,098,612	1,120,584	1,142,995	1,165,855	1,189,172	1,212,956	1,237,215	1,261,959	1,287,199
Net cost		1,404,513	1,969,651	2,036,903	2,106,336	178,019	2,252,022	2,328,418	2,407,283	2,488,695	2,572,732	2,659,478	2,749,018	2,841,439	2,936,831	3,035,289	3,136,907	3,241,785	3,350,025	3,461,731	3,577,013	3,695,982	3,818,753	3,945,445	4,076,181	4,211,086
Saving		-1,127,995	-646,835	-666,240	-686,228	-2,706,814	-728,019	-749,859	-772,355	-795,526	-819,392	-843,973	-869,293	-895,371	-922,232	-949,899	-978,396	#####	#####	#####	#####	#####	#####	#####	#####	#####
Capital build costs		14,185,000																								
NPV	-£3,173,069.18																									

Appendix 3

<div>  <div> <div>Project:</div> <div>Crewe Cumberland Lifestyle Centre</div> </div> </div>									
Log ID	Issue Type	Risk Type	Other Type	Raised By	Date Raised	Description and notes	Significance	Statu	Potential Actions
1		Political	Quality	David Laycock	13/09/2012	CONSULTATION - No formal public consultation on the project CAUSES objections to Adult Care changes RESULTING IN reputation damage to the Council and an invalid business case	9	Open	A consultation could take place asking what the public would like to see in the new centre which could be used in the brief for detailed design. Leisure Customers have been made aware of the scheme, Adults and Children's Customers haven't yet been consulted.
2		Social	Staffing	David Laycock	13/09/2012	EXTERNALISATION OF SERVICES - Services to be incorporated in the new centre are externalised (Leisure & Culture, Careforce, building cleaning) CAUSING unforeseen issues arising to the project RESULTING IN a capability that is not fit for purpose	3	Open	Though not directly related to the project, the outcomes of potential externalisations should be monitored to ensure the benefits of this project are not compromised.
3		Economic	Opportunity	David Laycock	13/09/2012	NEW INCOME - CEBC offer new social care facilities to the market (low level users who don't qualify for support) CAUSING a new income stream RESULTING IN increased revenue	5	Open	Should be looked at in detailed design
4		Economic	Opportunity	David Laycock	13/09/2012	NEW INCOME - The centre has spectator facilities and charges CAUSING a new income stream RESULTING IN increased revenue	5	Open	Should be looked at in detailed design
5		Economic	Opportunity	David Laycock	13/09/2012	NEW INCOME - The centre has retail facilities and charges rent CAUSING a new income stream RESULTING IN increased revenue	5	Open	Should be looked at in detailed design
6		Social	Quality	Jonathon Potter	13/09/2012	CONFLICT IN USERS - CEBC 'family centres' are not functioning as nationally understood 'family centres' and actually the primary purpose of Ethel Elks in its 'contact' function may not compatible with other users of the Cumberland centre CAUSING a negative perception when civil unrest occurs RESULTING IN reputational damage to the Council	8	Open	It is considered that careful design should be able to mitigate any issues that may arise. The migration of services will release significant capital to the council and reduce running costs and back log maintenance.
7		Economic	Quality	Jonathon Potter	13/09/2012	TRANSPORT LINKS - inadequate transport links means social care users require alternative transport CAUSING increased costs to CEBC RESULTING IN a weakened Business Case	9	Open	A transport study to prove the transport links are possible
8		Economic	Quality	Jonathon Potter	13/09/2012	BUSINESS CASE REVENUE SAVINGS - Family have identified early that a separate reception will be needed for contact users CAUSING no savings in staffing receptions RESULTING IN a weakened business case	3	Open	This business case doesn't include a saving on staff unlike the original PWC report until the risk has been designed out and we know what saving could be made.
9		Legal	Scheduling	Keith Pickton	13/09/2012	STATUTORY PERMISSIONS - The Project fails to achieve planning or other statutory permissions for the new centre CAUSING no permission to build RESULTING IN stopping the project	3	Open	The Business Case includes a statement from Planning on the viability of the project
10		Techno	Monetary	Keith Pickton	13/09/2012	GROUND CONDITIONS - Adverse ground conditions CAUSE increased cost RESULTING IN a weakened Business Case	3	Open	The detailed design should be based on a detailed land survey first before the council commit to construction.
11		Economic	Monetary	Keith Pickton	13/09/2012	FINANCIAL MODELLING - The Revenue Savings only show running costs CAUSING an incomplete model (missing income) RESULTING in a weaker Business Case	5	Closed	The PWC model has been improved with up to date figures and compares net operating revenue costs before and after the change
12		Political	Quality	Keith Pickton	13/09/2012	ALTERNATIVE SITES - No assessment has been made on alternative sites in Crewe including VCC site and KGV fields opposite Queens Park CAUSES objections to the location RESULTING IN reputation damage to the Council and missing a potentially better business case	9	Open	Regeneration have suggested some alternative sites that could be investigated. Traffic management and transport solutions would validate the Cumberland site once mitigated through the detailed design
13		Techno	Quality	Lydia Rafferty	13/09/2012	CREWE LIBRARY - Houses an ICT Core site and moving the library CAUSES this to be moved also RESULTING IN additional costs	3	Open	This can be moved if the library was included. Regeneration support the library inclusion however the spatial planning team would prefer it more centrally located
14		Economic	Monetary	Mark Wheelton	13/09/2012	JOINT USE LEGAL AGREEMENTS - The agreements with Sir William Stanier may not allow a suitable transfer CAUSING the inability to include savings figures in the business case RESULTING IN a weakened business case	4	Open	At worse case 2018 is when the council will be seen to have discharged its responsibilities. Negotiation could and should bring this date forward so the revenue saving can be included in the payback
15		Political	Quality	Paul Bayley	13/09/2012	CREWE LIBRARY - Public Opposition Groups to libraries moving CAUSES negative publicity RESULTING IN reputational damage	6	Open	Consultation with the public and maybe a offer to provide a bigger library with extra facilities.
16		Political		Paul Bayley	13/09/2012	POLITICAL APPETITE - Politicians do not have the appetite to implement the lifestyle concept in a manner aggressive enough to ensure a financial business case CAUSES increased short term costs to the council RESULTING IN a weakened business case	4	Open	Currently the business case is self financing and so this is not a likely risk, but politicians should still be united in terms of comms message to the public.
17		Economic	Monetary	Helen McGourlay	13/09/2012	CAPITAL RECEIPTS NOT REALISED - Buildings due to sale do not sale as fast as expected CAUSING the overall cashflow to slip RESULTING in increased short term cost pressures for the Council	4	Open	Currently the business case is self financing and highlights the improved scenario if capital receipts could be realised soon after the new centre is operational
18		Economic	Opportunity	Lee Baumanis	21/09/2012	FIRE STATION SALE- There is discussion to find a new site for Crewe Fire Station. This would mean the whole corner plot including the sale of Macon House could take place and we could potentially get more value from Macon House sale.	7	Action Pending	There are meetings underway in CEC and Arthur/Caroline can motivate a positive outcome.
19		Techno	Opportunity	Peter Hartwell	09/10/2012	RESOLVE LOCAL TRAFFIC CONGESTION - There is the potential for the council to advocate and implement a wider review of the road infrastructure and to re-work the local road network (as a sister project)	4	Open	This could be looked at during the transport study
20		Political		Lee Baumanis	09/10/2012	ICONIC CENTRE IN FRODSHAM - similar centre in Frodsham	4	Open	There are media stories of Cheshire West and Chester designing a similar centre that may be in competition for funding off the back of the Olympics

Appendix 4

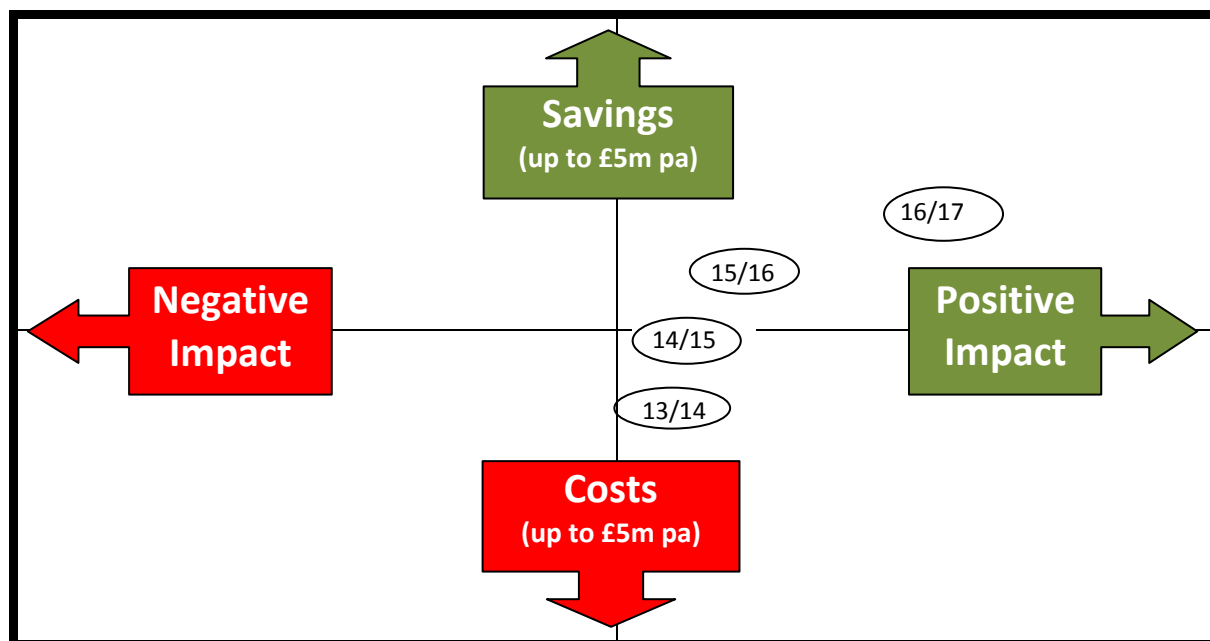
Business Planning Process 2013/2016

Template for Task Group Outputs ~ August and September

Scope/Issue should be determined by Cabinet in light of the priorities necessary to make progress towards the Council's vision. The Task Groups should put forward options capable of delivering a practical response to the issues.

Title:	Identify the title of the Review		
Scope/Issue	Set out the area/issue being examined, this should link into the corporate goals and will have been agreed at the Cabinet Visioning day		
	Method	Findings	Options
	How the issue was approached and how were options determined? (for example what supporting material, data sources, contacts were used and how did this build a picture of the issue being reviewed)	What are the key messages related to the Issue being considered? (for example increasing demand for service of xx%, reducing income of £xxx)	What choices have been identified and how is each one being addressed?
Feedback from Cabinet Visioning day	<i>This should included a summary of the discussion including the preferred Projects/Options</i>		
Date:	<i>Enter the date of this report.</i>	Lead Officer	
		Completed by:	

1. Revenue Budget outcomes ~ intention to show impact across years.



2. Capital Programme outcomes ~ intention to highlight Capital requirement with funding and capacity constraints matrix (see below)

	Year 1				Year 2				Year 3			
	Apr-Sep		Oct - Mar		Apr-Sep		Oct - Mar		Apr-Sep		Oct - Mar	
	£m	Cap	£m	Cap	£m	Cap	£m	Cap	£m	Cap	£m	Cap
Costs & Activity												
Project One	x.xx	3	x.xx	3	x.xx	2	x.xx	1				
Project Two			x.xx	1	x.xx	3			x.xx	2		
Project Three	x.xx	0										
Programme Total	x.xx	3	x.xx	4	x.xx	5	x.xx	1	x.xx	3	x.xx	1
Funding												
Borrowing	x.xx				x.xx		x.xx		x.xx		x.xx	
Grants	x.xx											
Receipts			x.xx		x.xx		x.xx					
Total Funding	x.xx		x.xx		x.xx		x.xx		x.xx		x.xx	

Resource Requirements

Score	Resource	Typical Features
	Description ¹	
4	Very Large	Very high resource requirements which may include full project structure, partner involvement, research, procurement and contract operation. Likely to include very senior monitoring arrangements, capitalisation of salary costs and significant cross cutting arrangements (such as Legal/HR/Procurement/ICT/Assets).
3	Significant	High resource requirements. Project structure required and likely to involve capitalisation of staff costs. Elements of cross cutting dependencies expected

(such as Legal/HR/Procurement/ICT/Assets).

2	Medium²	Project structure required to maintain progress, however delivery is fairly typical of workload for the teams involved, even cross cutting team involvement is typical.
1	Small²	Low levels of requirement to support, unlikely to have significant project structure or dedicated resource. Usually restricted to single team operations.
0	Non-material	Project can be managed as part of the day-job, with very limited resource impact.

Option 1 Please provide a title or concise description of the option.

(One form must be completed for each option or project been considered)

Details Please provide details of the option.

Impact *Describe the impact / non-financial benefits you are forecasting to deliver?*

(for example: Improved reputation/Customer perception/Staff morale) this should also include HR implications e.g., Redundancy/redeployment and number effected

Equalities Impact Has an initial screening or a full Equality Impact Assessment been undertaken? If not please say when this will be completed.

(It is vital that EIAs are undertaken for all proposed service or policy changes in advance of a decision being made)

Impact on Sub themes Please identify any impact on other areas such as Customer Service, Local Service Delivery/Community Involvement, fees & charges.

Risks Please identify any risk with this option and potential mitigation.

High-Level Plan *Please provide a 'High-level' 'End to End' delivery plan in the form of a 1-page chart? (See worked example)*

**Your plan should include the key phases of delivery and key milestones. For*

a Project, this should include the key phases of the project. For a 'Programme' this should show when the projects will be delivered?

Revenue (Financial Benefits) :		Current £000's	Proposed Change +/- in £000's			<i>Describe the 'High-level' financial benefits you are forecasting to deliver as a direct result of your Project/Programme (e.g. Increased income/Reduced staffing costs/Reduced infrastructure costs etc.)</i>
	Proposal Breakdown	2012/13 Budget	2013/14	2014/15	2015/16	
	Expenditure					
	Income					
	Net Change					

Resources Please set out in the table below an indication of the physical resources you will need to deliver your Project/Programme?
(inc. enablers)

Resource	Required?		Comment from Relevant Corporate Service Manager (for example: require additional expertise, can manage within existing capacity)
<i>Project Management</i>	<i>Yes</i>	<i>No</i>	
<i>ICT</i>	<i>Yes</i>	<i>No</i>	
<i>HR</i>	<i>Yes</i>	<i>No</i>	
<i>Communications</i>	<i>Yes</i>	<i>No</i>	
<i>Planning</i>	<i>Yes</i>	<i>No</i>	
<i>*Planning permission</i>	<i>Yes</i>	<i>No</i>	
<i>Procurement</i>	<i>Yes</i>	<i>No</i>	
<i>Legal</i>	<i>Yes</i>	<i>No</i>	
<i>Assets</i>	<i>Yes</i>	<i>No</i>	
<i>Finance</i>	<i>Yes</i>	<i>No</i>	
<i>Health and Safety</i>	<i>Yes</i>	<i>No</i>	
<i>Risk Management</i>	<i>Yes</i>	<i>No</i>	
<i>Environmental Health</i>	<i>Yes</i>	<i>No</i>	
<i>Highways</i>	<i>Yes</i>	<i>No</i>	
<i>Other:- please specify</i>	<i>Yes</i>	<i>No</i>	

*Including pre-application advice and Planning permission. Includ

Program If your proposal is a 'Programme' (i.e. a large-scale collection of linked projects to deliver a major corporate objective), please list all the individual projects contained within the programme
me
elements?

(Programmes only)

Governance Please describe the Project/Programme Governance you intend to set up to give direction and take key decisions? You should provide a diagram illustrating this? (See worked example)

You should, at very least indicate who is the Senior Responsible Officer (SRO) with overall accountability, the Project Manager and Project team roles.

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